

House Natural Resources Committee

H 40 Renewable Energy Standard and Energy
Transformation (RESET)

Washington Electric Cooperative (WEC)

January 29, 2015

Patty Richards

Focus of Today's Comments

- “ WEC supports a Vermont RPS
- “ Support for special language for utilities like WEC that are already 100% renewable
- “ Tier Comments
- “ Clarifying Language

WEC Vermont RPS

- “ Renewable Energy Credit Market Certainty Needed
 - . Double Counting claim in CT could spill into other New England RPS laws
 - . Already making buyers and sellers change practices
 - “ WEC no longer sells in CT markets (we sell in MA and RI only)
 - “ Contract language tightening - shift risk of changes to laws to sellers
 - “ Forward Sales limited due to uncertainty – 1 to 2 years forward
- “ Risk of not fixing big
 - . WEC Annual REC revenues \$2.8M
 - . Equivalent to 20% rate impact
- “ SPEED was a program to build renewables
 - . Has run its course
- “ Vermont like RPS necessary with repeal of SPEED

Comments on RESET Design

- “ Tier 1 (Total Renewable Energy)
 - . No utility exemption
 - . WEC will be able to meet with existing resources
 - . No changes to the proposed structure

- “ Tier 2 (Distributed Generation)
 - . Exempt for 100% renewable utilities
 - . WEC must continue to run a PSB approved net metering program
 - . Due to exemption, comments limited to technical corrections that affect WEC

Comments on RESET Design

- “ Tier 3 (Energy Transformation Projects)
 - . No exemption – WEC and all utilities must comply
 - . Includes 2% new renewable requirement by 2017 and then growing incrementally to 12% by 2032
 - . In effect this tier recreates “DSM like” programs
 - . Utility receives MWH credits for providing programs such as incentives for Air Source Heat Pumps, Electric Vehicle Charging stations, Solar Hot Water, weatherization, etc

(continued on next slide)

Comments on RESET Design

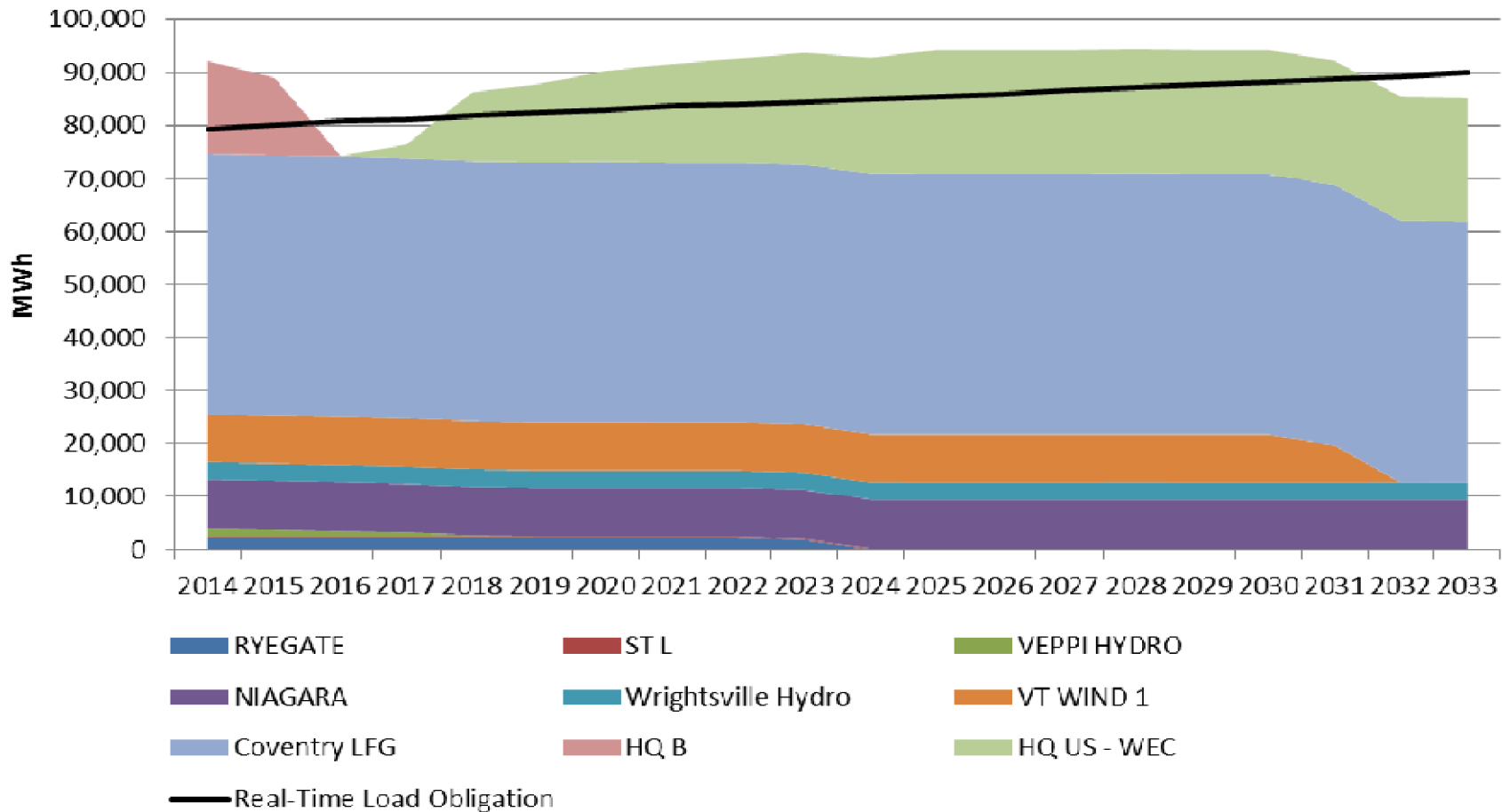
- “ WEC has concerns that Tier 3
 - . 2% to 12% of retail sales (we feel these percentages are significant)
- “ Lack of clarity in bill for ET projects conversion to MWH equivalency
- “ The Tier goals are good intentions but think this initiative is better served through EVT
 - . Provide statewide service and state program design (just like current DSM programs)
 - . Avoid consumer confusion
 - . One stop shop
 - . Funding tied to programs through EVT
- “ If lawmakers don't make this a EVT based effort, change requirement to a goal
- “ If don't move to goal, decrease percentages of retail sales – feel 2% to 12% is too aggressive and could cause increases to rate

