

Draft Minutes

Virginia Solar Energy Development and Energy Storage Authority

Tuesday, April 3, 2018 at 10:00 A.M.

Libbie Mill Library

2100 Libbie Lake E St.

Richmond, VA 23230

Call to Order

Chairman called the meeting to order at 10:00 p.m. Members and staff introduced themselves, and welcomed guests.

Members Present: Ryan Dunn, Hayes Framme, Cliona Robb, Will Gaithright, Barrett Hardiman, Jon Hillis, Ken Hutcheson, Andrew Lamar, Colleen Lueken, Cody Nystrom

Members Absent: Brian Gordon, Jack Rust, Katharine Bond, William Carmack, Sylvain Marsillac

VSEDA Staff Present: John Warren, Al Christopher, Ken Jurman, Will Payne, Paul Kugelman

Approval Of Minutes From November 27, 2017 and January 8, 2018 Meetings

After review of the minutes from the two previous meetings, a motion to approve was made to approve the minutes and they were approved unanimously.

Transition in Chairmanship

Chairman Hardiman discussed his new employment status, which has significantly increased the amount of time he is away from the office on travel. As such, after expressing his thanks to the members for their support and confidence in his role as Chair, he decided he would stay on as a member, but would need to step down as Chair. After some discussion on the timing and process for electing a new chair, the idea of the Vice Chair (Cliona Robb) stepping up was raised. Ms. Robb said she would be happy to step up if that was the pleasure of the group. A motion was made by Mr. Hillis and seconded by Mr. Framme, and approved unanimously. The members chose to hold off on discussions and nominations for a new Vice Chair until the next meeting. Ms. Robb served as Chair for the remainder of the meeting.

Presentation on Energy Storage

Nitzan Goldberger, State Policy Director, Energy Storage Association (ESA)

Ms. Goldberger began with an overview of the ESA. She then went on to discuss the value energy storage brings to the electric grid, and how it complements conventional and renewable generation, as well as energy efficiency, and allows for the use of electricity when and where it's needed regardless of when it was generated, increasing grid resiliency.

Ms. Golgberger talked about the “four pillars” of where/how energy storage is currently used, including:

1. Non-wires alternatives, replacements to wires and other transmission/distribution system infrastructure and deferring the need to upgrade infrastructure like substation upgrades, etc.
2. Enhancing customer choice. Enhancing hosting capacity on the distribution system e.g. solar plus storage etc., which can lead to...
3. Enhanced system resiliency, and the ability to withstand extreme weather events, cyber attacks on substations etc.
4. Emboldening local communities - coops and municipal utilities in particular, as it helps them to manage demand charges and other costs they're exposed to.

Finally she discussed the recent declines in the cost of energy storage, with lithium ion leading these declines, and how these declines are similar to the declines seen in solar PV costs in recent years. She indicated the reason there is not more storage on the grid is because the rules that govern grid operation are from an era when storage didn't exist and so they don't capture the value storage can bring, and that these rules must be updated accordingly.

The Authority members asked numerous questions and engaged in significant discussion on Ms. Goldberger's presentation and discussed ways the ESA can help the Authority move forward to advance storage in Virginia.

Recap of the 2018 General Assembly Session

Michael Skiffington, Policy and Planning Manager at DMME provided an overview of solar and energy storage legislation. He said that over the course of the 60 day session, the Legislature reviewed over 3,700 bills and resolutions and passed 1,833. He said there were dozens of energy related bills introduced, but that most of these were not passed. Of specific interest to the Authority, HJ 101 introduced by Delegate Toscano, would have required the Authority to implement a two year energy storage industry study, saying that while the majority of the legislature supported the study, it was a casualty of the current budget situation, which has not yet been approved.

Mr. Skiffington said that Delegate Toscano also introduced an energy storage tax incentive, which, while not passing, made it much farther through the processing indicating there is growing interest about energy storage among the House and Senate members.

Energy related bills that did pass include:

- HB 1451 – Creates a pilot net metering program for zero energy schools that will allow public schools that generate more power using solar than they use to credit the excess generation to other schools in the district
- HB 509 - Provides that a solar facility subject to provisions requiring the facility to be substantially in accord with a locality's comprehensive plan shall be deemed to be substantially in accord with the comprehensive plan if (i) the solar facility is located in a zoning district that allows such solar facilities by right or (ii) the solar facility is designed to serve the electricity or thermal needs of the property upon which such facility is located, or will be owned or operated by an eligible customer-generator, eligible

agricultural customer-generator or by a small agricultural generator as defined in the Code.

- SB 966 – The Grid Transformation and Security Act which ends the Dominion rate freeze. As it relates to solar, this bill raises the amount of solar generation that is declared in the public interest from 500 megawatts to 5,000 megawatts and contains elements from some of the many unsuccessful solar bills introduced.

SB 966 generated much discussion on how the implementation of 5,000 MW of solar would be practicably implemented, and what role the Authority could play.

Planning session for Work Plan Development

The group discussed holding a 3-4 hour work plan development meeting. Much of the discussion centered around whether HJ 101 (the Energy Storage Study resolution) could serve as a roadmap for how the Authority can help guide the implementation of the energy storage components in SB 966 (the Grid Transformation and Security Act.) Chairman Robb asked the members to submit any suggestions on what this roadmap should look like and submit these ideas to staff in advance of the work plan meeting.

The group also discussed scheduling future meetings, including one or more meetings in advance of the required Annual Report. It was decided that staff will send out a Doodle poll to determine a date in May or June for the work plan session, a regular meeting in July and annual report development meetings September-October.

Letter of Comment on DEQ's Proposed Carbon Trading Regulation

Staff prepared a "strawman" letter of comment. Mr. Jurman expressed his opinion that the only item within the proposed regulation that might warrant comment is the 5% set aside of carbon allowances allocated to DMME. These carbon allowances would be auctioned off in a consignment auction by a third party contracted to DMME and the funds used to implement carbon reduction initiatives.

After much discussion a motion was made to have staff modify the draft letter to remove language in support for the proposed carbon rule. Instead the comments would encourage DEQ, contingent upon any proposed regulations being adopted, request that a portion of the funds generated through the sale of the DMME carbon allowances be used specifically to advance solar and energy storage in the Commonwealth. The motion passed without objection.

VSEDA Funding

The discussion turned to other sources of funding, and what the authority VSEDA has in regards to raising, holding and expending funds. It was suggested that at the start of the work plan session there be a brief presentation to remind the members of the of their statutory authority in this regard. Staff will check on availability of OAG to clarify these issues for the members.

Website development

The members and staff discussed the pros and cons of inexpensive options for website hosting as alternatives to following in similar tracks as the Virginia Offshore Wind Development Authority that has a basic website hosted and maintained by and at James Madison University, or the Virginia Nuclear Energy Consortium Authority website maintained through the Secretary of Commerce and Trade's office.

After discussion various issues, Mr. Framme made a motion to have Will Payne, DMME Chief Deputy, who is familiar with web hosting sites, design and maintain a VSEDA website that would be a repository for meeting information such as minutes and presentations, and also provide links to information to help inform the public on solar end storage. Mr. Gathright seconded, and the motion passes unanimously.

PUBLIC COMMENTS

There were no public comments

ADJOURNMENT

The meeting adjourned at 12:00 p.m.