



Acadia Center

Advancing the Clean Energy Future

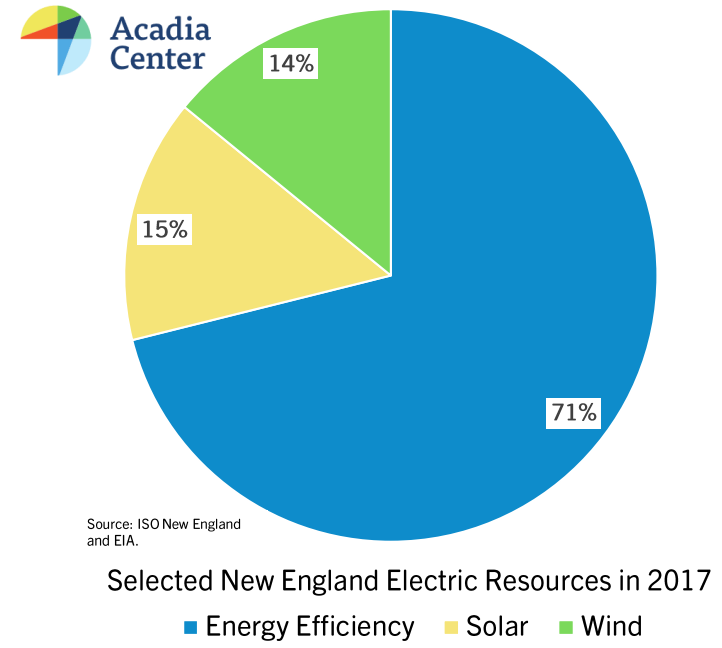
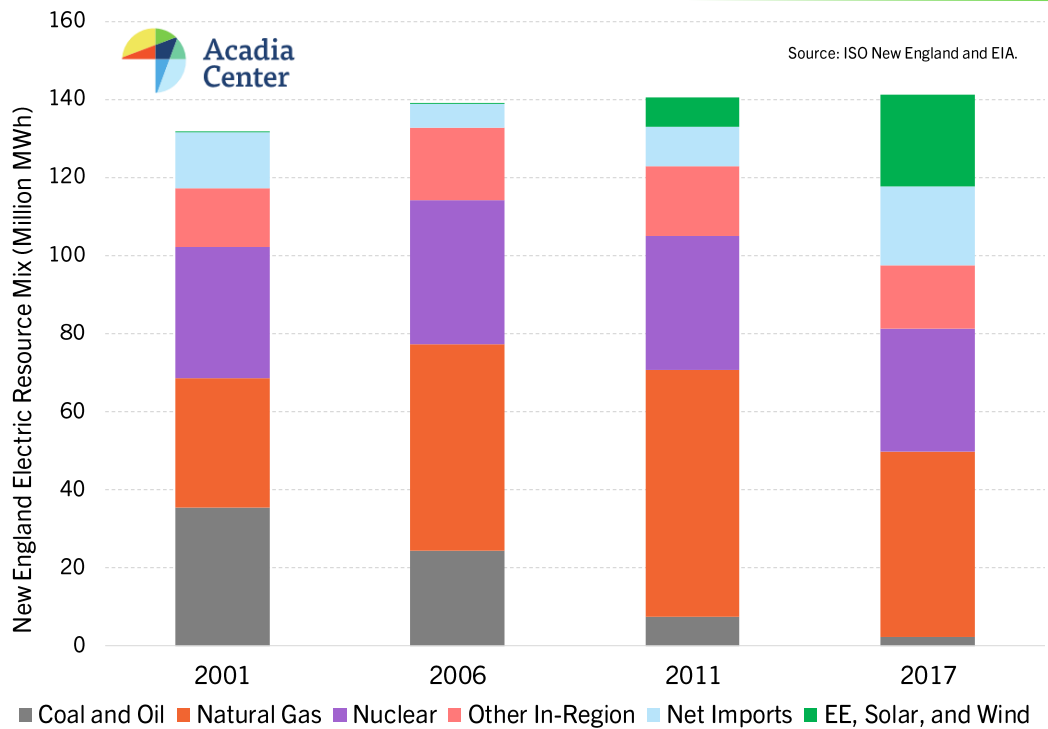
Optimal Solar Policy: Maximizing Benefits of Available Zero GHG Resources