Utilities that are already 100% renewable

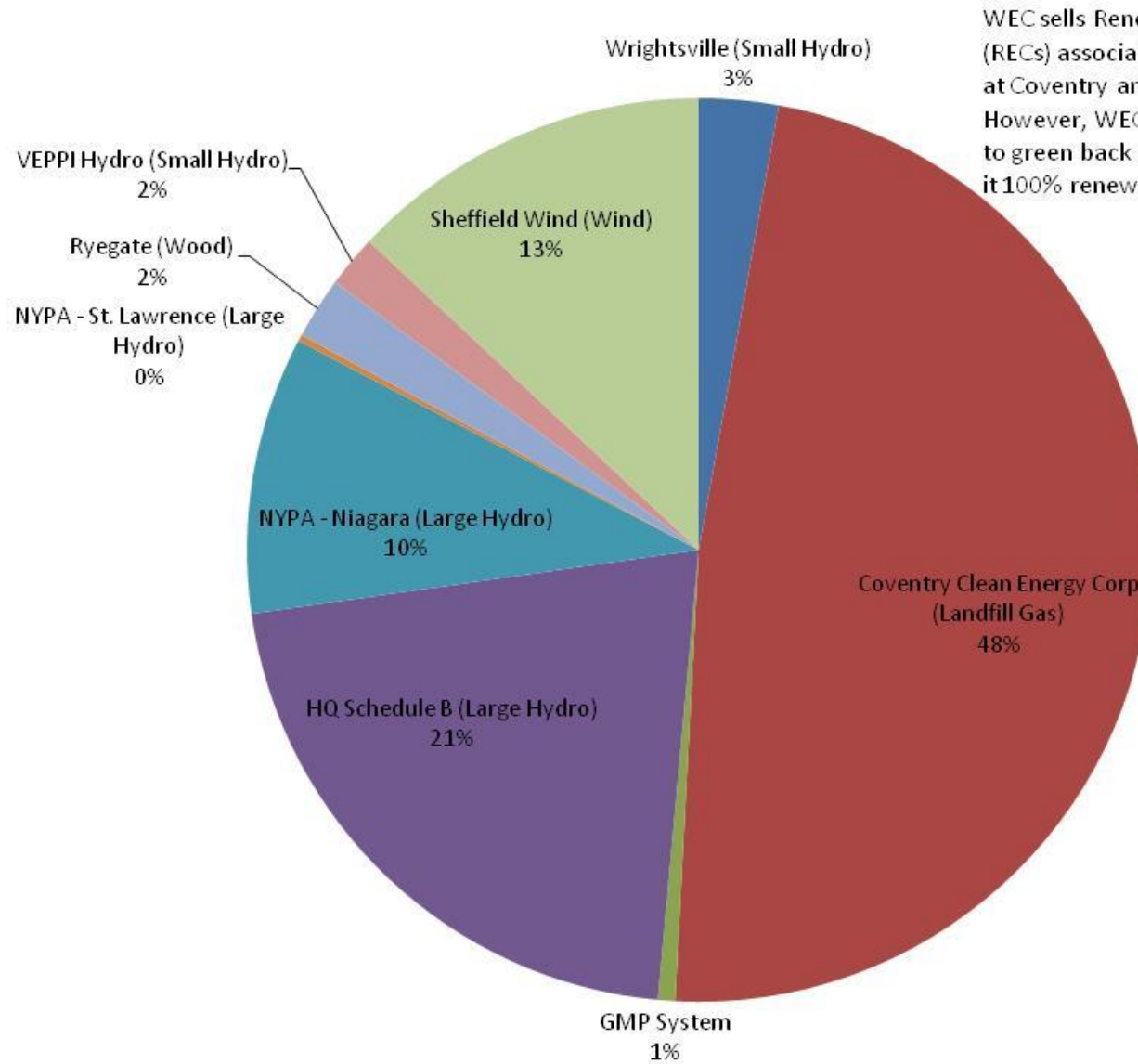
- “ WEC long power with resources based on renewable generation for next 20+ years
- “ If create new requirements, forces WEC to over buy relative to load
 - . More power than needed to serve load
- “ Should be rewards for early adopters like WEC

