MGA Solar Webinar: State Policy Options

Community Solar

February 7, 2017

Smart Electric Power Alliance

About SEPA

Smart Electric Power Alliance

SEPA's mission is to facilitate the utility industry's smart transition to a clean energy future through education, research, and collaboration.

COMMUNITY

Members, Events, USC, Fact Finding Missions, Partnership Opportunities, Power Player Awards

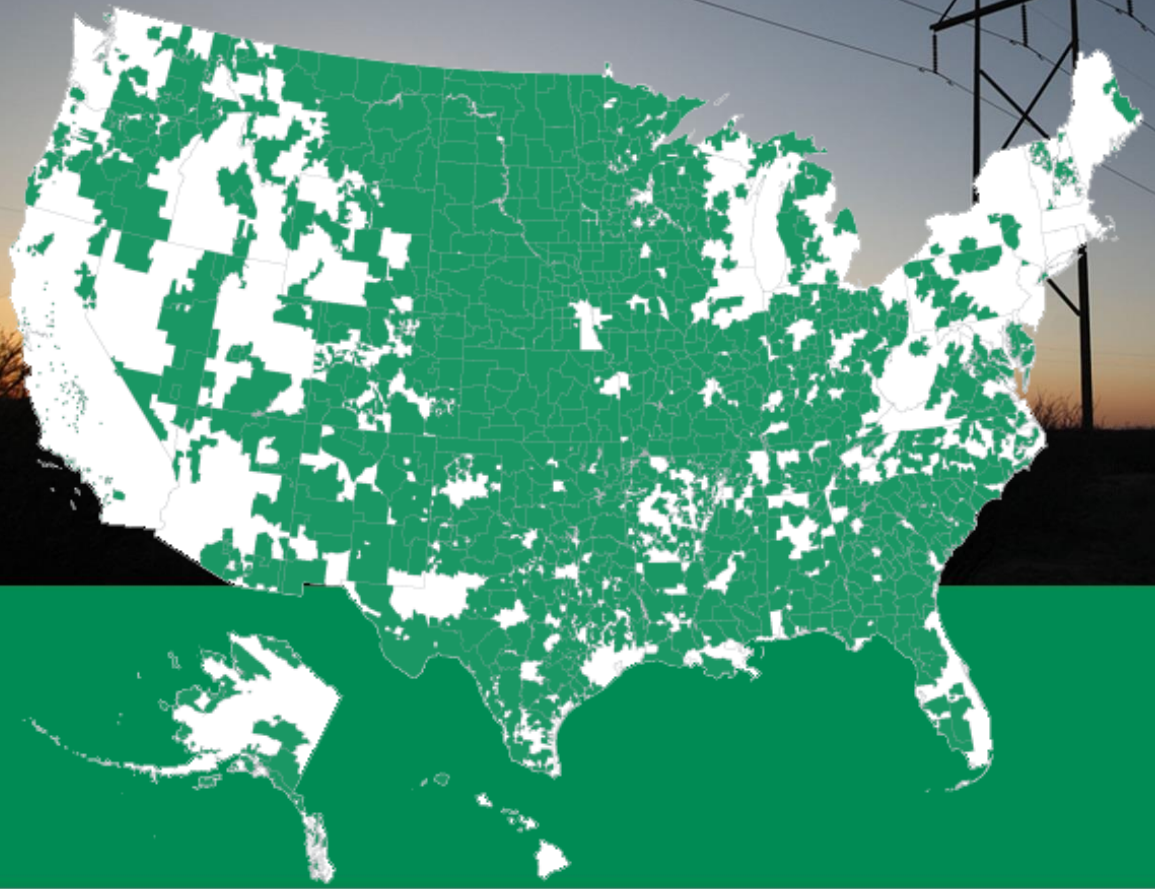
DATA

USD, Solar Calculators, Mapping Tools, Research Reports, Project and RFP News, Custom Research Solutions

INSIGHTS

Advisory Services, Webinars, Workshops, Case Studies, SEPA Publications, Blog, Expert Commentary

America's Electric Cooperative Network



- Over 900 Co-ops
- Serves 42 Million Americans in 47 States
- Covers 75% of Nation's Land Mass
- Owns 42% of all Distribution Lines
- Totals 2.4 Million Line Miles
- Powered by 55,000 MW
- Delivers 178 Billion kWh of Generation Annually

