

Belmont Net Metering Working Group Meeting Minutes
4 August 2015

2015 AUG 25 PM 2:07

Town Hall Conference Room 4

Present: Tony Barnes, Roy Epstein, Robert Gallant & Steve Klionsky

Absent: Henry Jacoby

The meeting was called to order at 7:30 p.m.

Chair Epstein opened the meeting by noting that due to conflicts the August 5th meeting was likely to be cancelled, and three meetings would be scheduled for next week when Member Jacoby returns.

Review of financial model to assist solar tariff design

Chair Epstein began with a review of solar panel output, noting that the deviation appears to be small and have a relatively minor effect on the IRR model, for instance one full standard deviation from the mean output has only a 1% impact on IRR in most modeling settings. The panels of Jim Williams appear to be several standard deviations below the mean.

Chair Epstein reiterated the goals during the course of discussion – enable sufficient rate of return along for the residents to invest in solar, along with appropriate overall fixed cost recovery for Belmont Light.

There was a deep discussion of how to account for the payback rate, currently being modeled at 10.6 cents / kWh.

Chair Epstein presented an accounting for the 10.6 cents using current billing rate information from Belmont Light including Transmission Fees, Distribution Fees, Debt Financing, and others.

Member Klionsky expressed concern that any such construct would a) be variable over time making it hard to calculate and predict, b) use some values that he does not agree are appropriate, and c) provides a sense of false precision that we are not able to support. He suggested that the best way to calculate such a number dependably is to do a full analysis of the value of solar, which is an exercise beyond the means of this committee.

There was a robust discussion of this construct.

One specific topic was whether Massachusetts SRECs already take into account the environmental (and local grid) benefits of solar. The Massachusetts construct itself references only the interest in encouraging solar, not specifically environmental benefits, but the Chair argued that any such benefits would be included in the overall incentive of the state to encourage solar and their willingness to pay for that.

Member Klionsky also expressed specific concern that this kind of construct leads to a different tariff amount for each rate class.

Overall the Chair suggested that the Austin model is not a viable model for Belmont for two reasons. The first is that our current metering infrastructure would not support the full meeting of production at the source. The second is that we do not have the capabilities within this committee (or likely the budget available at BL) to perform a full value of solar study that would be necessary

Member Gallant asked if existing BL infrastructure would support the "Grid I/O" model – calculating charges based on the overall kWh's exported TO the grid and overall kWh's taken FROM the grid. Chair Epstein confirmed that Belmont does currently have meters installed for Solar producers which would allow the appropriate measurement for this model.

The group also undertook a detailed review of outcomes for solar producer IRR and Belmont Light contribution amounts based on a variety of factors.

Approval of Minutes

The minutes of the 29th July 2015 meeting were reviewed with small corrections made by Chair Epstein in the meeting, and they were approved by vote of the Committee.

Public Contributions

Chair Epstein opened the meeting for public comment.

Robert Wrubel asked when the model would be available for public comment. Chair Epstein indicated that additional modifications were being made as a result of the meetings and he would pass to Roger for distribution at a later date.

Wrubel also requested that the working group consider comparing contribution margin to that of other residents with the same usage of what is taken from the grid, not the full consumption, since much of the consumption is internal to the premise.

Chair Epstein expressed concern with that approach, since use of the grid occurs both for consumption above the level of local production and when exporting excess production to the grid.

Phil Thayer asked what SREC calculations are currently based on, since there is no policy linkage between the value of solar and SREC values. Chair Epstein said that regardless of a policy linkage the SREC values were in the range indicated by solar studies reviewed by the WG.

Mr. Thayer also asked the committee to consider that any result of this process must incent residents sufficiently to install solar, must be workable for Belmont Light, but must also be workable for installers, whether leasing or selling. He asked if the committee has confirmed the effect of both models under consideration on an installer like Solar City.

Roger Wrubel observed that when the state reconfirmed the incentive structure and determined to use net metering and the current tariff, they took into account the existing environment of federal tax incentives and SRECs.

Travis Franck asked if the model being used by the committee takes into account the capacity charge benefits of solar installations. Member Klionsky noted that there is a currently unresolved discussion previously in the meeting attempting to resolve this point.

Mr. Franck reiterated his suggestion in the meeting on July 29th that excess generation from solar hosts holds value for other residents. He also asked the committee to consider how he and other residents might be able to help construct a Renewable Energy Plan like the one reviewed in a previous meeting.

Roger Wrubel asked if the Chair anticipated the buyback amount changing over time. The Chair confirmed his expectation that this would change, but infrequently, such as yearly.

Phil Thayer expressed concern that the longer this process was extended the more it would eat into this year's installation season, which essentially ends in November. Chair Epstein noted that the committee was aware of this timeline. He also noted his opinion that whatever the outcome, if we want more solar in Belmont, we will need to move quickly to construct a Solarize-style campaign for the town.

Adjournment

The meeting was adjourned at 9:45 p.m.