



Public Hearing: November 23, 2015, 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

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

1. (Opening Statement) Today's hearing is to discuss a Revised Proposed Regulation for the Implementation of the 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.

A first draft of the proposed Regulation was published on December 1, 2013. A hearing on this matter was held January 8, 2014.

The Division published a revised draft Regulation on December 1, 2014. A public hearing was held on January 7, 2015.

An erroneous draft Regulation published in the October 1, 2015 *Register of Regulations*. A correct draft Regulation published in November 1, 2015 *Register*.

The public comment period open until December 8, 2015 at 4:30 p.m. All comments received in response to the October 1, 2015 notice will be considered part of the record.

I would like to highlight three changes to the proposed Regulation.

1. The total annual interpretation of the cost of compliance is replacing the year-over-year interpretation. 2. QFCP or Bloom Energy costs (not defined as renewable energy in the statute) are not being included in the cost of compliance. 3. Specific references to consultation with the Public Service Commission are included.

3. (Publication and Public Notice) The revised proposed Regulation was published in the *Register of Regulation* on November 1, 2015. 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/november2015/proposed/19%20DE%20Reg%20397%2011-01-15.htm>.

A legal notice regarding the availability and publication of the proposed Regulation and the schedule of tonight's hearing was published in the *News Journal* on October 23, 2015 and *Delaware State News* on October 25, 2015.

The Division of the Energy & Climate welcomes all comments from the public. Since this hearing is considered a continuation of the previous hearings, all comments submitted up until the previous hearing are already part of the record.

We are submitting the following documents for the record:

The transcript of the hearing held January 7, 2015.

All comments received since the last hearing.

Register Notice 102 Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions including notice of today's hearing published in the Delaware *Register of Regulations* dated November 1, 2015.

Affidavit of publication of the proposed regulation and notice of today's hearing in the *News Journal* on October 23, 2015 and *Delaware State News* on October 25, 2015.

Opening statement by Thomas Noyes dated November 23, 2015.

PowerPoint presentation by Thomas Noyes dated November 23, 2015.

This concludes my remarks.