

To: Lisa Vest, Hearing Officer, DNREC

December 7, 2015

89 Kings Highway, Dover, DE 19901

## **LWVDE COMMENTS ON DNREC DRAFT REGULATION 102**

The League of Women Voters of Delaware is writing in support of the November 1, 2015 **Draft Regulation 102: Implementation of Renewable Energy Portfolio Standards Cost Cap Provisions**. Over the past decade, the Renewable Portfolio Standards have supported an increasing use of renewable energy at a cost that is reasonable considering both the property damage from sea level rise and coastal storms and the higher health care costs that will result from continued reliance on fossil fuels. We believe that the changes introduced in the current version of Regulation 102 represent, in net, a distinct improvement in the way the cost of compliance is calculated.

We are pleased to see that the calculation of the cost of compliance for both solar and other sources of renewable energy now includes externality offsets for NO<sub>x</sub> and SO<sub>2</sub> based on the 2012 Delmarva Power Integrated Resource Plan (IRP) and for CO<sub>2</sub> emissions based on current estimates of the social cost of carbon.<sup>1,2</sup> We agree that these offset estimates are conservative and the real costs of the avoided emissions may eventually be shown to be much higher. However, the use of conservative estimates is justified if it will minimize delays in the adoption of these new regulations.

We also agree that the costs of deploying Bloom fuel cells should not be considered in calculating the price of renewable energy. We have long believed that, unless the methane or other fuel used in the cells is derived from a renewable source, such as land fill gas, the energy generated is not accurately described as “renewable.”

We have no objection to calculating the total annual cost of compliance based on a compliance year defined as starting on June 1 and ending on May 31 of the following year.

We are grateful for the extensive work done by Tom Noyes, Principal Planner for Utility Policy, and other members of DNREC’s Division of Energy and Climate on this issue and for their willingness to respond to public questions and comments.

Jull Fuchs, President of the League of Women Voters of Delaware

Coralie Pryde, Co-Chair of the LWVDE Environmental Committee

The two documents referred to in the footnotes were sent to Coralie Pryde by Tom Noyes.

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<sup>1</sup> Calculating the Benefits of Renewable Energy, DNREC Division of Energy & Climate DRAFT: November 5, 2015.

<sup>2</sup> DPL costs analysis 1 year ILLUSTRATIVE, Excel Table, November 23, 2015.