IREC Steering Committee Meeting
May 20, 2021

Present: **IREC Steering Committee Members:** Elizabeth Ferry, Barnard; Erica Ko, Thetford; Ryan Haac, Sharon; Doc Bagley, Strafford; Doug Fraser, Fairlee. **Staff:** Geoff Martin, IREC. **Guests:** Josh Castonguay, Green Mountain Power; Chris Cole, Green Mountain Power. **Absent:** Neal Leitner, Woodstock.

1. **Additions/changes to agenda**

There were no additions/changes.

2. **REC conversation with GMP**

Josh mentioned that GMP's power supply mix is 94% carbon free, and 65% renewable; driving towards 100% carbon free, and 100% renewable by 2030. He said that deciding how to treat the RECs from a solar project depends on what your community goals are. For Middlebury, they have specific climate goals they want to meet, and will retain the RECs to meet their goals. But ~99% of customers turn RECs over to GMP. As GMP progresses towards its renewable energy goals, all customers will be using renewables.

Chris said that RECs are the currency for keeping track of renewable claims relative to the environmental aspects of that projects. New solar projects are high quality renewable energy. GMP applies these RECs to Tier 2 requirements. Sometimes customers that keep RECs keep them for their own claims, and sometimes they monetize them somewhere else. Middlebury wanted to say that they are sourcing energy locally and environmentally, and there was no substitute for the RECs from their project to fit that story.

Elizabeth asked what the difference is between "retire" and "retain".

Chris said that to support a renewable claim that someone wants to make, they need to make sure they know where the RECs went. You can retain the attribute, but until it's retired, it's not certain that it's found its final destination. Could still sell it later.

Elizabeth asked whether GMP can retain RECs and then sell them later.

Chris said that if GMP has surplus RECs for their requirements under Tier 2, they might sell them to MA for MA to retire in their programs. He said that with Tier 2 RECs, it is GMP's goal to retire the net-metering RECs to support net-metering projects. But at some point (in the future), if GMP ends up with a surplus of net-metering RECs, they may sell them. GMP is not looking to over-retire RECs.

Elizabeth noted that it is easy to assume that retain and retire mean the same thing, and would like GMP's communication to be clearer. Chris mentioned the Generation Information System (GIS), where all New England RECs are tracked, so it is possible to know exactly where all RECs go.

Erica echoed Elizabeth's concern – GMP should be clearer in its communication about RECs. She mentioned that the Thetford Energy Committee has promoted several community solar arrays, without fully understanding the REC issue. As a result, the people who signed up for the arrays are simply using

GMPs generation mix. Now the energy committee is struggling with how to let those people know they are not really using solar.

Josh responded that for the solar development community, it's a financial equation. GMP tries to do clearly demonstrate where its RECs are going. GMP is always open to getting better about how to communicate about RECs. Erica pointed out that solar companies have been backed into a corner, b/c of the way the PUC has structured the net-metering program. She stated that GMP has one of the loudest voices with the PUC, and asked Josh and Chris to raise the issue with the PUC and encourage them not to disincentivize people from keeping their RECs.

Josh stated that one of the limitations on net-metered community solar is that it's limited to 500 kW. He's seen cases where someone does a project on a site that's great for a 2 MW project, but had to stop at 500 kW. In terms of incentivizing or disincentizing keeping the RECs, Josh stated that there should be a premium for solar power. Keeping the RECs means you are keeping something of value.

Geoff asked if customers could be penalized only for selling RECs out of state, but not if they elect to retire the RECs in VT. Chris stated that it's difficult if not impossible to track the RECs for the life of the project. A customer could keep them for the first year and then sell them.

Erica suggested that the value of RECs retired in VT by a community member should be worth the same as when GMP retires the RECs in state. Chris said that he agreed, and would like to get to a point where RECS retired locally are counted towards state requirements. But must be done in a way that avoids double counting. Erica asked if it is overly complex for individuals to retire their RECs. Chris said that GMP could support that within their own account. In the case of Middlebury College, they are big enough to participate in GIS.

Elizabeth said that Vital Communities realized that solar was very attractive to people and that they could run successful town wide campaigns. What's disheartening about the REC issue is that when solar is the entry point for people to do something good for the environment, when they learn that they haven't really gone solar, they feel misled.

Josh said that most of the people he has worked with don't care whether they get to claim the RECs for themselves, or if the RECs go to the utility, as long as they're part of the bigger solution. But he agreed that GMP and the PUC should be clearer about RECs, and that perhaps providing more information on the net-metering form would help.

Erica asked whether GMP could ask the legislature to increase the Tier 2 requirements, and allow RECs from entities besides utilities to count towards the requirement. Chris said that we need to make sure we're doing things at least cost. He said that larger scale projects make it easier to get to state targets at a lower cost. Josh also mentioned that a REC is looked at on an annual time-scale. Yet the time of day that they were generated affects the carbon footprint of the grid. Tier 2 as it stands has become solar only – how can we add other resources to lower emissions.

Doc asked where GMP stands now in meeting Tier 2 requirements, and what happens to Tier 2 RECs that go beyond the requirement. Chris said that GMP has excess Tier 2 RECs relative to Tier 2 requirements, but this Includes projects that aren't in the net-metering program. GMP is selling some of the Standard Offer and PPA projects out of state. At some point, there will be excess RECs from the net-metering program too. He said that within Tier 3, there is some substitution opportunity to apply Tier 2

RECs to meet Tier 3 requirements. GMP could also choose to over-comply. At some point expect ot be surplus net-metering RECs within that program. VT needs to change the RES to deal with the potential for overcompliance.

Erica suggested that by being overly concerned with electricity rates, the state/GMP may be prioritizing older, low-income people at the expense of the next generation that don't have a voice. Hydro isn't carbon free – buying hydro and selling higher value RECs is assisting ratepayers now, but not encouraging other states to invest in new renewables. Josh said that everything has an impact (manufacturing solar panels, etc), and that we may need to depend on hydro now in order to get to 100% renewable. If we cut Hydro Quebec today, the natural gas industry would boom. GMP is strategizing about how to reduce hydro and nuclear. Chris agreed, and said that there isn't a single resource type that can provide power on its own. Solar has its limitations, and we need a portfolio that makes sense together.

Josh mentioned that GMP is developing an Integrated Resources Plan, and will soon hold public meetings. Josh will send Geoff a note.

Erica said that the IREC group is trying to communicate the things that are of great concern to us because GMP is the best partner.

Josh and Chris left the meeting.

Geoff said he would follow up with GMP to make sure they consider the issues we raised during the meeting. The Steering Committee will send Geoff their questions/comments for him to forward to GMP.

Geoff will discuss the other three agenda items that were tabled with each representative during one on ones.