



P.R. Quinlan
Intelligence, Analysis, Advocacy

Policy Migration: Trends in Other Markets That May Impact the Mid-Atlantic Region

Mid-Atlantic Solar Energy Industries
Association (MSEIA)

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Who Is P.R. Quinlan?

- P.R. Quinlan helps organizations to understand and to respond successfully to public policy challenges and opportunities.
- We work extensively in the energy space, including solar and other renewable sectors as well as competitive retail energy (both natural gas and electricity).
- Based in Washington, D.C.

Overview

- P.R. Quinlan introduction
- Key policy trends in other markets
 - Community Solar
 - Net Metering
 - Grid Transformation
 - Clean Energy Standard (NY)
- Conclusion

Community Solar

- The solar topic *du jour* in many markets.
- Pilot programs set to launch in Connecticut and Maryland which will provide real-world experience on implementation.
- Struggle in New York to figure out low-income issue.
- Legislation introduced in IL, MI, NJ, NY, RI that could be reconsidered or reintroduced in 2017.
- Trends: utility influence and control over projects; credit valuation changes; policymaker emphasis on serving low-income populations.

Community Solar

Issue	Connecticut	Maryland
Size / Capacity Limits	<p>Project: 100kW – 2 MW</p> <p>State: 4MW at Eversource, 2MW at CL&P</p> <p>10 subscribers minimum</p> <p>100% of customer’s annual usage limit, 1 subscription per customer.</p>	<p>Project: up to 2 MW, with carve-out for <500kW</p> <p>State: 1.5% of 2015 peak demand, over 3-year pilot</p> <p>Up to 350 customers</p> <p>200% of customer’s annual usage limit, can have multiple subscriptions up to that limit</p>
Credit Value / Delivery	<p>Monetary credit from utility or subscriber organization</p> <p>Bid purchase price, inclusive of energy and RECs</p>	<p>Utility can choose monetary or volumetric credit</p> <p>Retail rate (supplier or default service rate, or avoided cost)</p> <p>Subscriber org owns RECs</p>

Community Solar

Issue	Connecticut	Maryland
LMI Participation	20% minimum per project	30% of program capacity set side for LMI
Term	20 year project term	25 year project term Pilot program terminates after 3 years, approved projects continue but future projects will depend upon regulatory and legislative action

Net Metering

- As solar deployment increases and state net metering caps are neared or reached, many utilities and some policymakers pushing changes to credit values.
- Battles fought or underway in MA, NH, and VT, among others.
- Trends: transition from retail valuation to wholesale valuation; compromises through “grandfathering” clauses; fixed charges for customer-generators.

Net Metering

State	Future Value of NM Credit	Grandfathering
ME <i>Proposed</i>	<p>Percentage of distribution side of bill that is “nettable” would decline for new projects each year until zeroed out in 2025</p> <p>2025 credit value = 1/2 current value</p>	<p>Existing customers would be grandfathered in for 15 years</p>
MA <i>In Force</i>	<p>New “market net metering credit” based on the ISO-NE clearing price for a particular zone (<i>i.e., wholesale price rather than retail rate</i>).</p> <p>Utilities may propose for DPU approval a fixed rate monthly fee (“reliability contribution”) for net metering customers.</p>	<p>Existing customers grandfathered in for 15 years</p> <p>Reliability contribution may be waived by DPU for low-income customers, existing net metered customers (through 2020)</p>

Net Metering

State	Future Value of NM Credit	Grandfathering
VT <i>In Force</i>	<p>Residential retail rate + REC adjustor + siting adjustor</p> <p>REC adjustor = \$0.03 / kWh for customers that transfer RECs to utility; -\$0.03 / kWh for customers who don't.</p> <p>Siting adjustor = varies based on project size, location, environmental impact</p>	<p>Customers that began net metering before 1/1/17 are grandfathered into the current rules.</p> <p>Pre-existing customers can apply net metering credits to T&D portion of utility bill for 10 years</p>

Grid Transformation

- Changes considered beyond smart meter deployment to advanced control technology to integrate and dispatch renewable resources and energy storage.
- The REV proceeding in NY is the most comprehensive proceeding to date, but proceedings open or pending in DC, MD, MA, NH, and RI.
- Trends: Microgrids and decentralization; utility role evolving into “platform” provider; third-party ownership of DG; third party access to customer data.

Reforming the Energy Vision



Clean Energy Standard (NY)

- NYPSC adopted Clean Energy Standard on August 1, 2016
- Goal is to reach 50% renewables by 2030
- RECs can be purchased from NYSERDA, bilateral contracts, or from the (developing) NY REC market
 - Eligible RECs must accompany electricity sourced from NYISO control area or sourced from facilities able to deliver into NYISO control area
- Includes “ZECs” – designed to provide financing to existing nuclear power plants in New York

Conclusion

- We welcome MSEIA members to sign up to our free Monthly State Solar Intelligence Newsletter. See the latest newsletter [here](#).
- For questions and to learn more and PRQ, please contact Frank Caliva at: frankcaliva@prquinlan.com