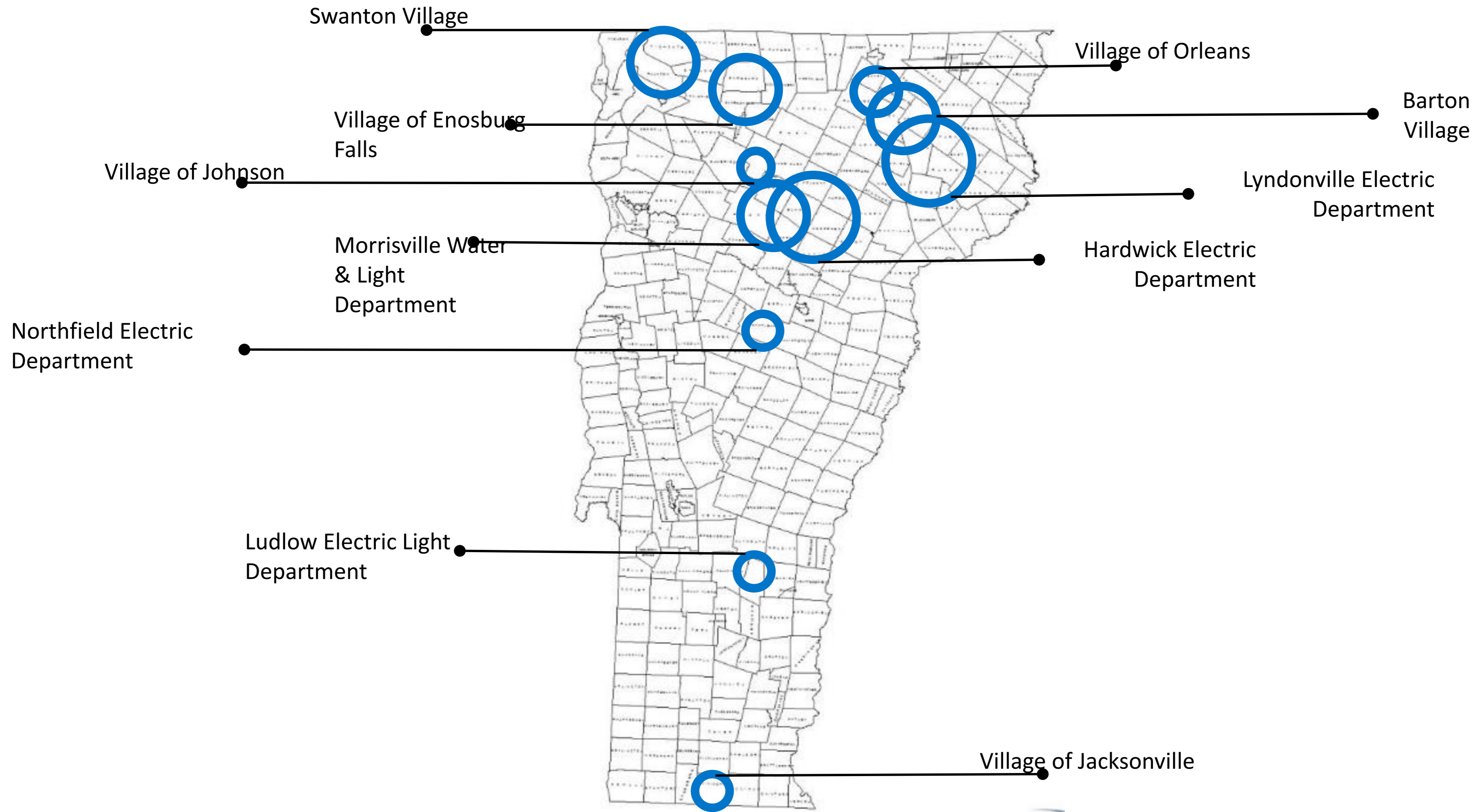




## S. 267 Testimony

# Where We Work



# VPPSA on Position S. 267

- Supportive of a 100% Tier 1 Requirement.
- Oppose Tier 2 ii as written due to high costs for extremely limited benefit.
- Bill would impose significant costs on all ratepayers for the benefit of unregulated for-profit companies.
  - To date there has been very little transparency around profitability of solar deployment.
  - Voices that have been absent from the conversation would be financially burdened.

# S. 267 Considerations

- Goals of the Bill?
  - Carbon reduction can be achieved at lower costs through other means (e.g. weatherization)
    - **No quantification** of climate benefits has been presented.
    - Opportunity cost of expending ratepayer funds on more solar at the expense of more effective climate strategies.
  - Limited Effectiveness in combating Climate Change - the electric sector is already *extremely* low in carbon emissions (2%).
  - Supports jobs but should be compared to alternative means.

# Tier 2 ii – Solar + Storage Mandate

- Requirement to deploy storage without demonstrated benefit to electric customers.
  - When benefits of storage exceed costs, utilities deploy it as part of least-cost planning.
  - Value of storage as a peak shaving resource is declining.
- Requiring utilities to deploy storage to:
  1. “maximize resilience”
  2. attach to renewable generationMakes siting difficult and will further raise costs
- How will “maximize grid resilience” be defined?
  - Very nebulous; will require PUC determination within the 248 process or elsewhere.

# S. 267 Concerns

- Bill implies that co-locating renewables with batteries is most cost-effective solution and smaller than 5 MW are the most effective.
  - That is not necessarily the case.
- Bill will not result in batteries being located in the best location for the grid.
  - Will dramatically increase costs
  - Will sideline existing collaborative utility efforts to identify how best to deploy storage across the system to maximum advantage for customers
- Storage is already included as a Tier 3 measure.
  - Not intended as a Tier 2 requirement

# S. 267 Concerns

- Grid and siting concerns
  - It is getting more difficult to site solar projects.
    - Standard Offer projects are taking 3 years to come online.
    - It is unlikely these combined generation and storage projects can get through the PUC process and come online by 2023.
- Power Supply Costs projected at \$7-12 Million
  - This excludes VPPSA share of VELCO grid-related costs
  - Does **not** include the incremental cost of Tier ii storage requirement.
- Costs and Grid Impacts for VPPSA members would be partly mitigated by the inclusion of existing community-owned hydro facilities.

# VPPSA Member Owned Hydro

Utility	Unit Name	Capacity (MW)	Generation as % of VPPSA Load
Barton	Barton Hydro	1.300	1.0%
Enosburg	Enosburg Falls	0.975	0.9%
Hardwick	Hardwick Wolcott Hydro	0.815	0.8%
Lyndonville	Lyndonville Great Falls & Vail Hydro	2.022	1.2%
Morrisville	Morrisville HK Sanders Hydro	1.800	0.3%
Morrisville	Morrisville Cady's Falls Hydro	1.300	1.0%
Morrisville	Morrisville Plant #2 Hydro	1.800	1.3%
Swanton	Highgate Hydro 1-4	11.392	10.9%
Swanton	Highgate Hydro 5	0.572	0.6%
<b>TOTAL &lt; 5 MW</b>		<b>7.1% TOTAL</b>	<b>18.0%</b>



# S. 267 Process

- Magnitude of potential costs is high.
  - If benefits exceed costs that would be demonstrated through greater analysis.
- Study with robust expert participation and transparent analysis would provide more accurate estimates of costs and benefits.
  - Could be accomplished without slowing progress on energy and climate goals.

# Questions?

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