NRECA®

A Touchstone Energy® Cooperative

Agenda

1. What are the existing policies and markets?

2. How is subscriber compensation handled?

3. How do policies affect subscribers?

State Policy Is A Major Driver of CS

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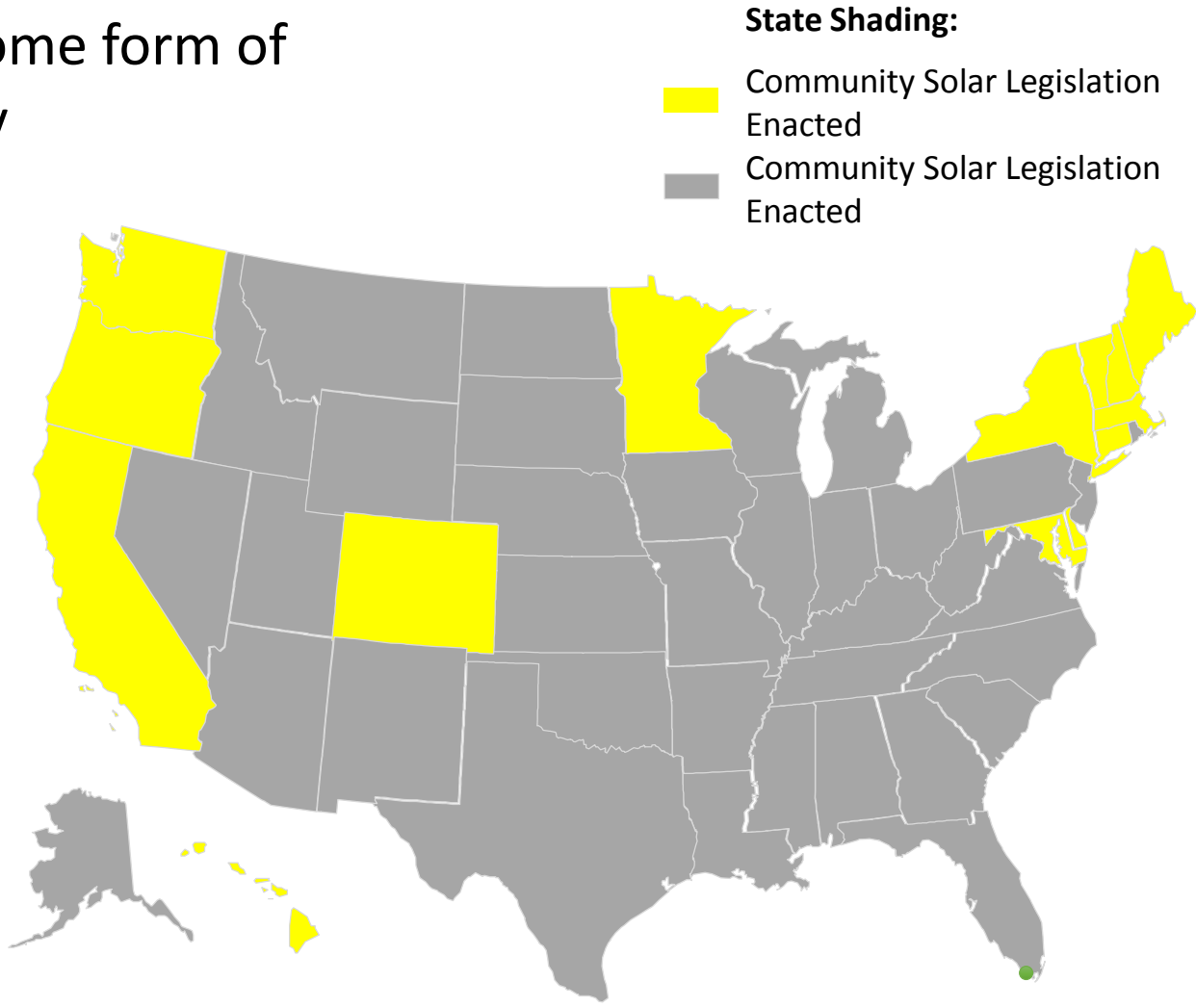
14 States and D.C. have some form of a shared renewable policy

- California
- Colorado
- Delaware
- District of Columbia
- Hawaii
- Maryland
- Massachusetts
- Minnesota
- New Hampshire
- New York
- Oregon
- Connecticut
- Vermont
- Washington



