



Item 7: Long Term Renewable Solicitation Criteria / Policy on Local Resource Definition

July 30, 2018 CAC Meeting, Davis Senior Center

Long Term Renewable Solicitation Criteria

Background

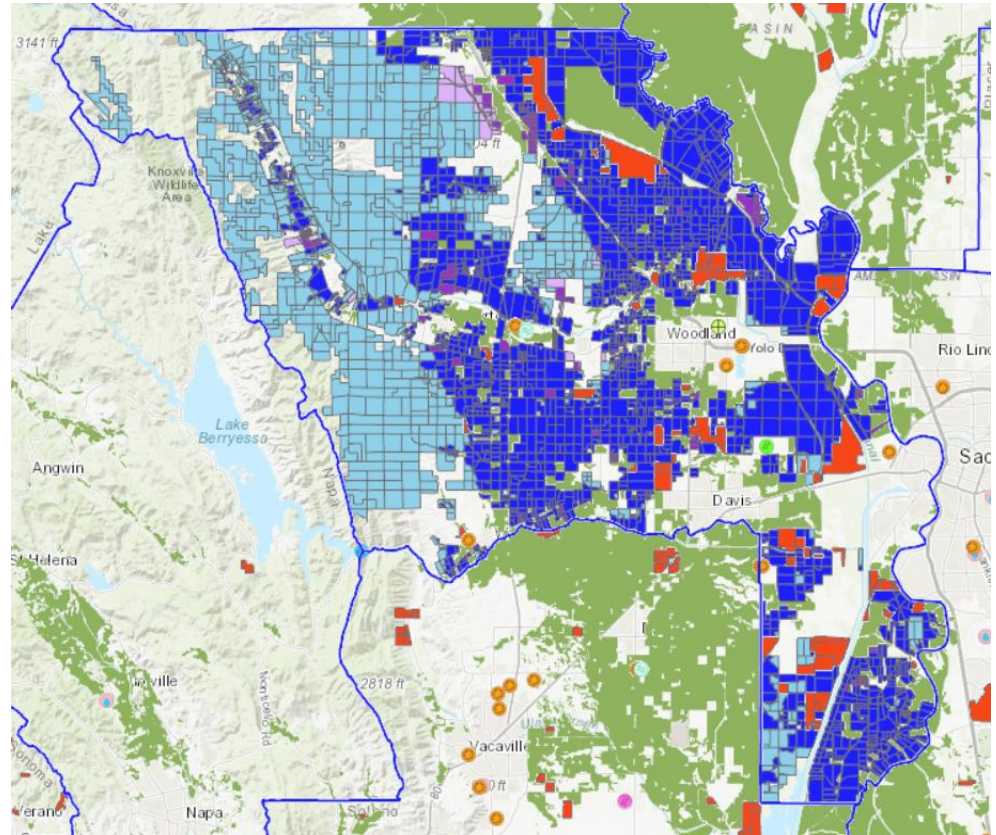
- **The pending renewable Solicitation is the #1 IRP Action Plan item.**
- **Key outcome is to begin building VCE's long-term renewable portfolio.**
- **Legal requirements for LT contracting. To meet minimums, will need 91MW of solar equivalent energy (206,761MWh/yr).**
- **With attractive pricing, solicitation could supply a full 42% of VCE's load. This is 141MW solar equivalent (320,383 MWh/yr).**
- **May receive proposals from existing renewable projects.**
- **VCE will have additional solicitations in the future.**
- **Detailed evaluation methodology will not be provided in the solicitation.**

Criteria for Review

- **Seven criteria for review**
 1. **Definition of Local Resources**
 2. **Siting Criteria**
 3. **Development Status Criteria**
 4. **Acceptable Technologies**
 5. **Energy Storage**
 - Include in Solicitation (or Not)
 - Which Technologies
 6. **Out-of-State Resources**
 7. **Interconnection Status**
- **Two recommended Policies**
 1. **Policy on Definition of Local and Regional Resources**
 2. **Policy on siting on Prime farmlands**

Definition of Local Resources

- There are many constraining land uses in Yolo County.
- Renewable development will take more time.
- Recommendation
 - Board adopt as policy and include in Solicitation:
 - 1. Define “Local” as Yolo County or with nexus to YC.
 - 2. Define “Regional” as the surrounding 6 counties plus Geysers GRA.



