

Municipal Virtual Net Metering: A Public-Private Partnership That Reduces Electricity Costs for Municipalities

Paul R. Michaud
Murtha Cullina LLP
860.240.6131
pmichaud@murthalaw.com

December 1, 2015

Agenda – 4 Questions



- What is Municipal Virtual Net Metering?
- Why is Municipal VNM a Public-Private Partnership?
- What are the Benefits of Municipal VNM?
- Next Steps?

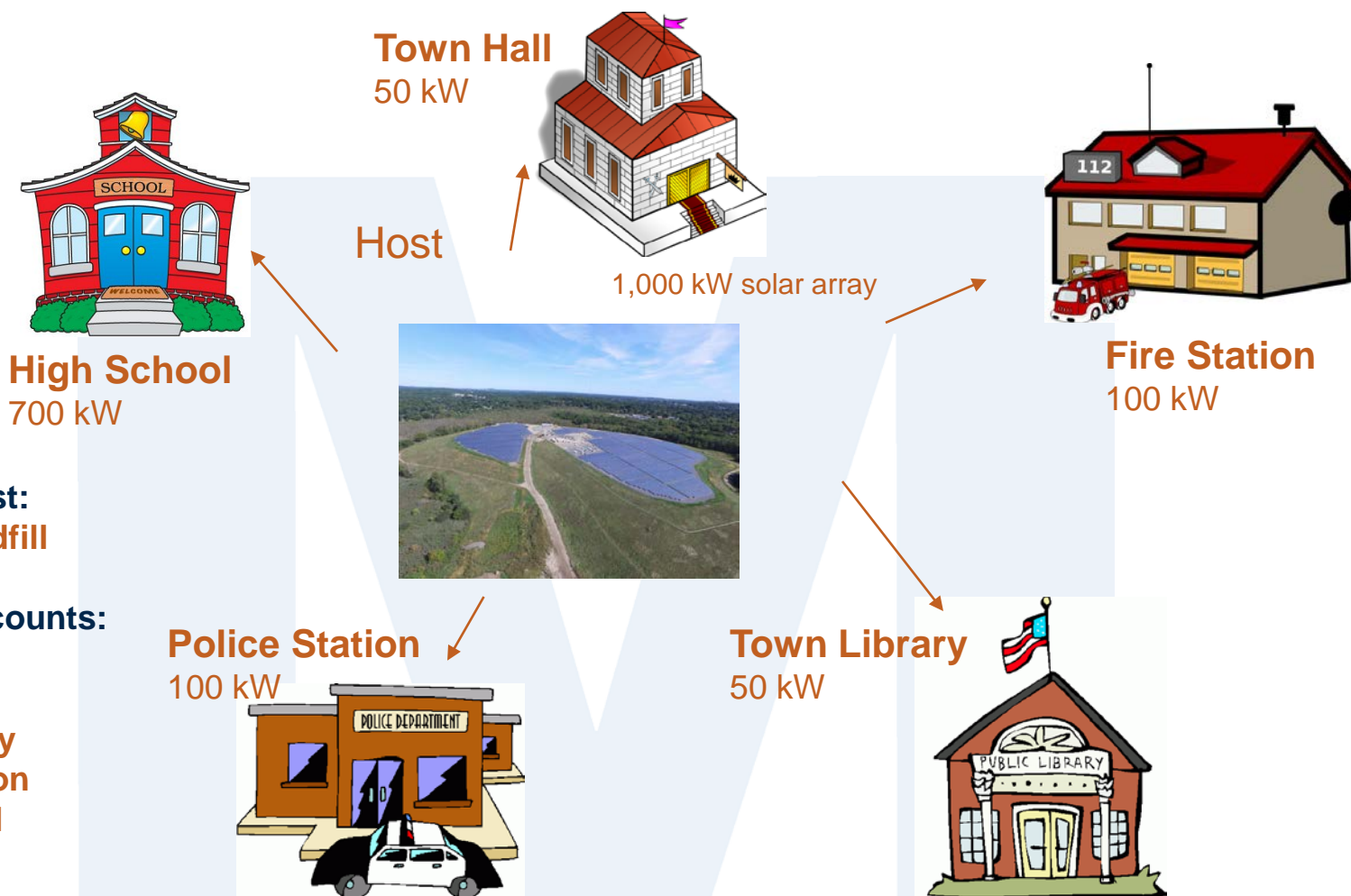




What is Municipal Virtual Net Metering in CT?

