

From: Springer, Darren [Darren.Springer@state.vt.us]
Sent: Wednesday, February 18, 2015 9:18 PM
To: Rebecca Ellis
Subject: Re: H.0040 Opinion

If helpful for comparison our DG tier would lead to 400 plus megawatts of new DG if primarily solar, by 2032.

Massachusetts has set a target of 1,600 megawatts of new DG/solar by 2020 and 2,000 megawatts of wind by 2020.

<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/solar/>

<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/wind/>

Sent from my iPhone

On Feb 18, 2015, at 9:05 PM, Rebecca Ellis <ellisvermont@yahoo.com> wrote:

FYI... More...

Sent from my iPhone

Begin forwarded message:

From: Brian Evans-Mongeon <Brian.Evans-Mongeon@utilitysvcs.com>
Date: February 18, 2015 at 4:11:29 PM EST
To: Rebecca Ellis <ellisvermont@yahoo.com>
Subject: RE: H.0040 Opinion

Rebecca

I cannot do the 26th but the 27th would work. I would be happy to meet you at either location, your choice.

So in theory, a utility could have no renewable contracts in its portfolio of resources and as long as they purchased RECs up to the RPS requirements, all would be fine? I realize that this would be an extreme case, but it is one that works.

I would be curious as to who said that in ISO New England since they are a part of the study effort I mentioned in my original note to you. Again, if they said Vermont can go ahead with its higher RPS requirements, it's because of their market structure and the fact they know the rest of New England will have the actual generating resources to cover what Vermont doesn't bring to the

table for frequency, voltage, reserves, and ramping support. Therefore, we are shifting the burden for other resource types onto our neighboring states. But if the concept is, that Vermont stays “clean”, the rest can carry the dirt; then I am sure this will work. Relative to the point of the other states on DG, I am not so sure that those numbers are achievable either. DG relies on a fairly substantive commercial and industrial base to begin with. As I have heard, the industries that typically are willing to do that investment are leaving the northeast to warmer climes. Add to that the point that businesses aren’t in the business of providing electricity tend to lose interest after a while (aka California in the late 90s), I am not as convinced as you must be to believe the accuracy of those numbers.

On the point of incentivizing, I strongly dislike the model that we have in subsidizing today. Just like any other generation facility, there needs to be cost and benefit analysis performed (without incentives) to see if the capability is financially viable. Because everyone is so insistent on subsidies of one form or another, nothing gets done unless money is offered either through subsidies or tax incentives.

Brian

Utility Services

t: (802) 241-1400

brian.evans-mongeon@utilitysvcs.com

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From: Rebecca Ellis [<mailto:ellisvermont@yahoo.com>]

Sent: Wednesday, February 18, 2015 1:45 PM

To: Brian Evans-Mongeon

Subject: Re: H.0040 Opinion

Hi Brian,

Thank you for your emails. In response to your query about RECs, RESET will enable Vermont utilities to continue selling high-value RECs, and allow them to make up any gap in renewable portfolio by purchasing low-value RECs. For example, GMP could meet its

55% overall target in 2017 with about 45% or so in its existing renewable portfolio (HQ and other hydro RECs that are not currently sold) and then make up the remaining with distributed generation (1% of portfolio) and low-cost RECs on market for less than a penny per kWh (9% of portfolio). This would enable GMP to continue selling its high-value RECs and comply with RESET requirements with limited impact on Vermont ratepayers.

As to baseload, ISO-NE agrees with the Vermont Public Service Department that Vermont can integrate a much higher percentage of renewables into its portfolio. Moreover, the RESET targets for distributed generation (VT tier 2: 1% in 2017 increasing to 10% in 2032) are similar to premium renewable targets in other states.

Here are some examples:

- Mass Tier 1 – 15% by 2020, increasing 1% annually thereafter
- N.H. Tier 1 – 15% by 2025
- Maine Tier 1 – 10% by 2017
- Rhode Island (no Tiers)– 16% by 2019
- CT Tier 1 – 20% by 2020

Since you are supportive of renewables, I would be interested in getting your take on how Vermont could best encourage and incorporate more renewables into its portfolio.

If you're available in the early mornings, I could meet with you before I go to Montpelier, maybe for coffee at KC Bagels or the Waterbury Train Station. I am currently available Thursday 2/26 at 7:30 AM and Friday 2/27 at 7:30 AM. Let me know if either of those times work for you.

Rep. Rebecca Ellis

Vermont Legislature

Vice Chair, House Natural Resources and Energy Committee

email: ellisvermont@yahoo.com

cell: 802-839-0515

On Wednesday, February 18, 2015 9:43 AM, Brian Evans-

Mongeon <Brian.Evans-Mongeon@utilitysvcs.com> wrote:

Oh, I forgot to address one of your points. In my view, of course the Vermont utilities are favorable to this bill. It gives them protection and a guarantee at the PSB for rate recovery of these purchases. If they have to purchase above market contracts (which many renewable contracts are) in order to meet the RPS, this legislation gives them protection to know that they will get rate recovery for it. In the past, the REC sales in some cases made the purchases viable against the more traditional market commodities. If the REC sales can't be made due to the requirement to hold onto the RECs, then there will need to be rate recovery certainty to

make sure that the purchase moves forward. This bill will give them that certainty.

Brian

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brian.evans-mongeon@utilitysvcs.com

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From: Rebecca Ellis [<mailto:ellisvermont@yahoo.com>]

Sent: Tuesday, February 17, 2015 5:53 PM

To: Brian Evans-Mongeon

Subject: Re: H.0040 Opinion

Hi Brian,

Another quick observation... You seem to assume that all renewables will be intermittent. A large portion of Vermont's renewable portfolio is baseload - Hydro Quebec for GMP, and McNeil for BED.

Best,

Rebecca

Sent from my iPhone

On Feb 17, 2015, at 3:01 PM, Rebecca Ellis

[<ellisvermont@yahoo.com>](mailto:ellisvermont@yahoo.com) wrote:

Hi Brian,

Thank you for sharing your opinion piece with me. I think we probably agree on more than we disagree; however, I believe you are incorrect in stating that "\$50 million will now be absorbed by Vermont ratepayers." I am attaching a summary memo from the Department of Public Service on rate impacts. I will also note that Vermont utilities are very supportive of H.40. I would be happy to sit down

with you and chat about the RESET program, and the future of renewables in Vermont.

Best,

Rebecca

Rep. Rebecca Ellis

Vermont Legislature

Vice Chair, House Natural Resources and Energy Committee

email: ellisvermont@yahoo.com

cell: 802-839-0515

From: Brian Evans-Mongeon <Brian.Evans-Mongeon@utilitysvcs.com>

Sent: Sunday, February 15, 2015 9:59:15 PM

To: Rebecca Ellis

Subject: H.0040 Opinion

Please find attached a response editorial that I have sent into the Waterbury Record. As you will see in my view, the aggressive nature of the proposed bill is not a good step for Vermont.

If you have any questions, please do not hesitate to contact me.

Brian Evans-Mongeon