

Delaware Renewable Energy Taskforce

Wednesday, May 9, 2012, 9:30 to 12:00 noon

Public Service Commission Hearing Room

861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, Delaware 19904

Meeting Minutes

Members in attendance:

Carolyn Snyder, Chair, DNREC Division of Energy & Climate
Dale Davis, DEMEC
Glenn Moore, Delmarva Power
Scott Lynch, DEC
Pam Knotts, PSC staff
Janis Dillard, PSC staff
Tony DePrima, Sustainable Energy Utility
Pat McCullar, DEC

Derrick Botha, Motech
Michael Sheehy, Public Advocate
William O'Brien, PSC staff director
Radley Reist, Sustainable Energy Utility
Dallas Winslow, Public Service Commission
Tom Noyes, DNREC Division of Energy & Climate
Others attending:
Kevin Quilliam, SRECTrade

Approval of previous meeting minutes

The Taskforce reviewed the minutes from April 25, 2012. Glenn Moore offered a motion that they be approved; Michael Sheehy seconded the motion. The motion was adopted with all members in attendance voting yes.

Analysis of data from the SREC auction

Kevin Quilliam of SRECTrade presented his analysis of the results from the SREC procurement. The presentation included analysis of data from the auction and some observations on the auction process.

Overall the auction was oversubscribed in all tiers, leaving 7,551 stranded actual SRECs (from systems already operating) looking for buyers. The auction was successful in generating new business. Proposed systems bidding into the auction mostly used Delaware labor and materials. Taskforce members suggested a few other graphs to illustrate the results.

Some auction features worked well. For instance the use of bid deposits and the requirement that a parcel be specified with the bid effectively prevented speculative bids. He recommended extending the bid period for Tiers 1 and 2A to two weeks, and suggested eliminating the requirement that owners bid through an owner representative. There had been concern that individual owners would overwhelm the auction manager, but that didn't happen. The Taskforce agreed as a straw-man proposal that the use of owner representatives would be optional not required.

Glenn Moore said that DPL still needs about 1,000 to 2,000 SRECs for the current compliance year. DPL will be able to estimate its needs for the compliance year starting June 1, 2012 after it calculates the Bloom Energy offsets and the demand and suppliers.

The taskforce discussed procurement design elements for inclusion as straw-man proposals.

The question of whether to include differential pricing for grant recipients was discussed. As a straw-man proposal, competitive bids will not include different pricing for grant funded projects, whatever the source. The treatment of grants recipients for administratively set prices is yet to be determined.

The taskforce discussed the treatment of “partial fills”—systems that agreed to sell a portion of their SRECs through the Pilot Program or in future procurements. As a straw-man proposal, partial fills will be allowed to bid in later procurements, competing in tiers that represent the full system size of their initial bid. These systems would first meet the requirements of their lower price tranche each year. Proposed systems would be required to install dual meters.

The taskforce discussed the tier structure. An alternate tier structure was developed as a straw-man proposal:

0 to 30 KW

30 to 250 KW

250 KW to 2 MW

Agenda for the next meeting

Carolyn Snyder said an interested party presented some priority questions and two straw-man proposals for the Taskforce to consider. These will be circulated to the members before the next meeting.

At the next meeting the Taskforce will discuss how to develop a straw-man proposal and how a straw-man proposal will be developed into a filing before the Public Service Commission.

Public comments

Dave Stevenson of the Caesar Rodney Institute offered his observations on the auction. He said the auction did a good job of promoting development of all system sizes and the use of Delaware labor and equipment. He discussed the cost to ratepayers, which he estimated to be \$37.5 million over the next 20 years. He also said we are still looking at boom and bust cycles. He questioned the Delaware materials provision, saying the incentive is larger than necessary and that it kept system owners from buying the most cost effective panels.

Pam Knotts of the PSC staff read a letter from Sandy and Bob Paulen of Bethany Beach. They applauded the state’s support for sustainable energy. However, they installed their PV panels just three months before the December 1, 2010 cutoff for participation in the Pilot Program. They wrote that they would like to see the program extended to include those who installed systems in the six months leading up to the December 2010 date.

The meeting was adjourned at 12:00 noon.

The next meeting of the Taskforce is scheduled for Wednesday, May 23, 9:30 to 12:00 noon in the Public Service Commission Hearing Room.