State Policy Is A Major Driver of CS

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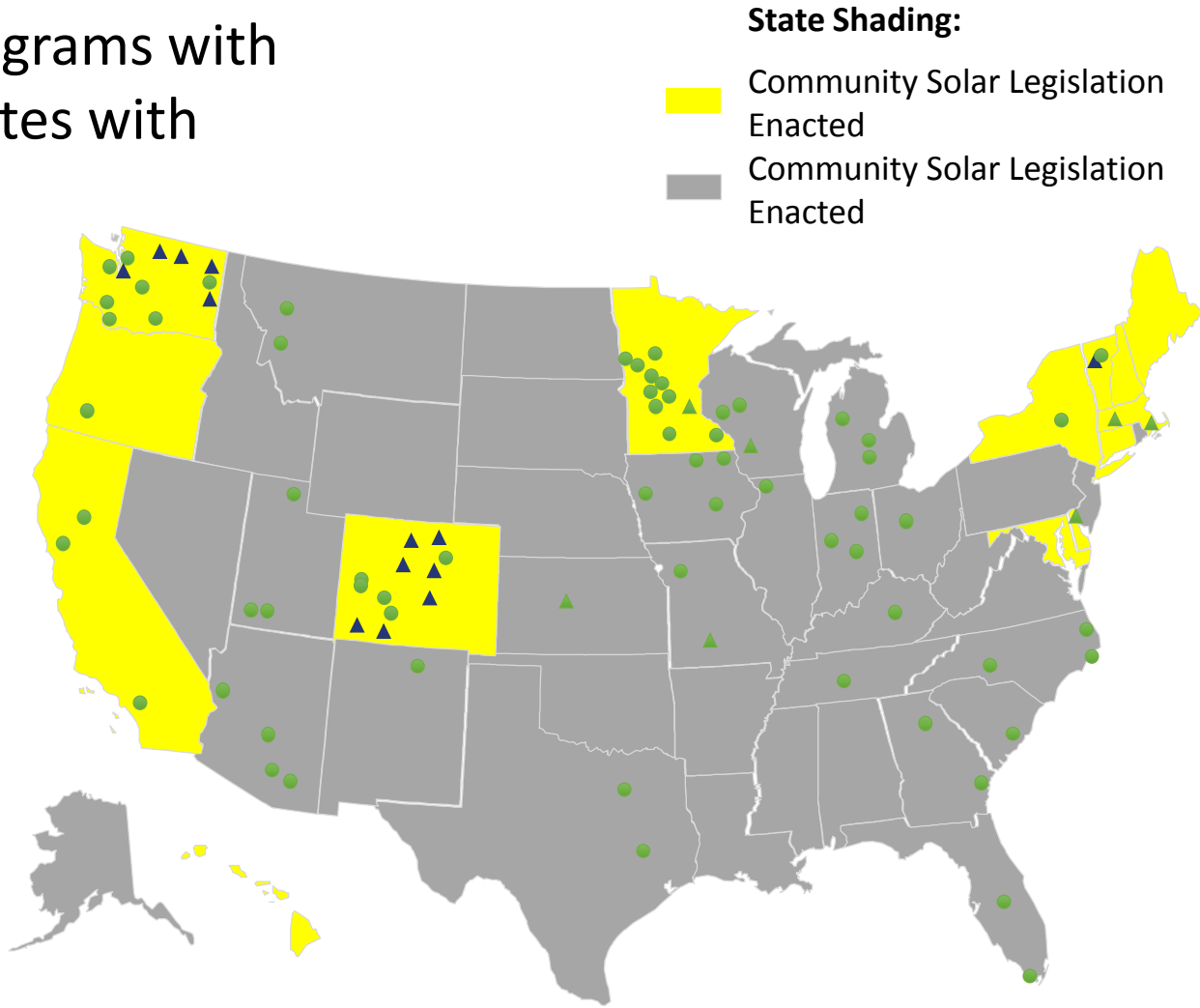
59 utilities supporting programs with 110MW capacity in 14 states with policy

49 programs with 58MW capacity in 36 states without policy



What is in Policies?

COMPONENT	CO	MA	MN
Ownership & Administration	X	X	X
System/Facility Size	X	X	X
Bill Credit Value	X	X	X
Location	X	X	X
Program Cumulative Capacity	X	X	
Consumer protections	X		
Low-income customer participation	X		
REC Ownership			X

Other considerations:

- Min. Term length
- Number of participants
- Portability and transferability of subscriptions
- Unsubscribed energy

Subscriber Compensation Options

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1. Embedded-cost-based approach—participants' retail rates
   - Generation, transmission and/or distribution
   - Can get complicated with TOU rates and non-kWh components, e.g., demand charges
2. Value-based approach—value of solar rate
   - Costs = lost revenue, admin. costs, incentives
   - Benefits = avoided generation costs, avoided line losses, capacity benefits, avoided T&D costs, avoided environmental compliance costs, other benefits, etc.

Subscribers Compensation Challenge

How do you fairly credit subscribers for the energy produced from their share?

NY	Full retail rate
MN	Current: Full retail rate plus REC adder (res. CSG rate = $0.14 or $0.15 per kWh, depending on the project size) Planned: Value of Solar
DE	Same feeder = full retail rate; Different feeders = supply service charge
MA	All but Class III = full retail rate; Class III = energy, transmission, transition
CA	Compilation of statute-mandated costs and credits
CO	Total Aggregate Retail Rate = base energy, demand charges and other riders; excludes T&D, customer charge, DSM, RESA
WA	No policy requirement. Tends to be at Avoided Cost

Full NEM (G,T, & D)

Avoided Cost (G)

Subscriber Perspective

SEPA has conducted several surveys of potential and actual customers in the past year. Some of the key findings are below.

- Top 2 concerns of subscribers are the 1) economic return, 2) term of commitment
- Educating potential subscribers is necessary as over 80% of potential customers have never heard of the term “community solar”.
- 90% of subscriber complaints concerned not getting what they were promised.

THANKS!

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