



**Public Hearing: January 8, 2014, 6:00 p.m.**

**PSC Hearing Room, Cannon Building, 861 Silver Lake Blvd., Dover, DE 19904**

**Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions**

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**Statement of Thomas Noyes, Principal Planner for Utility Policy, on behalf of DNREC**

**1. (Opening Statement)** Today's hearing is to discuss Proposed Regulation for the Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions.

My name is Thomas Noyes. I am Principal Planner for Utility Policy for the Division of Energy & Climate of the Department of Natural Resources and Environmental Control, or DNREC. I am the responsible staff member for this proposed regulation.

**2. (Background)** The DNREC Division of Energy & Climate proposes rules to govern the Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions, 26 *Del. C.* §354(i) & (j) of the Renewable Energy Portfolio Standards Act, or REPSA. These provisions were adopted as part of Senate Substitute 1 to Senate Bill 119, which was passed by the General Assembly in 2010.

The proposed regulation directs how the Division of the Energy & Climate calculates the cost of compliance with the RPS; how the Director of the Division of the Energy & Climate determines whether and when to impose a freeze in implementation of the RPS under REPSA; and how the Director of the Division of the Energy & Climate determines whether and when to lift a freeze.

For the purposes of this regulation, the Division of Energy & Climate is considered the successor agency to the Energy Office, and the Director of the Division of Energy & Climate is considered the Energy Coordinator.

The Division of the Energy & Climate welcomes all comments from the public. Written comments will be accepted through the close of business January 24, 2014.

**3. (Publication and Public Notice)** The proposed regulation has been available for public review and comment at the Department's Division of Energy & Climate office in Dover and online at <http://regulations.delaware.gov/register/december2013/proposed/17%20DE%20Reg%20600%2012-01-13.htm>.

The proposed regulation was published in the Delaware Register of Regulations on December 1, 2013. A legal notice regarding the availability and publication of the proposed regulation and the schedule of today's hearing was published in the News Journal and the Delaware State News on December 11, 2013.

**4. (Exhibits)** We submit the following exhibits for the public record:

- Exhibit 1. Correspondence related to the drafting of the proposed REPSA regulations dated from November 2011 thru September 2012.
- Exhibit 2. Department's signed Start Action Notice 2012-03 dated April 16, 2012.
- Exhibit 3. Rule Making Workgroup agenda, meeting notes and Power Point dated August 6, 2012.
- Exhibit 4. Rule Making Workgroup agenda, meeting notes and Power Point dated September 28, 2012.
- Exhibit 5. Written Comments by Dr. Chad Tolman dated August 5, 2012
- Exhibit 6. "Full cost accounting for the life cycle of coal," in "Ecological Economic Review," Paul R. Epstein et al, *Annals of the New York Academy of Sciences* 1219: 73-98.
- Exhibit 7. Memorandum from Jeremy Firestone to the Department dated October 19, 2012.
- Exhibit 8. Direct Testimony of Bruce Burcat before the Public Utilities Commission of Ohio, January 31, 2013.
- Exhibit 9. Register Notice SAN #2012-03 published in the Delaware Register of Regulations dated December 1, 2013.
- Exhibit 10. Affidavit of publication of the proposed regulation and the schedule of today's hearing in the *News Journal* and *Delaware State News* on December 11, 2013.
- Exhibit 11. Correspondence between Gary Myers and the Department from December 4, 2013 to January 7, 2014.
- Exhibit 12. Transcript of the Senate debate on Senate Substitute No. 1 for Senate Bill No. 119 on June 22, 2010.
- Exhibit 13. Transcript of the House debate on Senate Substitute No. 1 for Senate Bill No. 119 on June 29, 2010.
- Exhibit 14. Delaware Public Service Commission's Comments on proposed RPSA regulations approved by the Public Service Commission on January 7, 2014.
- Exhibit 15. Opening statement by Thomas Noyes dated January 8, 2014.
- Exhibit 16. PowerPoint presentation by Thomas Noyes dated January 8, 2014.