

S.161 – Ryegate Energy Considerations

April 13, 2022

DEPARTMENT OF PUBLIC SERVICE
BEFORE HOUSE ENERGY & TECHNOLOGY
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Electricity Products from Ryegate

Energy

- Baseload production provides consistent source of renewable electricity
 - 165,000MWh (0.3% of demand)
- Energy prices tend to be low except during cold weather

Capacity

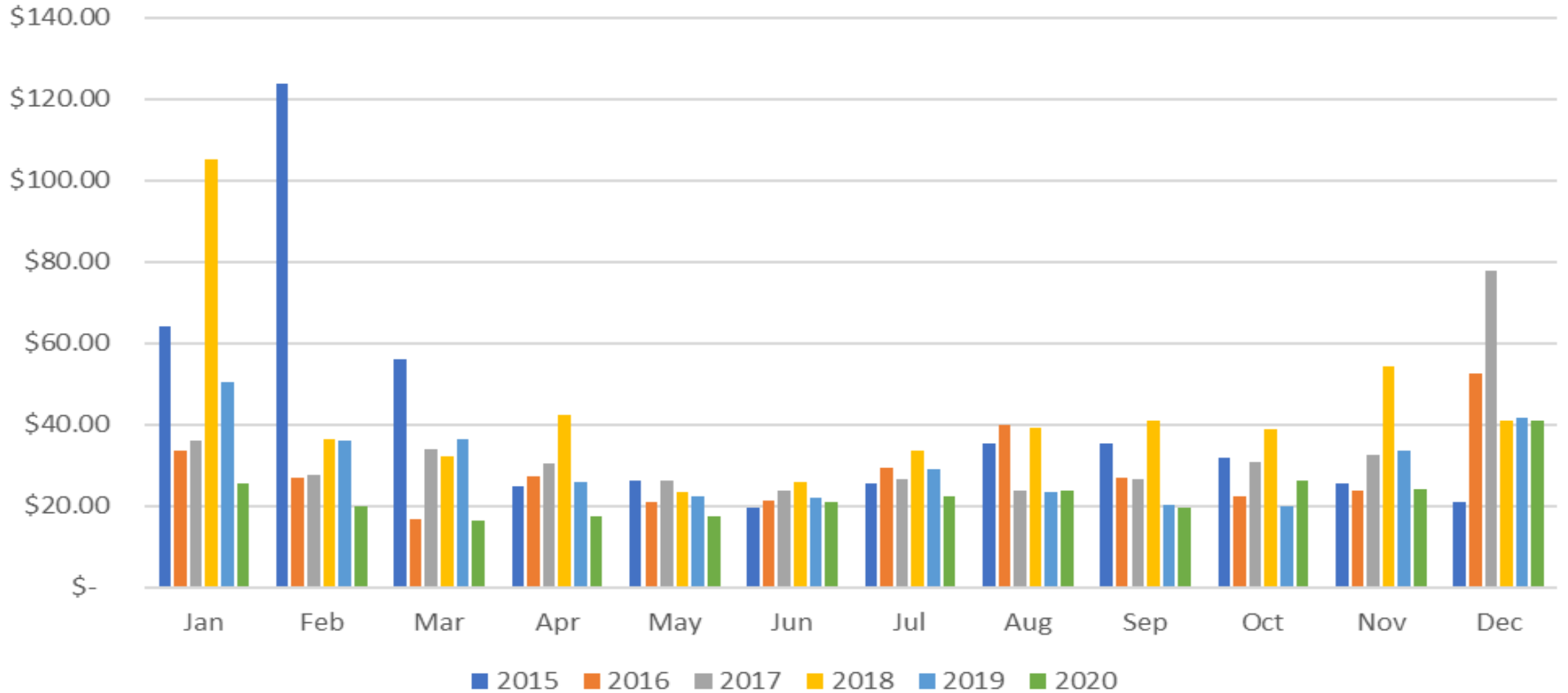
- Plant has a high capacity factor
- Regional capacity prices continue to be fairly low

