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

		Existing			Proposed	
		Rate	No Solar	Solar	Rate	Solar
2020 Full Year only						
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)		
TOTAL			$ 861,008	$ 574,251		$ 599,404

	Existing	Proposed
Subsidy for solar members in total		
Billing under standard residential rate	$ 861,008	$ 861,008
Billing under net metering rate	574,251	599,404
Subsidy	$ 286,757	$ 261,604
Reduction in total subsidy from non-solar members		$ 25,153
Average Subsidy for solar members per member per month		
Billing under standard residential rate	$ 227.78	$ 227.78
Billing under net metering rate	151.92	158.57
Subsidy	$ 75.86	$ 69.21
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***