

BURLINGTON



DEPARTMENT

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Senate Natural Resources & Energy Committee
S. 230 - An act relating to improving the siting of energy projects

Testimony of
Ken Nolan, BED Chief Operating Officer
February 3, 2016

- At a fundamental level, BED supports net metering as a tool to expand solar in Burlington and Vermont.
- BED is concerned with incentive adders that are not value based. Generation payments should be based on the economic value provided.
 - \$0.03/kwh locational deduct in S.230
 - DPS proposed location based adders in PSB Rule 5.100
- BED has roughly 2MW of installed net metering (well below cap) and one Standard Offer project
 - Constraints are not necessarily financial
 - Historic buildings, slate roofs, structural issues, tree cover, renters, etc.
 - BED issued an RFP for all city buildings (over 60 locations)
 - Only resulted in three (3) viable sites
- Financial incentive adders (or deductions) can have unintended consequences
 - The pro rata mechanism in the Standard Offer program dampens this effect
 - No loss of retail sales and rate impacts are spread evenly
 - Net metering can amplify it
 - Coupled with loss of retail sales, forces customers who cannot afford to build solar to over-subsidize customers who can
 - As an urban host utility BED will bear greater rate pressure than more rural utilities ó ability to levy wires charges may become important
- REC ownership should follow payments
 - BED uses \$0.027/kwh for long term REC value