WEC Energy Position

Load vs. Resources



2014 WEC Sources of Power (Before REC Sales)



WEC sells Renewable Energy Credits (RECs) associated with energy produced at Coventry and Sheffield Wind. However, WEC purchases sufficient RECs to green back up the power mix making it 100% renewable.

Clarifying Language & Technical Changes

WEC will provide specific references throughout the bill but topically issues and pages are below:

- “ Page 7+ Change “capable of delivery in Vermont” to ISO-NE or New England
- “ Page 8 Clarify Tier 1 requirement can be met with RECs from any class from New England
- “ Page 8+ REC eligibility clarified as New England delivered
- “ Page 15+ Percent requirements should be based on retail annual sales
- “ Page 17 Language consistency of Tier 2 DG with Act 99:
 - Address REC ownership issue for net metering program for WEC as our program is different (consistency with Act 99 and reinforcement that WEC’s exemption in Act 99 doesn’t change)
- “ Page 18 change wording to add word additional distributed generation (not clear as written if Tier 2 satisfies Tier 3 or if DG in Tier 3 is over and above that from Tier 2)
- “ Page 19 Change cost screening reference to “utility cost”
- “ Page 19 Change “credits for distributed renewable generation” to “ACP” (there is no DG category in NEPOOL GIS)
- “ Page 20-21 Section under Other Sources not clear of intent (understand from GMP suggesting word changes)
- “ Page 21 Procedure for prior approval calls for prior PSB approval - need to include language for projects that occurred in 2015 prior to legislation going into effect
- “ Page 23 change “commencing April 1, 2015” to “upon enactment of this bill” and include provision that says as long as evidenced of contract that will suffice (don’t have to have RECs delivered but rather show good faith intent to have RECs for the 2015 CY.
- “ Page 23 be clear in B that any class of New England RECs qualify
- “ Page 23 may need same clarifying language as page 17 on WEC Net Metering program.
- “ Page 35+ change “renewable portfolio standard” to “renewable energy standard” (consistency of terminology of the bill – since we aren’t calling it an RPS need to change that language in old law)
- “ Page 38 clarify fit with WEC’s Net Metering program and act 99 Achievement Provision
- “ Need to add language that the change in dates of renewable (existing and new) do not impact WEC exemption for Standard Offer program.

Questions & Thank You

Patty Richards 802-224-2324
patty.richards@WEC.coop