

Belmont Temporary Net Metering Working Group Meeting Minutes

30 July 2015

2015 AUG 12 AM 9:04

Town Hall Conference Room 2

Present: Roy Epstein, Robert Gallant & Steve Klionsky

Absent: Tony Barnes, Henry Jacoby

The meeting was called to order at 7:33 p.m.

In response to an inquiry, Chair Epstein stated that there would be discussion of fundamental characteristics of a model and the meeting on August 4th would involve residual issues. He further indicated that he was working on an initial draft which he hoped would be ready for August 10th. Three models are being examined. These are termed the 'Concord,' 'Groton' and 'Austin [TX]' models based on characteristics of the models used in these localities.

There was discussion of the use of a Value of Solar Tariff and the building blocks of such a tariff in determining the way to value rooftop PV. There was also discussion about how much solar should be incented.

Chairman Epstein indicated that all questions about capacity values and other similar values are subject to heated discussion. He stated that the debate over cross-subsidies is not productive and that it could be thought about in a different way. Look at the fixed cost of the poles and wires and administrative expenses, which he said were approximately \$5.6 million per year. If residential customers are responsible for about 65% of that, it comes to about \$350 per household. Mr. Epstein said that would be an equitable recovery from solar hosts for fixed utility charges. This does not mean there should be a \$350 fixed charge on solar customers but this contribution overall is warranted.

Looking at the Groton model Chairman Epstein presented varying the buyback rate from 12 cents/kwh to 6 cents/kwh doesn't make much of a difference in Internal Rate of Return. Daytime kWh consumption was calculated at 36%.

There was comment that it was important to for Belmont to arrive at a policy so that a solarize program could be initiated quickly, particularly in light of the possible expiration of the federal government 30% investment tax credit at the end of 2016. Arlington had 700-800 expressions of interest in the solarize program, with about 200 installations.

Chairman Epstein indicated the high rate of return (IRR) shown on the models was consistent with contribution to fixed cost. In the Groton model, the 12 cent/kwh level indicated a 13.1% IRR. The 12 cent buyback (payment for each kWh exported to the grid) was similar to the buyback number presented by a number of residents on May 25.

Member Klionsky asked how one arrived at the difference between an approximately 12 cent buyback (11.37 cents/kwh) and the Locational Marginal Price, which could be around 5 cents/kwh. Chairman Epstein indicated that this was arrived at by looking at bill components on a residential electric bill. Member Klionsky indicated concern that retail electric rates were very different from valuing solar output and that methodologically this did not seem to be a robust way of arriving at buyback rate (that is, value of solar). Member Klionsky also said the model presented seemed to be most useful for looking at IRR for various scenarios.

Chairman Epstein indicated that it was horserace between the Concord and Groton models as to which should be recommended.

In the public participation segment of the meeting, it was asked why the customer charge in Belmont (\$10.60/mo.) was not taken into account in the fixed charge calculation. Chairman Epstein agreed that it should be and that could be factored in. A Concord model with a fixed charge contribution of \$253/yr. was shown. With the additional \$127/yr. added in, that would be close to the \$350/yr. contribution Chairman Epstein was positing.

Roger Wrubel indicated that solar hosts also should be responsible for a share of the fixed costs of the new substation that may not have been included in the May 25 proposal.

Doug Koplw asked the position of the Light Dept. on any proposal policy. Member Klionsky indicated he believed the Light Dept. wanted closure and would go along with whatever was recommended.

Roger Wrubel, addressing the May 25 resident proposal indicated that grandfathering was negotiable (the proposal included a 10 year grandfathering provision) and that there were many different views by solar advocates on the subject.