

Austin Resource Management Commission

Resolution on Value of Solar Tariff

October 18, 2022

WHEREAS, it is the purpose of the Resource Management Commission to “advise the city council in the developing and reviewing city plans and programs in the area of alternate energy technologies, renewable energy sources, and energy conservation”; and

WHEREAS, the Austin Energy Resource, Generation and Climate Protection Plan to 2030 and the Austin Climate Equity plan, both adopted by Council, include goals for increasing the use of local customer-sited solar energy in order to reduce greenhouse gas emissions and other pollution, improve resilience, and keep bills affordable; and

WHEREAS, the Value of Solar tariff is essential for facilitating the continued use of local customer-site solar energy; and

WHEREAS, it is important for the Value of Solar tariff to accurately compensate customers with on-site solar energy for the energy they produce, and to provide a rate that isn’t too volatile, in order to attract investment in customer-sited solar; and

WHEREAS, if a portion of the Value of Solar fee is paid for by the Energy Efficiency fee instead of the Power Supply Adjustment fee, then some customers will be exempted from their fair share of the costs since they are exempted from the Energy Efficiency fee;

NOW THEREFORE BE IT RESOLVED that the Resource Management Commission recommends that the Austin City Council do the following when adopting the updated Value of Solar tariff as part of Austin Energy’s base rate package:

1. Continue to collect all Value of Solar tariff costs through the Power Supply Adjustment fee.
2. Base the avoided costs of the Value of Solar rate on a rolling five-year average.
3. Direct Austin Energy to hire a qualified third party, with experience in calculating the value of local distributed solar energy, to: A) facilitate a collaborative stakeholder process and analysis to identify and incorporate avoided and incurred costs that may not be currently captured in the proposed methodology; and B) develop a standard offer program for community solar.