Item 7: Long Term Renewable Solicitation
Criteria / Policy on Local Resource Definition
July 30, 2018 CAC Meeting, Davis Senior Center
Long Term Renewable Solicitation Criteria
Background

• The pending renewable Solicitation is the #1 IRP Action Plan item.
• Key outcome is to begin building VCE’s long-term renewable portfolio.
• Legal requirements for LT contracting. To meet minimums, will need 91MW of solar equivalent energy (206,761MWh/yr).
• With attractive pricing, solicitation could supply a full 42% of VCE’s load. This is 141MW solar equivalent (320,383 MWh/yr).
• May receive proposals from existing renewable projects.
• VCE will have additional solicitations in the future.
• Detailed evaluation methodology will not be provided in the solicitation.
Criteria for Review

• Seven criteria for review
  1. Definition of Local Resources
  2. Siting Criteria
  3. Development Status Criteria
  4. Acceptable Technologies
  5. Energy Storage
     • Include in Solicitation (or Not)
     • Which Technologies
  6. Out-of-State Resources
  7. Interconnection Status

• Two recommended Policies
  1. Policy on Definition of Local and Regional Resources
  2. Policy on siting on Prime farmlands
Definition of Local Resources

- There are many constraining land uses in Yolo County.
- Renewable development will take more time.
- Recommendation
  Board adopt as policy and include in Solicitation:
  1. Define “Local” as Yolo County or with nexus to YC.
  2. Define “Regional” as the surrounding 6 counties plus Geysers GRA.
Siting Criteria

• With the significance of local agriculture in Yolo County, VCE probably does not want to promote renewable development on prime farmlands.
• Additionally, the Renewable Energy Transmission Initiative defined 2 categories of lands to avoid promoting renewable development on.
• Recommendation
  1. Adopt a policy against development of its renewable projects on prime farmlands.
  2. Include Solicitation criteria that Projects fail screening if proposed for either: prime farmlands; RETI Category 1 (development prohibited) lands; or, RETI Category 2 (potential resource conflicts) lands.
• VCE needs to have Projects proposed that are more likely to be successfully completed in the timeframe needed to meet the 2021 minimum contracting criteria.
• Establishing minimum development progress criteria will be important in ensuring this is achieved.
• Recommendation
  Project bidders must provide:
  1. Acknowledgment by the relevant land use authority that a permit application has been received.
  2. Evidence of site control.
Acceptable Technologies

• Staff is not proposing specific restriction on the type of renewable technologies other than to require that equipment be a mature technology.
• Recommendation
  1. Proposers can submit project proposals for any renewable technology and project equipment that is a mature listed technology.
  2. Additionally, the proposer must submit supporting bankability documentation.
Energy Storage

• VCE has an obligation under CPUC rulings to procure energy storage at a minimum level of 1% of its 2020 forecast peak load.
• Additionally, the most cost-effective storage installations currently are integrated with renewables because of the available renewable investment tax credit.
• Recommendation
  Include storage systems in the solicitation, with a limitation of battery storage systems integrated with a renewable project (wind and/or solar).
Out-of-State Resources

• There are ample locations for in-state renewable energy development.
• There will be future opportunities to request new long term renewable supply from out-of-state, if it proves necessary.
• Recommendation
  Limit this solicitation to renewable resources located within California.
Interconnection Status

• It will be important to solicit projects that have already begun the electrical interconnection process.
• This will help VCE insure it receives bids from projects likely to begin commercial operation in the needed timeframe (2021).
• Recommendation
  Include a minimum Solicitation criteria requiring that any submitted project already be in an interconnection queue, and that the project has request full capacity deliverability status for its interconnection.
Request Action

• Support staff’s recommendations to the Board.
Item 8: Net Energy Metering (NEM) Policy Amendment Workshop Update and Discussion

July 30, 2018 CAC Meeting, Davis Senior Center
Goals of Workshop

- Provide information on VCE’s NEM policy and why amendments are being considered
- Overview of options
- Receive community input to inform policy decisions
Update from July 23 Workshop

- Approximately 90 in attendance
- Yvonne moderated the session
- Jim presented the VCE background and proposal
- People were ready with questions - mostly clarification questions about VCE’s proposed policy or PG&E policies
- Approximately 1/3 in favor of monthly billing
- General agreement that the VCE proposal is the right direction
Policy Amendment Concepts

Stay with the true-up schedule and billing cycle used by PG&E for the majority of existing NEM customers

• This would be seamless to customers and they will receive VCE benefits
• They retain their annual billing cycle and existing true-up date

Shift some NEM customers to monthly billing

• Shift the roughly 670 existing NEM customers (less than 10% of NEM customers), who consistently owe more than $500/yr from an annual payment to monthly payments while maintaining their existing true-up date.
• Allow non-residential customers with >$500 annual balance to request annual billing (less than 100 customers).
Policy Amendment Concepts

**New NEM Customers**
- Existing VCE customers that install solar PV after August 2018, consistent with VCE’s existing NEM policy, will be placed on monthly billing with an April true-up.
- Policy is under evaluation as well.
Next Steps

- Gather and distill input from workshops
- Staff will conduct analysis public input and options
- Community Advisory Committee will consider public input and staff analysis in forming recommendations
- VCE Board will consider CAC recommendations and staff analysis in September for action
## Financial Impacts—Net Position

### Table: Net Position Analysis

<table>
<thead>
<tr>
<th>Scenario</th>
<th># of Customers / % of NEM Customers</th>
<th>2018 ($1,000's)</th>
<th>2019 ($1,000's)</th>
<th>2020 ($1,000's)</th>
<th>2021 ($1,000's)</th>
<th>Cumulative Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current NEM Policy</td>
<td></td>
<td>$2,071</td>
<td>$10,377</td>
<td>$17,927</td>
<td>$22,261</td>
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<tr>
<td>All NEM to Annual (same as PG&amp;E)</td>
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<td>$2,126</td>
<td>$9,431</td>
<td>$16,250</td>
<td>$20,622</td>
<td>$1,639</td>
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<tr>
<td>&gt;$1000 annually</td>
<td>124 / 1.7%</td>
<td>$2,126</td>
<td>$9,504</td>
<td>$16,508</td>
<td>$20,882</td>
<td>$1,379</td>
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<tr>
<td>&gt;$750 annually</td>
<td>255 / 3.5%</td>
<td>$2,126</td>
<td>$9,585</td>
<td>$16,703</td>
<td>$21,078</td>
<td>$1,183</td>
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<tr>
<td>&gt; $500 annually</td>
<td>667 / 9.3%</td>
<td>$2,126</td>
<td>$9,767</td>
<td>$16,988</td>
<td>$21,366</td>
<td>$895</td>
</tr>
</tbody>
</table>

- The cumulative net impacts (3 years) show an estimated difference of $895k when placing the >$500 customers on monthly billing.
- Revenues are not recorded until true-up.