

The Delaware Renewable Energy Taskforce Meeting

Delaware Energy Office

1203 College Park Drive, Suite 101, Dover, DE 19904

Thursday, October 7, 2010, 10:00am-12:00pm

http://www.dnrec.delaware.gov/energy/information/Pages/DE_Renewable_Energy_Taskforce.aspx

Presentation: Overview from the Delaware Municipal Electric Corporation, Pat McCullar

Overview of company and areas of service throughout DE,
Growth rate of 4% for ten years leading up to 2008, then growth rate dropped due to the economy. Expecting to be back at 4% once economy recovers.

Overview of current and future challenges:

- Loss of generation on Delmarva
- DEMEC total growth plan 200-300MW. Challenges in building capacity resources that can support that demand. (Natural gas)
- Resource mix diversity requires long-term procurement.
- MAPP, critical to have second point of supply, but implementation may take a considerable amount of time.

10-year actions for DEMEC:

- Improvements to Transmission Infrastructure on Delmarva.
- Local demand response, energy efficiency, and renewable energy generation sources must continue to be developed.
- Generation must be developed to balance intermittent energy resources to ensure reliability.

SREC requirements for DEMEC:

- Beginning compliance obligations in 2013.
- Based on assuming the municipalities will adopt the same schedule as Delmarva Light and Power for 2013.
- 80% of load will be required to participate in the program, 20% will not (20% greater than 1500kW)
- 5,400 SRECs is the projected steady state of production from the Dover Sun Park.

Alternative REC/SREC approaches:

- Too early, has not had the opportunity to discuss with the 9 members.

Presentation: Overview from the Delaware Energy Cooperative, Mark Nielson

Included all load in numbers, only one customer over 1500kW

SREC requirements:

- Beginning compliance obligations in 2013
- Purchase of SRECs at \$335/SREC total costs through 2025
- Requirements with installed PV systems, systems required, and costs associated

DE Coop PV already installed (2006-2010)

PV options

DE Coop Owned System

Community Owned Systems

Out-of-State PV (MW in PJM's pipeline)

Overview of the Voluntary Purchase Program

Other Renewable Options

- Projections of RECs needed through 2025 and costs associated
- Overview of wind, landfill gas, and small hydro

Update: Delmarva Power update on SREC information from last meeting

Presentation: Overview from the Delaware Solar Energy Coalition, Dale Davis

DSEC makes up about 85% of solar companies in DE.

Overview of long-term and short-term SREC Market (MW of solar required)

MW currently registered with the PSC and what is in the pipeline. Divided into a 4 tier system

Job Creation by tier (updating numbers)

Economic Impacts of the Tier System

Procurement considerations and Achieving RPS Goals

Presentation: Green Energy Fund, Scott Lynch

Update on incentive revisions for green energy fund (as well as on recent DEC incentive changes)

Goals for changes: switch to performance based approached (vs. investment based), reduce queue, include considerations of available Federal funds (e.g., investment tax credits), include consideration of new SREC values, and enable more participation

Deliverable DNREC due ASAP: Estimation of how the proposed incentives would decrease, increase, or not affect the current queue for incentives. A baseline analysis due to Taskforce members ASAP.

Subgroup Report Out

Focus on Solar Tiers 1 and 2 (Tier 1 up to 50kW. Tier 2 50kW to 500kW)

In process, utilizing the University of Delaware's PV model

Working to address the following issues and proposed procurement model:

- Performance guarantee
- In-state vs. out-of-state
- Banking provisions
- Contract length
- Price by Tier
- Reservation vs. completion
- Tier sizes

- Self-generation
- Understanding the role of the 3rd Party Suppliers
- Role of the SEU

Deliverables Subgroup due November 3rd meeting: Report out on modeling exercises and update on progress. Presentation and discussion about findings for Tier 1 and Tier 2.

Next Steps:

- Next meeting:
 - November 3, 2010 at 9:30am-12:00pm in the Delaware Energy Office's conference room located at 1203 College Park Drive, Suite 101, Dover, DE 19904.
 - Presentations from solar suppliers and a report out from the subgroup on best analysis Tiers 1 and 2.
- Public Service Commission Presentation:
 - An overview of the REC and SREC market for Delaware.
 - Date and time TBA (trying for mid-November).

Please note: The Delaware Public Service Commission will be adopting rules and procedures related to the implementation of the Renewable Energy Portfolio Standard new sections and amendments found in Senate Substitute No. 1 for Senate Bill No. 119. Order No. 7834.

- Written comments will be accepted on or before October 31, 2010.
- A public hearing will be held on November 18, 2010 at 1:00pm at the Commission's office.
- For more information please contact the DE PSC at (302) 736-7500