

**From:** David Stevenson [<mailto:davidstevenson1948@gmail.com>]  
**Sent:** Thursday, November 06, 2014 10:37 AM  
**To:** Mirzakhali, Ali (DNREC); Cherry, Philip J. (DNREC)  
**Subject:** Follow up to Listening session

Thank you again for holding the listening session. I hope it was useful for you. I am attaching the spreadsheet I used to analyze Delaware's CPP guideline so you can more easily read it and see the formulas. I would be happy to meet with you to consult further if you like.

I also attach the NERC reliability report. It is the best summary I have seen on some of the concerns with the CPP. They do not give an opinion on the plan itself but do a methodical review of potential issues. I would encourage you to read it. A few issues I note relevant to Delaware:

- 1) Our 15% energy efficiency goal was based on a bottom up study. We will have met that goal and taken advantage of the low hanging fruit before the EPA plan kicks in so there may be problems finding reasonably priced EE options to meet an additional 9.5%
- 2) Delaware gives REC bonuses to encourage various policies the EPA won't acknowledge.
- 3) We count NG fueled fuel cells toward the RPS, the EPA won't
- 4) We have essentially no in-state onshore wind capacity to meet the RPS and offshore is much more expensive than even solar. There is a real issue with relying on out of state wind power as those states will want to count it themselves. We are likely to meet 80% of our RPS with out of state wind power. The EPA is scratching their heads over how to deal with this. Are we prepared to meet the entire renewable goal with in state solar?
- 5) with the recent upgrades at Indian River it is highly unlikely we will see improved efficiency's at that plant. In fact, running at the planned lower capacity factor will probably reduce efficiency.
- 6) I don't think RGGI, by itself, is going to save us from a difficult path to meeting the CPP goals set for Delaware.

--

David T. Stevenson  
Director, Center for Energy Competitiveness  
Caesar Rodney Institute  
[www.caesarrodney.org](http://www.caesarrodney.org)