

# Net Metering Proposed Changes

- Solar generator impacts:
  - System own use still paid at full retail rate
  - Excess generation slightly less than retail rate (~\$0.085 vs avg ~\$0.109)
  - Annual excess generation more than existing (~\$0.085 vs ~\$0.052)
- For generation in excess of consumption, customer receives a credit in the month of generation (no month-to-month banking or year-end settlement credits)
- Maximum size at no greater than 125% of average annual load in addition to existing maximum unit size of 100 kW
- All existing member generators would be “grandfathered” at rate implementation
- To simplify presentation, average cost per kWh usage will be shown, but existing rate block structure will be maintained

# Components of Expense – Non-Demand Rates

Description	Embedded Costs	Existing Rate	Proposed Rate	How Billed
Service Access Charge	\$48.41	\$48.41	\$48.41	Per month
Purchased Power Costs	\$0.047/kWh	\$0.047/kWh	\$0.047/kWh	kWh Charge (flow to member)
	(\$0.047)/kWh	(\$0.047)/kWh	(\$0.047)/kWh	kWh Credit (flow to cooperative)
Grid Access Costs Average cost from rate blocks	*\$0.063/kWh	*\$0.063/kWh	*\$0.063/kWh	kWh Charge (flow to member)
	*\$0.063/kWh		**\$0.010/kWh	kWh Charge (flow to cooperative)
	(\$0.013)/kWh Excludes environmental	*((\$0.063)/kWh) Excludes environmental	***(\$0.048)/kWh Includes env & phase-in	kWh Credit (flow to cooperative)
Credit Year End		~(\$0.052)/kWh	n/a	
TOTAL Avg Energy In	\$0.110/kWh	\$0.110/kWh	\$0.110/kWh	
TOTAL Avg Energy Out	(\$0.060)/kWh	(\$0.110)/kWh	(\$0.085)/kWh	

## Breakdown of OPALCO Components – *Excludes Power Cost*

	Grid Access Charge Flow to Member *	Grid Access Charge Flow to Cooperative **	Grid Access Credit Flow to Cooperative ***
Transmission Avoidable Sub Cable	\$0.0123/kWh		(\$0.0123/kWh)
Transmission Non-Avoidable	\$0.0018/kWh	\$0.0018/kWh	
Substation Avoidable	\$0.0009/kWh		(\$0.0009/kWh)
Substation Non-Avoidable	\$0.0085/kWh	\$0.0085/kWh	
Backbone Line	\$0.0135/kWh		
Distribution Other	\$0.0235/kWh		
Taxes	\$0.0023/kWh		
Assumed Environmental Benefits			(\$0.0100)/kWh
Phase-In Credit			(\$0.0250)/kWh
	Opalco non-customer/kWh	Non-avoidable T&S/kWh	Avoidable T&S/kWh
TOTAL	\$0.063/kWh	\$0.0103/kWh	(\$0.0482)/kWh

**Assumed environmental attributes – unmeasured benefits**

**Phase-in credit – to ease rate impact for solar customers**

# OPALCO Net Metering Rate

## Rate Development – 2020 Customers with 12-month Usage

		<u>Existing</u>			<u>Proposed</u>	
		<u>Rate</u>	<u>No Solar</u>	<u>Solar</u>	<u>Rate</u>	<u>Solar</u>
<b><u>2020 Full Year only</u></b>						
Customers (12 month sum)	3,780	\$ 48.41	\$ 182,990	\$ 182,990	\$ 48.41	\$ 182,990
Average	315					
kWh Flow to Member	4,914,687	\$ 0.10977	\$ 539,505	\$ 539,505	\$ 0.10977	\$ 539,505
Net Flow to Cooperative	1,261,798	\$ 0.10977	\$ 138,513	\$ (138,513)		
Flow to Cooperative Credit	1,448,945				\$(0.08495)	\$ (123,091)
Excess Year-End Credit	187,147	\$(0.05200)		\$ (9,732)		
<b>TOTAL</b>			<b>\$ 861,008</b>	<b>\$ 574,251</b>		<b>\$ 599,404</b>

	<u>Existing</u>	<u>Proposed</u>
<b><u>Subsidy for solar members in total</u></b>		
Billing under standard residential rate	\$ 861,008	\$ 861,008
Billing under net metering rate	574,251	599,404
Subsidy	<u>\$ 286,757</u>	<u>\$ 261,604</u>

**Reduction in total subsidy from non-solar members** **\$ 25,153**

	<u>Existing</u>	<u>Proposed</u>
<b><u>Average Subsidy for solar members per member per month</u></b>		
Billing under standard residential rate	\$ 227.78	\$ 227.78
Billing under net metering rate	151.92	158.57
Subsidy	<u>\$ 75.86</u>	<u>\$ 69.21</u>

**Reduction in average subsidy from non-solar members per member per month** **\$ 6.65**

*OPALCO Staff developed a calculator showing examples of potential future customer impact using existing customer usage data as examples – since existing customers are proposed to be grandfathered, however, no existing customers would be impacted by the proposed rate change*