Renewable Energy Credits

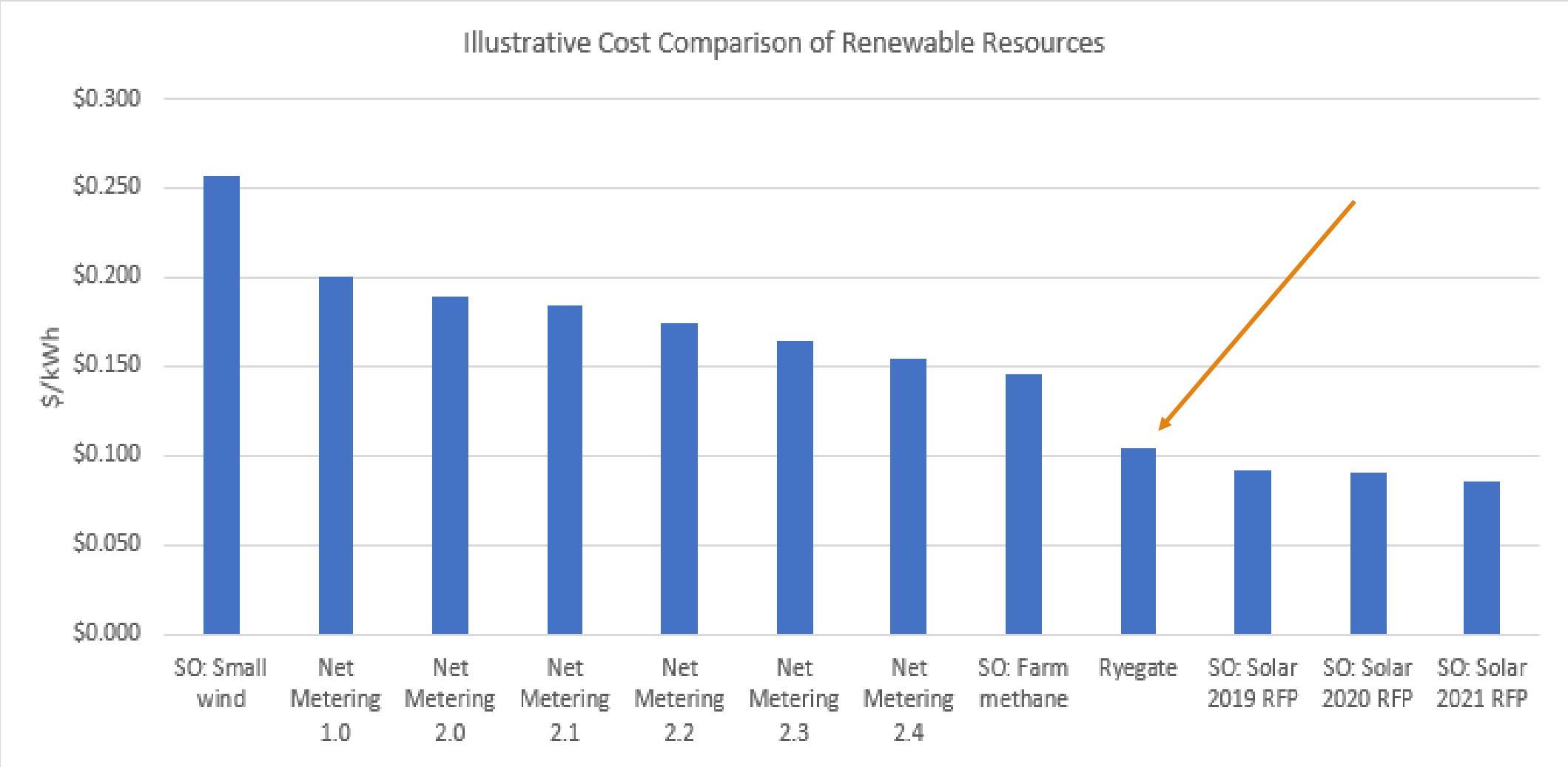
- Plant produces high value RECs
- There can be considerable volatility in regional REC prices

New England Wholesale Energy Prices

Monthly Average Prices
Vermont Real-Time LMP



Cost Comparison of Renewable Resources



Key Considerations (for DPS)

Statute does not set the contract price, it sets the process

- Public Utility Commission proceeding creates transparency, opportunity to engage on issues
- Process has recently led to a price of ~\$102/MWh. \$4-6million above market.

Helps maintain a baseload renewable resource and promotes resource diversity, providing hedge in winter

Opportunity to Require PUC to consider a mechanism for encouraging more economic dispatch in future

- *“Mechanisms for encouraging dispatch of the proposed plant relative to the ISO New England wholesale energy price and value of regional renewable energy credits, while also respecting the physical operating parameters and fixed costs of the proposed plant.”*
- Wholesale prices vary considerably over the year; this provision allows exploration of mechanism to reduce dispatch during low-priced periods