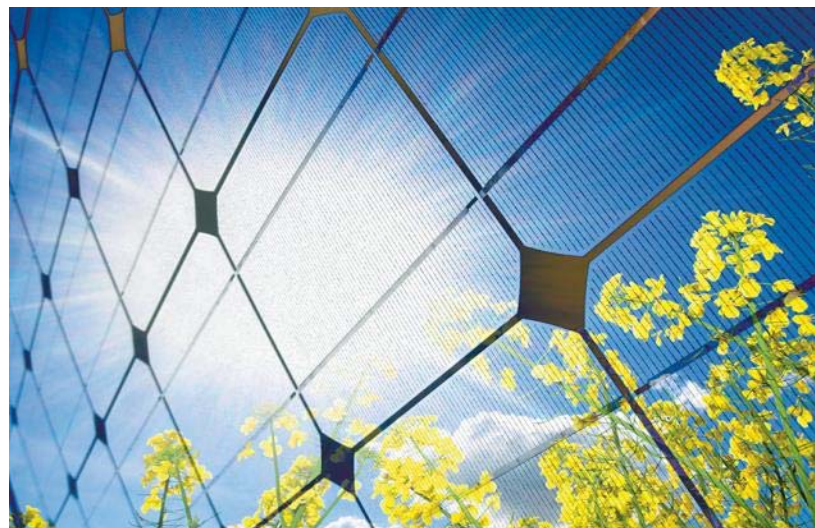




# Update on Local Solar & Resolution 157

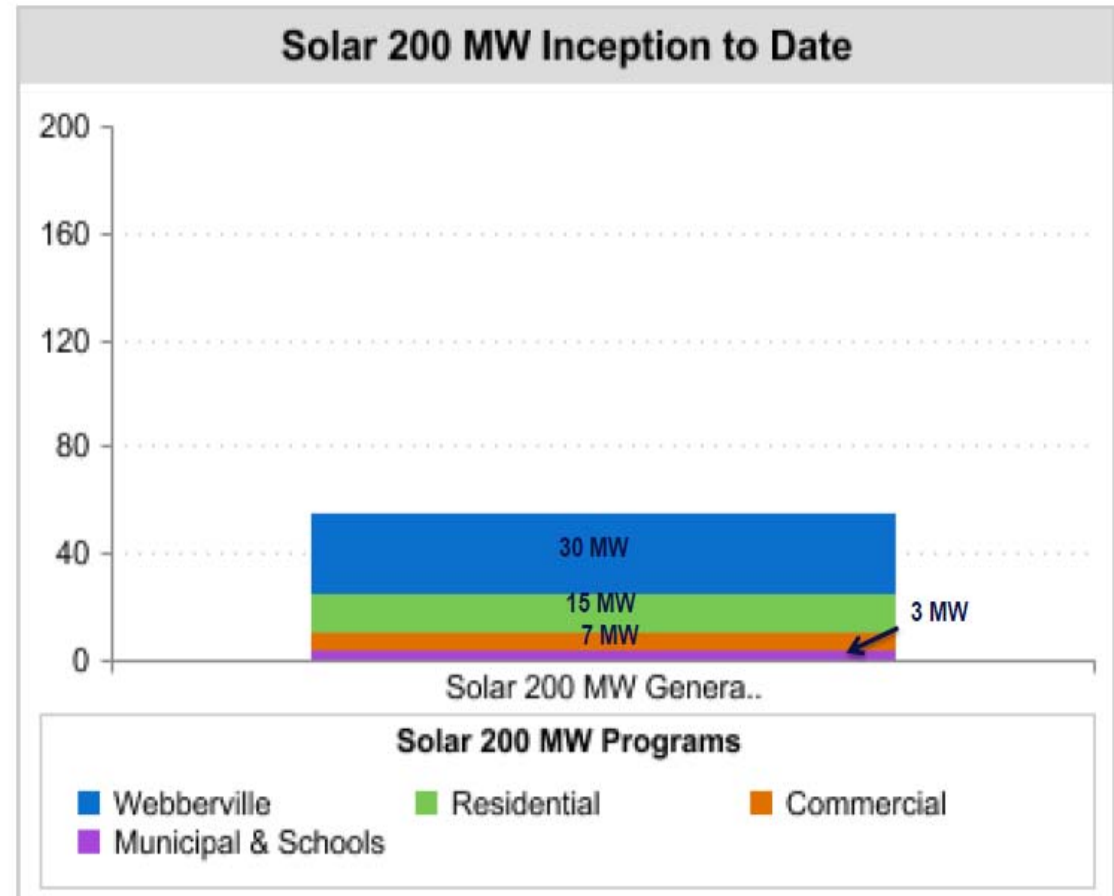
Presentation to EUC  
November 17, 2014





## Resolution 157 – Local Solar Goal

- On August 28, Council passed resolution calling for increased renewable energy and solar goals
- Increased local solar goal from 100 to **200 MW by 2020**, with at least 100 MW customer-controlled



*Unaudited at 09/30/14*



# Resolution on Incentives & Value of Solar Tariff

## Status

(effective 2015)

A. Revise solar incentive programs to allow third-party leased system hosts to participate

Under review

B. Change the Residential Value of Solar Tariff to:

i. remove the year-end credit sweep and allow credits to roll over from year to year;



ii. remove the 20 kW tariff cap;



iii. set an annual floor equal to the residential electric rates of a tier 3 customer;

Under review

iv. allow leased system hosts to receive VOS credits;



v. adopt 5-year rolling average in calculating VOS rate



*\* Must be equipment leases, not PPAs*





# Resolution on Value of Solar Tariff Methodology

## Status

C. Revise the annual VOS assessment methodology to calculate the natural gas value in the energy value component of the Residential Solar Tariff

Under Review

D. Submit any future Residential Solar Tariff methodological changes for approval by the City Council





## Residential Solar Rate Stability

- Solar rate volatility has been a concern to solar customers and contractors
- New “rolling average” methodology will smooth rate changes, dampen impact of year-on-year natural gas futures fluctuation
- **“VoS Factor”** used to calculate solar credits will be based on 5 year rolling average **annual “VoS assessment”**
  - VoS Factor for the next year = average of forward year VoS assessment & past 4 years’ VoS assessments
- VoS Factor of 11.3 ¢/kWh effective January 2015





## 2015 VoS Factor Adopted by Council

Using rolling average of VoS assessment:

| 2015 Residential Solar Rate Calculation |                |             |          |
|---|----------------|-------------|----------|
|   | VOS assessment | #months     | weighted |
| 2012                                    | 12.8           | 3           | 38.4     |
| 2013                                    | 12.8           | 12          | 153.6    |
| 2014                                    | 10.7           | 12          | 128.4    |
| 2015                                    | 10             | 12          | 120      |
| Total                                   |                | 39          | 440.4    |
| <b>2015 VoS Factor</b>                  |                | <b>11.3</b> |          |