

# Follow-up on requests of Working Group regarding Technical Analysis

November 29, 2023

# First:

- The timelines for the Department's analysis and the Legislative Working Group have not aligned.
- Non-final results have been and continue to be presented (SEA slides are final, but more work to be done!)
- As the model is reviewed/refined, we continue to update and post revisions
- **The Department views the modeling as a tool to facilitate continued opportunity for collaboration.** Assumptions worth further discussion include:
  - Prices – all renewables
  - Grid impact costs
  - Penetration of net metering
  - Alternative Compliance Payment



**Request to PSD:**  
Determine the impact of Using Vermont Specific Data for non-net metered solar that is connected to the Vermont distribution system

The revised analysis uses information from the standard offer program, which is generally consistent with PPA negotiations/contracts as reported/filed by utilities.

\$0.1044/kWh is the modified price, down from ~\$0.14/kWh

# Correction to model necessary

In updating prices, Sustainable Energy Advantage discovered an error in the model, causing the Alternative Compliance Payment to be artificially low.

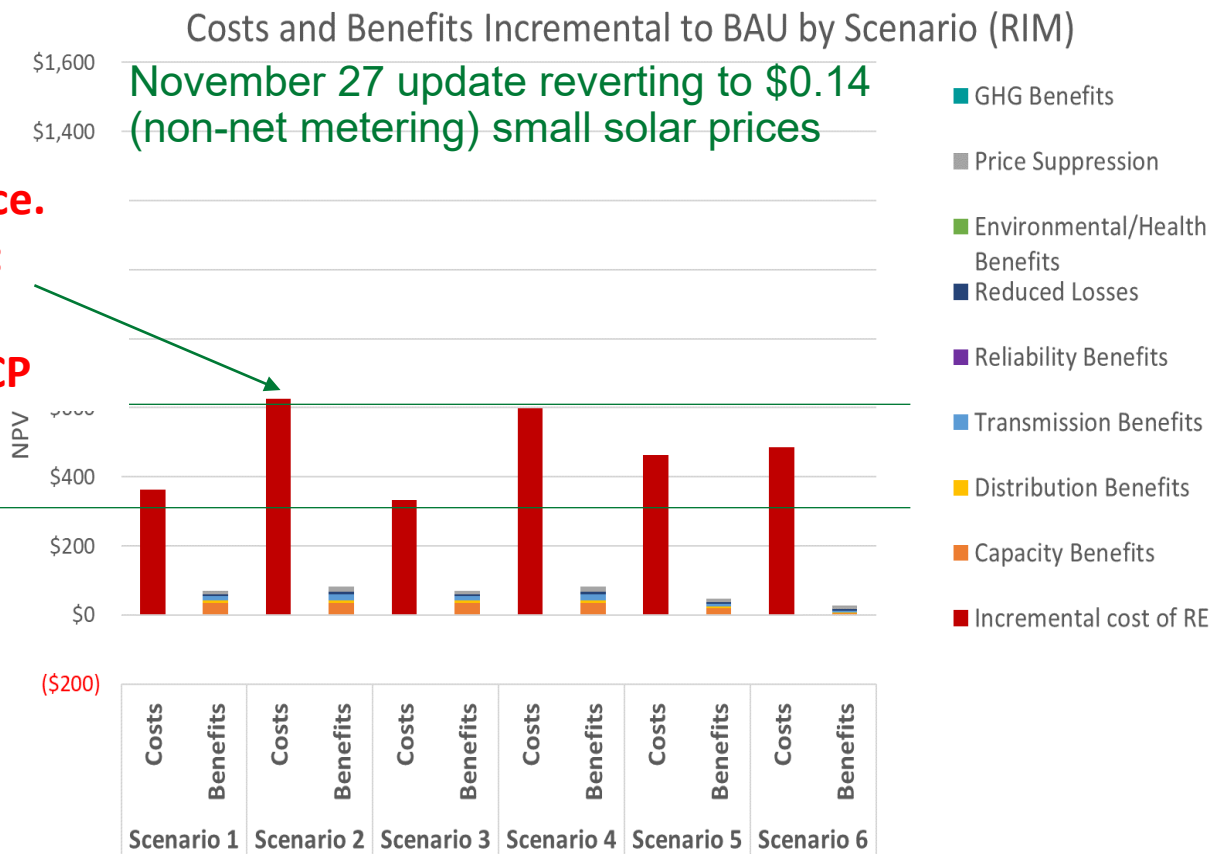
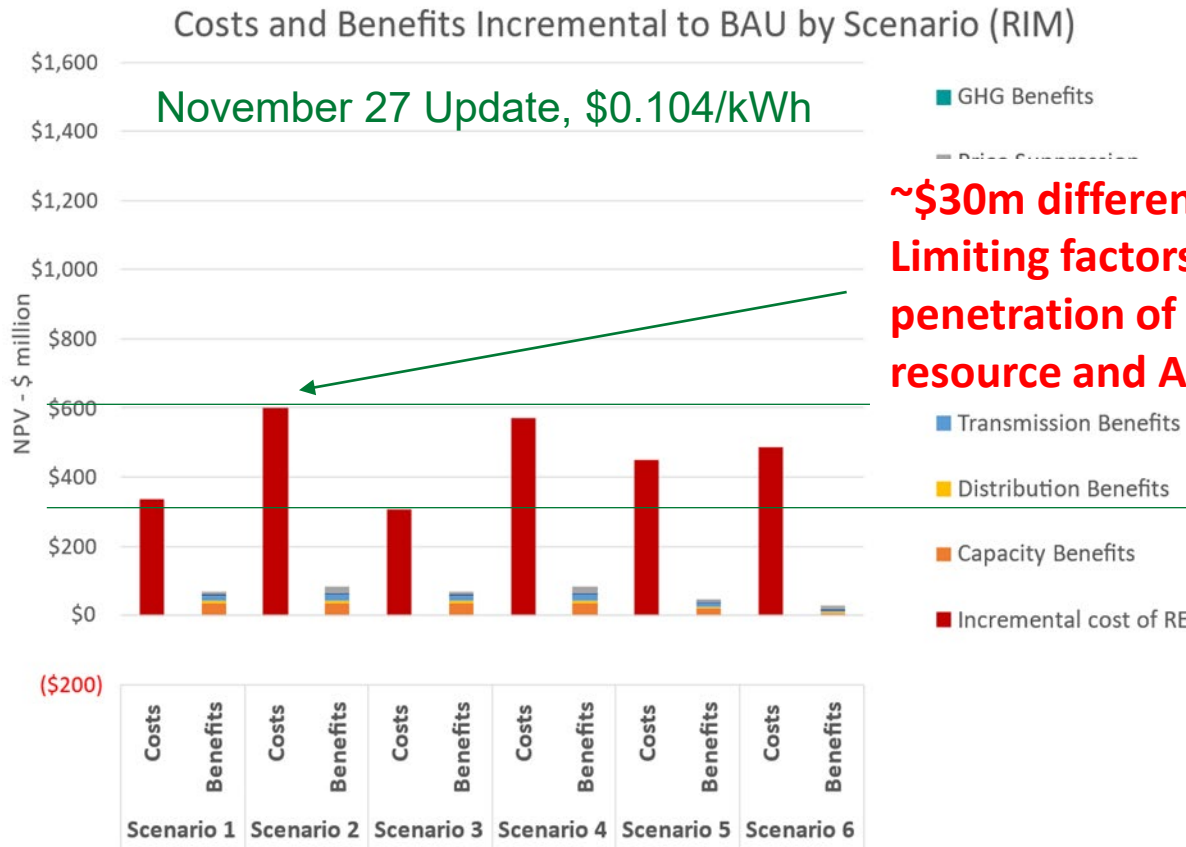