Restructuring Roundtable – December 14, 2018

Mark LeBel – Director, Energy Economics and System Reform



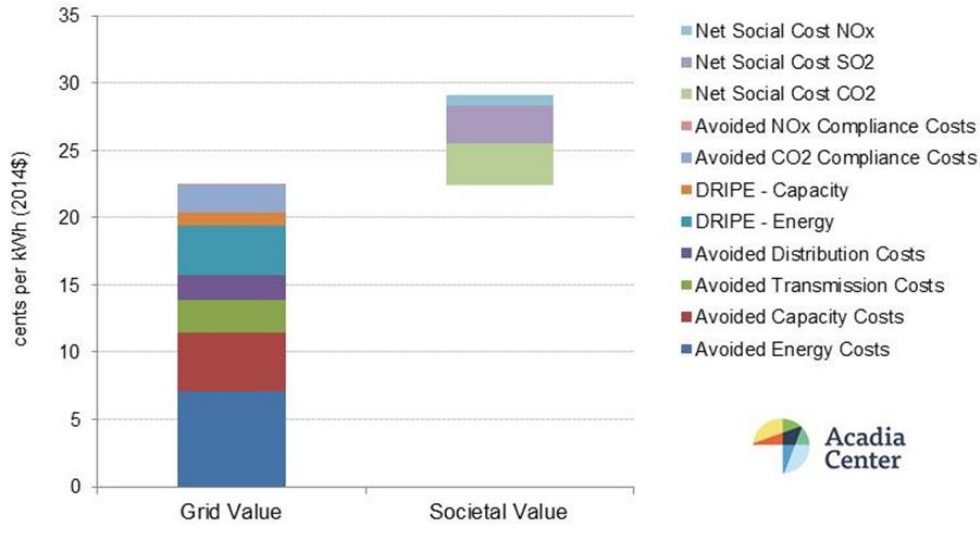
The Decarbonization Challenge



- Maximize reasonably achievable GHG emissions reductions while building clean energy industries, creating local jobs, providing equitable benefits to residents and communities, and minimizing harms



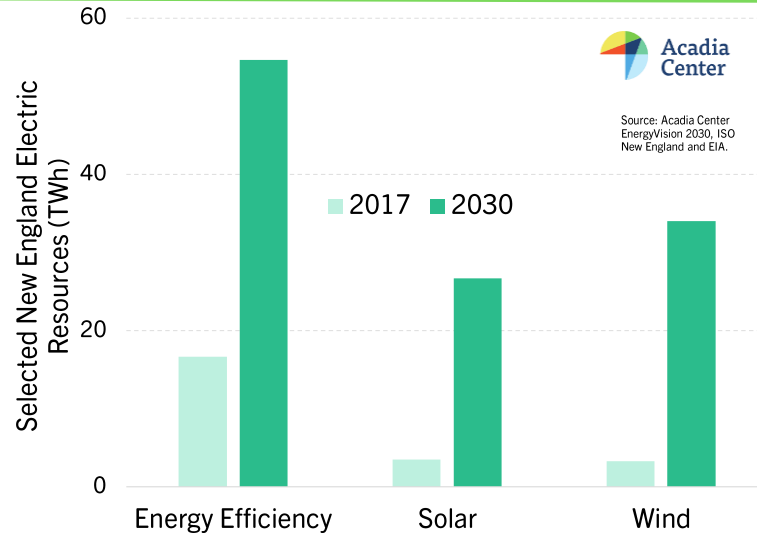
Why Solar in the Northeast?



- Energy system benefits
- Zero air pollution
- Minimal externalities
- Resource diversity
- Relatively easy to site
- Reliability
- Resiliency
- Local jobs



Acadia Center EnergyVision 2030



- Accelerated Scenario shows a pathway to 50% GHG reduction economywide by 2030
- Approximately 10.5 GW of wind and 20 GW of solar in New England
- Assumes Seabrook and Millstone nuclear units still online, and significant new zero GHG imports



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Solar Incentive Programs

Goal: Cost effectively incentivize a diverse array of solar projects that fairly spread program benefits

- Payments based on actual generation;
- Open application processes that do not start and stop;
- Long-term, stable structure to lower overall costs and enable financing; and
- Public policy incentives and carve-outs for:
 - Low-income residents and housing;
 - Community shared solar projects;
 - Landfill and brownfield projects; and
 - Municipal projects.



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Net Metering Reform

- Acadia Center Principles
 - Netting periods can be changed but must be understandable and based on cost causation.
 - Credits for exports should be better aligned with energy system value.
 - Self-generation consumed on-site should be treated the same as reductions in energy usage.
- Key Net Metering Reform Processes
 - NH: Net metering reforms have been gradual, and principles and analysis for next steps are defined reasonably
 - NY: Value of Distributed Energy Resources reforms for larger projects are conceptually well structured, but more analytical work is needed and initial version is overly complex
 - CT: Major questions about new statutory framework, particularly integration of energy management and storage



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Cutting Edge Questions

- Locational incentives
 - Non-wires alternatives advancing in many states
 - New York currently has VDER locational elements
- Granular price signals versus stable long-term payment structures
 - Fixed prices do not provide operational signals
 - Variable compensation increases uncertainty
- Restructuring 2.0
 - Distribution planning functions
 - Distribution system operator
 - Customer and system data provision
 - New rates and revenue models



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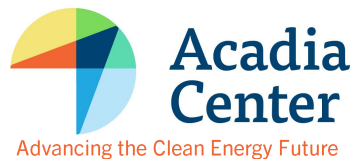
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