RPS Review Workshop #4
6-22-2011
Minutes

Workshop topic: the distribution of the Renewable Energy Fund (REF).

Note: Meredith Hatfield of the Office of the Consumer Advocate could not attend the session but expressed to staff attorney Suzanne Amidon that she recommends the REF remain balanced equitably between the residential, commercial, and industrial (C&I) sectors in proportion to each sector's contribution.

- Introductions: see sign-in sheet for full participant list.
- Jack Ruderman gave an update of the Renewable Energy Fund's revenues and expenditures/committed funds. (see below)
- Participant question about what other states do with their alternative compliance payments.
    - Kate Epsen shared what Massachusetts, Connecticut, Wisconsin, etc. do with their funds.
        - In MA, funds go to the MassCEC (Clean Energy Center), which then funds rebate programs and other innovative project funding opportunities. If a project receives MassCEC funds, than it cannot get SRECs.
        - MassCEC funds tend to create projects that would qualify for Class I RECs, whereas the bulk of their ACPs come from shortages in the existing resource class.
        - In CT, the ACPs go the CT Clean Energy Fund (CCEF, which also gets SBC-type funds).
        - Most states do not rely on ACPs to fund annual rebate or other competitive incentive programs.
- Discussion about HB1270, which requires that the Commission issue an RFP for the C&I sectors every year, regardless of how much REF money is available.
    - Suggestion made to change law to require that the RFP only be issued if the REF has, at minimum, for example, $1 million available for the solicitation.
    - Another suggestion was made that the same (as above) should apply to the rebate programs. This would be in order to prevent the stop start nature of the programs, given the inconsistent way in which they are funded. But would that work, since it may take multiple years of no programming to accumulate enough to re-start a program?
- Several participants agreed that the REF money should be spent as it comes in, rather than holding onto it across multiple fiscal years.
- It was noted that REC market has come back somewhat in recent months: the RPS ramp-up will likely drive a future increase in ACPs.
- Suggestion made to review and similarly implement a model used in the United Kingdom [regarding how to distribute/allocate ACP-type funds].

- Suggestion made for a technology-neutral residential rebate program. The Commission already in fact does offer rebates for nearly all of the viable technologies: biomass, wind, solar electric and solar thermal.
- Suggestion made to craft rebate programs that incent direct production rather than capacity.
- Suggestion made to focus funds more on home heating systems.
- Suggestion made that ACPs should be used to reduce future ACPs, aka, REC-generating projects in the resource class which is deficient. Or alternatively, to lower the REC requirement [in a given class proportionally to the amount that the REF funded non-REC generating systems].
- Look to Pennsylvania or Arizona for solar thermal equivalents [for REC-generating purposes].
- Discussion about the single-class RPS system (as opposed the current, multi-class system).
    - Would a single class system help with the "lumpy" nature of bringing renewable energy online?
    - This single-class system would give more flexibility to the electric service providers in meeting the RPS requirements.

The PUC will be in communication with the legislature in the coming months regarding the RPS review and several RPS-related bills that were retained last session.

All written comments are due by July 22, 2011.