This depressed estimated costs in previous versions of the model. This mitigated the differences in results from the previous presentation to this one, obscuring the impact of change in pricing for distribution connected systems.



# Example Impact of Change in price, only

Rate Impact Measure Test shown as example to more clearly identify costs for presentation.

	Reg. Tier Target	Tier II Target	Tier I Target	Target Date	Nuclear Eligible	Biomass Eligible
BAU	0%	10%	BAU	2032	No	Yes
Scenario 1	0%	30%	100% by 2030	2035	No	Yes
Scenario 2	30%	30%	100% by 2030	2035	No	Yes
Scenario 3	0%	30%	100% by 2030	2035	Yes	Yes
Scenario 4	30%	30%	100% by 2030	2035	Yes	Yes
Scenario 5	30%	20%	100% by 2030	2035	No	No
Scenario 6	50%	10%	100% by 2030	2035	Yes	No





# Concluding Thoughts (for today)

Pricing changes can have significant impact, those evaluated are relatively minor. With policy changes for net metering pricing and expected penetration, significant cost changes could be seen.

Because more generation is assumed to come from larger projects and net metering projects, reductions to the small non-net metering solar price make less of a difference than other options

A reasonable Alternative Compliance Payment (ACPs) can help mitigate potential high end price risk

The Department expects continued collaboration to refine assumptions and policy choices to understand the magnitude of impacts, including further discussion on net metering, ACPs, and other variables