Siting Criteria

- **With the significance of local agriculture in Yolo County, VCE probably does not want to promote renewable development on prime farmlands.**
- **Additionally, the Renewable Energy Transmission Initiative defined 2 categories of lands to avoid promoting renewable development on.**
- **Recommendation**
 - 1. Adopt a policy against development of its renewable projects on prime farmlands.**
 - 2. Include Solicitation criteria that Projects fail screening if proposed for either: prime farmlands; RETI Category 1 (development prohibited) lands; or, RETI Category 2 (potential resource conflicts) lands.**

Development Status Criteria

- **VCE needs to have Projects proposed that are more likely to be successfully completed in the timeframe needed to meet the 2021 minimum contracting criteria.**
- **Establishing minimum development progress criteria will be important in ensuring this is achieved.**
- **Recommendation**
 - Project bidders must provide:**
 - 1. Acknowledgment by the relevant land use authority that a permit application has been received.**
 - 2. Evidence of site control.**

Acceptable Technologies

- **Staff is not proposing specific restriction on the type of renewable technologies other than to require that equipment be a mature technology.**
- **Recommendation**
 1. **Proposers can submit project proposals for any renewable technology and project equipment that is a mature listed technology.**
 2. **Additionally, the proposer must submit supporting bankability documentation.**

Energy Storage

- **VCE has an obligation under CPUC rulings to procure energy storage at a minimum level of 1% of its 2020 forecast peak load.**
- **Additionally, the most cost-effective storage installations currently are integrated with renewables because of the available renewable investment tax credit.**
- **Recommendation**
 - Include storage systems in the solicitation, with a limitation of battery storage systems integrated with a renewable project (wind and/or solar).**

Out-of-State Resources

- **There are ample locations for in-state renewable energy development.**
- **There will be future opportunities to request new long term renewable supply from out-of-state, if it proves necessary.**
- **Recommendation**
 - Limit this solicitation to renewable resources located within California.**

Interconnection Status

- **It will be important to solicit projects that have already begun the electrical interconnection process.**
- **This will help VCE insure it receives bids from projects likely to begin commercial operation in the needed timeframe (2021).**
- **Recommendation**
 - Include a minimum Solicitation criteria requiring that any submitted project already be in an interconnection queue, and that the project has request full capacity deliverability status for its interconnection.**

Request Action

- **Support staff's recommendations to the Board.**



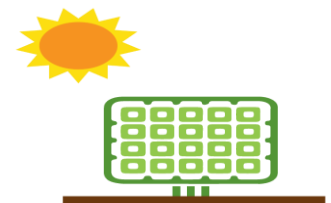
Item 8: Net Energy Metering (NEM) Policy Amendment Workshop Update and Discussion

July 30, 2018 CAC Meeting, Davis Senior Center



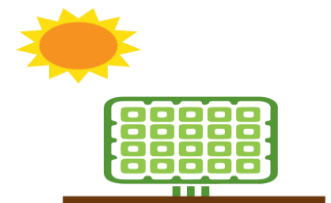
Goals of Workshop

- Provide information on VCE's NEM policy and why amendments are being considered
- Overview of options
- Receive community input to inform policy decisions



Update from July 23 Workshop

- Approximately 90 in attendance
- Yvonne moderated the session
- Jim presented the VCE background and proposal
- People were ready with questions - mostly clarification questions about VCE's proposed policy or PG&E policies
- Approximately 1/3 in favor of monthly billing
- General agreement that the VCE proposal is the right direction



Policy Amendment Concepts

Stay with the true-up schedule and billing cycle used by PG&E for the majority of existing NEM customers

- This would be seamless to customers and they will receive VCE benefits
- They retain their annual billing cycle and existing true-up date

Shift some NEM customers to monthly billing

- Shift the roughly 670 existing NEM customers (less than 10% of NEM customers), who consistently owe more than \$500/yr from an annual payment to monthly payments while maintaining their existing true-up date.
- Allow non-residential customers with >\$500 annual balance to request annual billing (less than 100 customers).

Policy Amendment Concepts

New NEM Customers

- Existing VCE customers that install solar PV after August 2018, consistent with VCE's existing NEM policy, will be placed on monthly billing with an April true-up.
- Policy is under evaluation as well.

Next Steps

- Gather and distill input from workshops
- Staff will conduct analysis public input and options
- Community Advisory Committee will consider public input and staff analysis in forming recommendations
- VCE Board will consider CAC recommendations and staff analysis in September for action



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Financial Impacts—Net Position

Scenario	# of Customers / % of NEM Customers	2018 (\$1,000's)	2019 (\$1,000's)	2020 (\$1,000's)	2021 (\$1,000's)	Cumulative Difference
Current NEM Policy		\$ 2,071	\$ 10,377	\$ 17,927	\$ 22,261	
All NEM to Annual (same as PG&E)		\$ 2,126	\$ 9,431	\$ 16,250	\$ 20,622	\$ 1,639
>\$1000 annually	124 / 1.7%	\$ 2,126	\$ 9,504	\$ 16,508	\$ 20,882	\$ 1,379
>\$750 annually	255 / 3.5%	\$ 2,126	\$ 9,585	\$ 16,703	\$ 21,078	\$ 1,183
> \$500 annually	667 / 9.3%	\$ 2,126	\$ 9,767	\$ 16,988	\$ 21,366	\$ 895

- The cumulative net impacts (3 years) show an estimated difference of \$895k when placing the >\$500 customers on monthly billing
- Revenues are not recorded until true-up