

Minutes
Virginia Solar Energy Development and Energy Storage Authority
Tuesday September 8, 2020 at 1:00 P.M.
Virtual Meeting Via Webex

Call to Order

Chairman Cliona Robb called the meeting to order at 1:08 pm

Ms. Robb then read an Electronic Meeting Statement prepared in part by the Office of the Attorney General addressing the ongoing state of emergency due to the COVID-19 Pandemic and the conditions required to hold an electronic meeting in lieu of in person. She then did a roll call for members attending.

Members Present: Paul Duncan, John Ockerman, Damian Pitt, Cody Nystrom, Cliona Robb, Hayes Frame, Colleen Lueken, Will Gathright, Jon Hillis, John Rust, Brian Gordon, Ken Hutcheson, Katharine Bond, Michael Herbert

Members Absent: None

Staff Present: Ken Jurman, Carrie Hearne, Jordan Burns

Public Attendees: 53

Chairman Robb then made the following Motion:

“The Solar Energy Development and Energy Storage Authority certifies that the nature of the state of emergency caused by the COVID-19 pandemic, as declared by the Governor of Virginia, makes it impracticable or unsafe for the Board to assemble in a single physical location, and further that the purpose of the meeting, including all agenda items as reflected in the meeting’s prepared agenda, is to transact or discuss business that is statutorily required or that is necessary to continue operations of the Authority and the discharge of the Authority’s lawful purposes, duties, and responsibilities.”

The Motion was seconded by Colleen Lueken, put to a roll call vote and passed unanimously.

Creating Balanced Guidance for Localities on Solar Energy Development

Carrie Hearne, DMME

Ms. Hearne discussed three topics, including the U.S. DOE *SolSmart* technical assistance program, which provides no-cost technical guidance to communities to help them implement utility scale and distributed solar and reduces costs for solar. She discussed how the program works, and how communities can request a consultation through the SolSmart program.

Ms. Hearne then discussed the new revenue share structure for utility scale solar, which localities can adopt that would replace the current machinery and tool tax assessment for solar projects. She explained that because of the complexities of comparing whether the M&T tax or the revenue share model is the better option for localities, that DMME, UVA and other key stakeholders are developing a “SolTax” tool to help localities determine which tax option is best for them. They anticipate beta testing the tool this autumn.

The third part of Ms. Hearne’s presentation described the statewide solar survey under development with the support of the Weldon Cooper Center at UVA and the UVA Center for Survey Research. The survey will be used to gather a wide range of data on all types of solar under development, as well as related information such as model solar ordinances, information that localities might need such as decommissioning, solar on brownfields, and other conservation related issues.

Ms. Hearne then asked whether the Authority would consider working with the DMME/UVA team to provide feedback and direction on how to advance stakeholder engagement on the creation of a model solar ordinance, decommissioning plans, assistance developing revenue share ordinance language, etc., and other issues outside the scope of the Permit by Rule permitting process. After a lengthy discussion, it was decided that members interested in working on such a stakeholder process would contact Ms. Hearne directly in their individual capacities and not as members of the Authority. The Authority would revisit the topic in the future to address whether any formal action need to be made.

Updates on the Shared Solar Dockets

Larry Corkey, DMME

Mr. Corkey address two different shared solar bills implemented on the 2020 General Assembly. One bill implements a shared solar program in Dominion Energy service territory, and the second creates a multi-family shared solar program in both Dominion Energy and Old Dominion Power service territories.

Both programs allow 3rd party solar developers to build 3-5 MW solar facilities and then sell the output on a subscription basis. The legislation requires the SCC to develop rules for both programs by January 1, 2021. As such, the SCC has opened case number PUR-2020-00125 for the shared solar program and PUR-2020-00124 for the multi-family shared solar program.

Mr. Corkey addressed details on how each program is to operate, program capacities, timing, where systems must be located, and other aspects the SCC must consider and address in their final rules. He also addressed some of the comments submitted to the SCC during their comment period, and role of some of the commenting organizations, stating the most of the organizations seek to promote shared solar and maximize participation, especially among the low-income community.

