

DRAFT MINUTES
VIRGINIA SOLAR ENERGY DEVELOPMENT AUTHORITY
WEDNESDAY, OCTOBER 12, 2016

State Capitol ~ House Room 1 ~ 1000 Bank Street ~ Richmond, VA 23219

CALL TO ORDER

Chairman Hardiman called the meeting to order at 10:09 p.m. Members, staff, and guests introduced themselves.

Members Present: Katharine Bond, William Carmack, Barrett Hardiman, Ken Hutchinson, Cody Nystrom, Cliona Robb, Jack Rust

Members Absent: Ryan Dunn, Dawone Robinson, Sylvain Marsillac, Jon Hillis

VSEDA Staff Present: John Warren, Al Christopher, Ken Jurman, Chris McDonald, Evan Helgesen

Others Present: Paul Kugelman, Office of Attorney General

APPROVAL OF MINUTES

The Chair called for a motion to approve the May 2, 2016 minutes as presented. In reviewing the minutes a member noted that he was incorrectly listed as present at the May 2 meeting and that his name should be approved. Jack Rust moved to approve a corrected version of the minutes and William Carmack seconded. Approval of corrected minutes was unanimously approved.

Subsequent to the meeting staff checked the attendance log for the May 2 meeting and discovered that the member in question was in fact present for that meeting and mistaken about his absence. The minutes stand as presented at the October 12 meeting.

Presentation – Incentivizing Utilities to Invest in Distributed Solar

Presenter: Anthony Smith, Secure Futures

Mr. Smith presented ideas for a possible new and collaborative business model that can help to overcome major hurdles to encouraging solar development and that incentivizes utilities to invest in distributed solar at both the residential and commercial scale.

Mr. Smith discussed how under the current regulatory ground rules, distributed solar results in a net loss for utilities because their business model is to earn a return on investment for generation capacity. The proposed new model involves looking for opportunities for the utilities to invest in, and receive a return on investment for solar distributed generation owned by others, rather than the traditional cost of service model for central generation facilities. Mr. Smith believes that by offering the utility a below market rate market return on their investment in distributed solar, complimented by a ratepayer return less than they are currently investing for central generation, the combined return would be twelve percent, which is 20 percent higher than the return on investment for central generation facilities.

By utilities becoming investment partners in distributed solar projects owned and operated by homeowners or third-party private developers, Mr. Smith contends this new model can result in benefits for all parties:

- Utilities receive a higher return on investments
- Lower cost to solar customers
- Lower stranded costs for non-participants
- Increased business opportunities for the solar industry and jobs for Virginia.

Discussion of the First Annual Report

Vice Chair Robb prefaced the discussion on the Annual Report with a quick rundown on additional information about the activities of the General Assembly Advisory Committee, and a report from the Virginia Distributed Solar Collaborative. She indicated that VSEDA should hear presentations from both groups before any real recommendations are made by VSEDA.

Katharine Bond indicated that a report from the General Assembly Advisory would be coming within 6-8 weeks and that the facilitator for this group could provide a written synopsis.

The group then proceeded to review the draft Annual Report and offer comments and suggested edits for a second draft that would be distributed prior to discussions and a final vote at a follow-up meeting.

PUBLIC COMMENTS

Chairman Hardiman opened the floor for public comments. Receiving no comments from the public the discussion turned to scheduling and topics for future meetings. Ken indicated he would poll the members and staff about meeting dates.

ADJOURNMENT

The meeting adjourned at 12:22 p.m.