



## Self Generation Solar Rates



John Beckstrom, Utility Financial/Rate Analyst

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## 2016 Self-Gen Rates/Methodology

	<u>Jan. – June,</u> <u>Oct. – Dec.</u>	<u>July – Sept.</u>
<b>Residential</b>		
Base charge	\$13.36	\$13.36
Energy charge per kWh	\$0.06674	\$0.07962
Buyback charge per kWh	\$0.03980	\$0.04666
Monthly minimum bill	\$13.36	\$13.36
System size range limitation	1-50 kW	1-50 kW
PILT per kWh	\$0.00652	\$0.00715

- ⌚ Customer will be billed for net consumption during the month.
- ⌚ If the net consumption is negative in a month, the excess kWh will be carried forward to the following month and credited against the customer's energy consumption in kWh.
- ⌚ If the customer has a kWh credit at the end of the 12 months, the City will pay the customer at the Self Generation Buyback Charge Rate.
- ⌚ Residential Base Rate \$13.36

2



# 2017 Self-Gen Rates/Methodology

	<u>Jan. – June, Oct. – Dec.</u>	<u>July – Sept.</u>
<b>Residential</b>		
Energy charge per kWh	\$0.06964	\$0.08436
PILT charge per kWh	\$0.00675	\$0.00808
Buyback credit per kWh	\$0.06964	\$0.08436
Buyback PILT credit per kWh	\$0.00675	\$0.00808
Monthly minimum bill	See Residential Base Charge Table Above	See Residential Base Charge Table Above

- ⌚ Customer will be charged a Base Charge based on the capacity of the self-generating unit (next slide).
- ⌚ Customer will be billed / credited for consumption & buyback during the month.
- ⌚ Residential Base Rate \$14.37

3



# 2017 Self-Gen Rates/Methodology (page 2)

## Residential Base Charge

Capacity of Self-Generating Unit <u>(in kilowatts (kW))</u>	<u>Jan. – Dec.</u>
Up to 1.49	\$15.82
1.50 – 2.49	\$17.27
2.50 – 3.49	\$18.72
3.50 – 4.49	\$20.17
4.50 – 5.49	\$21.62
5.50 – 6.49	\$23.07
6.50 – 7.49	\$24.52
7.50 – 8.49	\$25.97
8.50 – 9.49	\$27.42
9.50 – 10.49	\$28.87

4



# 2017 Base Rate Explained

- ⌚ The Base Rate is a flat charge applied each month regardless of the amount of kWh used.
- ⌚ It includes utility wide and customer specific infrastructure costs such as:
  - ⌚ Distribution lines & transformers, metering, meter reading, and utility billing.
  - ⌚ O&M of the distribution system.
  - ⌚ The capacity to provide energy to all customers on the grid as needed.
- ⌚ These are fixed costs & do not vary based on the amount of energy used by each customer.
- ⌚ Because these are fixed costs the base rate is charged even if the customer has had no usage for the month.
- ⌚ Some of the fixed costs are included in the base rate and some are included in the energy rate (kWh).
- ⌚ For the Self-Generation Rate, the reason the base charge increases as the capacity output of the self-generating unit increases is because as the customer generates more and therefore purchases less energy, the utilities fixed costs must still be recovered to prevent other customers from subsidizing self-generating customers.

5



## Response to Citizen's Observations

- ⌚ Paragraph 4: "The accounting implementation was the cause of the problem."
  - ⌚ The invoices in question have been reviewed and are correct (2016 & 2017).
- ⌚ Paragraph 6: "The problem was in an erroneous formula for quantifying the transactions."
  - ⌚ Under the old method customer generation was tracked as kWh.
  - ⌚ If more kWh were produced than purchased the excess kWh were carried over to the next month.
  - ⌚ If at the end of the 12 months there was excess generation, a credit was issued at the buyback rate.
  - ⌚ Net energy is not assessed a second time.
- ⌚ Paragraph 7: "The revised rate structure does two things...""
  - ⌚ Power produced by the customer has not been double counted.
  - ⌚ The Base rate has been previously explained.
  - ⌚ The buyback rate has been increased to match the purchase rate.
  - ⌚ Excess generators do benefit from the higher buyback rate.
- ⌚ Paragraph 8, Bullet Point 3: "There is insignificant cost difference...""
  - ⌚ This has been explained as part of the Base Charge.

6





# QUESTIONS?