Energy Storage Rules

The Authority then transitioned into a discussion of the SCC’s energy storage rules docket as required in 2020 legislation, including topics regarding the storage docket that might be included in the Annual Report. In this regard, Ms. Robb presented a list of possible topics to address in the report, including:

- Types of storage
- Methods of procurement
- Utility Planning Process/Energy Storage Plan

- Non-Wires Alternatives
- Peak Demand Reduction
- Cost Benefit Analysis
- Inclusion of Pumped Hydro
- Utility affiliates
- Waiver of Functional Separation
- Should 35 % be treated as a de facto ceiling
- Minimum size
- BTM incentives
- ES permitting for facilities over 100 kW
- ES licensing
- ES aggregator registration with utilities
- ES aggregator marketing
- Waiver of utility promotional rules

And several questions:

- Why is there a difference of opinion between Delorean Power and ESA on some of the proposed regulations?
- Do Dominion/APCo regulations result in there being no regulation of electric coop storage facilities?
- Do non-utility ES developers have comments on permitting, licensing, registration, marketing regulations proposed in Dominion/APCo regulations?

Ms. Robb then presented, and the Members discussed a matrix of the different perspectives submitted by several key stakeholders. During this discussion, Richard Russell with East Point Energy questioned the significant differences in recommended individual system size limits between the Energy Storage Association and Delorean Power (500 MW versus 50 MW), and would they be willing to accept a higher limit such as 125 MW. Authority member Michael Herbert with Delorean Power responded the intention was to “spread the wealth” and to diversify the economic impacts of the utility procurements in terms of the number and diversity of companies, as well as diversify the geographic deployment of systems across the state.

Michael Herbert asked whether the Authority could submit comments to the SCC regarding procedural issues not addressed in the SCC’s proposed storage rules. Ms. Robb responded that to the extent there is consensus among the Authority members she would consider submitting comments that add a perspective not submitted by others. Colleen Lueken agreed that any comments should have the consensus of the members and focus on areas that are being left out of the discussion.

Ms. Robb indicated that any comments the Authority may wish to submit need to be circulated among the members as soon as possible to ensure adequate time for consensus and submission. She further asked Mr. Herbert to submit any proposed comments to staff (Ken Jurman) for distribution to the rest of the members for their consideration.

Annual Report

Past reports provided mostly a disruption of development during the past year. Ms. Robb proposed changing the format of the 2020 Annual Report to provide more synthesis by discussing recent and future developments including recent legislation affecting solar and energy storage. The report would

provide an overview of the magnitude and the approach taken by Virginia under the 2020 legislation as compared to other states. It should also include a discussion of legislation, including, but not limited to the Virginia Clean Economy Act, as well as SCC actions affecting solar and energy storage. As in past years the report would still discuss current deployment of solar and energy storage.

Julian Boggs with the Energy Storage Association (ESA) asked to comment and said that while ESA did not comment on the proposed rules permitting or licensing requirements for aggregators, the lack of comment at this time should not be construed in any discussion in the Annual Report with them not having an opinion on these matters. He encouraged the Authority to address these issues, as well as spacing and setback requirements in Dominion's storage RFP in the annual report.

Members discussed the timing for submission of report input, distribution of drafts and iterative editing of the report via a Google Docs for completion and submission by the deadline.

SCC Energy Storage Task Force and RPS Dockets

Ken Jurman, DMME

Mr. Jurman gave a brief update on the Dominion and APCo's RPS filings, indicating that other than the Order establishing the two dockets, there has been no activity. Both utilities are required to file the RPS compliance plans by November 2.

Likewise, the Energy Storage Task Force has not made any headway beyond the legislation calling for its formation. SCC has been stretched thin by competing cases with firm deadlines and has not had the time to convene a task force.

Public Comments

No additional comments were made.

Motion to Adjourn

The meeting was adjourned at approximately 3:35 pm.

The electronic transcript from the Webex meeting is available at
<https://www.youtube.com/watch?v=khnWrLi-XK0&feature=youtu.be>