- Class I Renewable Resource (e.g., Solar) located at a remote site
- Up to Five Municipal Accounts (e.g., Schools)
- \$10 MM VNM Annual “Credit” Cap of which \$4 MM allocated to Municipalities
- Virtual Net Metering Bill Credit Calculation
 - Generation Service Charge (GSC)
 - 100% allocation based on energy produced by the renewable energy system
 - Distribution & Transmission Charges (D&T)
 - 80% allocation – Operational Year 1
 - 60% allocation – Operational Year 2
 - 40% allocation starting on and after Operational Year 3

What does Municipal Virtual Net Metering Look Like in CT?



Customer Host:
- Closed Landfill

Beneficial Accounts:

- Town Hall
- Fire Station
- Town Library
- Police Station
- High School

Murtha Cullina LLP | Attorneys at Law | www.murthallaw.com

Why is Municipal VNM a Public-Private Partnership?



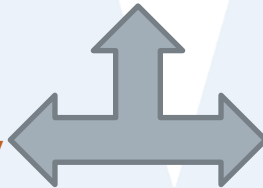
Power Purchase Agreement



Solar Company Owns Solar Array

Municipality Owns Closed Landfill

Electricity Savings to the Municipality



20 Year PPA with the Municipality
Usually at a Fixed Price

Municipal VNM – Participation in CT



- Branford
- Bethel
- Cheshire
- East Hartford
- Hamden
- Putnam
- Stafford
- Rocky Hill
- Tolland
- Woodbridge
- Newtown
- Milford
- Woodstock
- Plus about 14 more!!

Why Solar on Closed Municipal Landfills & Other Unused Properties?



1. Limited Alternative Use
2. Large & Open Space
3. Remote Location
4. Limited Shading (no trees)
5. Energy Savings for Municipality!
6. 267 Closed Landfills; in 129 Towns



Hartford Closed Landfill
1 MW Solar Array

Benefits to Municipalities?

- Electricity Cost Savings
- Energy price stability and predictability (hedge from energy price volatility)
- Great use of otherwise unused land
- Municipalities are viewed as good counterparties for long-term contracts by solar developers
- Using cleaner energy at a lower price
- Drives down cost of renewable energy and drives CT towards its energy policy goals

Estimated Electricity Cost Savings Over 20 Years



Municipality

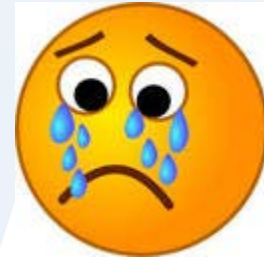
Electricity Cost Savings

- | | |
|----------------------|----------------|
| • Town of Stafford | • \$9,000,000 |
| • Town of Woodstock | • \$3,400,000 |
| • Town of Branford | • \$11,600,000 |
| • Town of Rocky Hill | • \$7,000,000 |
| • Town of Putnam | • \$7,600,000 |

Next Steps: Legislation Needed to raise the VNM Cap?



- The Bad News: The VNM Cap for municipalities has been reached!
- The Good News: Discussions are under-way to increase the VNM Cap and allow more municipal solar projects.



Thank You!



Questions?

Murtha Cullina LLP | Attorneys at Law | www.murthalaw.com

BOSTON

HARTFORD

MADISON

NEW HAVEN

STAMFORD

WOBURN