

## New England States Committee on Electricity

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July 22, 2013

Mr. Stephen Rourke  
Vice President, System Planning  
ISO-New England  
67 Sullivan Road  
Holyoke, MA01040

### **RE: Distributed Generation Working Group**

Dear Steve:

At the June 19, 2013 Planning Advisory Committee meeting, ISO-NE announced the launch of a *Distributed Generation Forecast Working Group* (DG Working Group) in the fall of 2013. The New England States Committee on Electricity (NESCOE) is writing to express the New England states' strong support for the initiative and offer of assistance. Given historic and achieved levels of substantial investment in distributed resources, such as solar PV, it is timely to formalize a regional process to continue and build upon efforts to plan for increased amounts of distributed generation in our resource mix.

Each of the six New England states has put significant resources toward increasing solar PV and other renewable resources. For example, as a result of the Commonwealth of Massachusetts reaching its goal to install 250 MW of solar PV four years ahead of schedule, the Commonwealth has set a new goal of 1600 MW of installed solar PV by 2020. The State of Connecticut has a goal of 30 MW of residential solar by 2020 under its Solar Renewable Energy Credit (SREC) program, which program also requires electric distribution companies to purchase \$8 million of SRECs from commercial customers each year for the first four years, essentially doubling the program size each year. The State of Vermont has a goal to build 35 MW of solar PV under its Sustainably Priced Energy Development program in addition to resources that will be installed with \$2 million of incentives available from the Small-scale Renewable Energy Incentive program. Interestingly, Vermont also has a statutory requirement to target installations of distributed generation in geographic areas that may require new resources in the future in order to displace the need for investment in transmission.

In addition to these types of state policies and programs, the growth of solar PV is expected to continue due simply to the economics of that resource. In the past decade, the per-kilowatt-hour installed cost of PV systems has declined by 35% and costs are expected to fall another 13-37% by 2020. Given current and expected investments in and anticipated continued development of distributed resources, it is increasingly important to

monitor their growth on the New England power system and to consider the implications of this increased penetration in planning.

NESCOE looks forward to participating in the DG Working Group with ISO-NE and stakeholders to determine the optimal way for New England to account for increased distributed generation. We offer assistance and knowledge with regard to state laws and interconnection policies to inform the work of the DG Working Group and, ultimately, the means by which the value of distributed resources can be captured in system planning and operations.

Sincerely,

*Heather Hunt*

Heather Hunt

Executive Director

New England States Committee on Electricity