

Rate Impact of Net Metering

Jason Keyes & Joseph Wiedman
Interstate Renewable Energy Council
Oct. 30, 2009



Scope

- Impact of net metering on utility rates for customers without DG
- Not considering impacts on the local economy, jobs or the environment
- Critique of California PUC approach in Rulemaking 08-03-008
- Proposing approach for smaller markets or individual utilities to use
- Not calculating impacts for any specific state or utility



Impacts

- Avoided cost of utility generation (fuel, etc.)
- Avoided line losses
- Capacity value (deferred peakers and T&D)
 - Based on firming DG with DSM / load shifting
 - Perez, et. al. analysis of capacity value
- Other impacts
- Program administrative costs



Likely Recommendations

- Get net metering experience first; there is no significant impact without installations
- Most capacity is on demand metered customers – primarily netting energy costs – so subsidy might go from DG customers to ratepayers
- Solar can be firming with DSM and complimented with load shifting to provide capacity and defer peakers and T&D upgrades
- Compare net present value of costs and benefits, not just up-front costs



Timeline

- Finalized reviewer list in November
 - CPUC, utilities, Pace, Perez
- California PUC report due out in December
- Draft ABCs report without CPUC review in December
- Draft with CPUC review in January, reviewed
- Webinar in February
- Second draft by late March
- Final report by July



Jason Keyes

jkeyes@keyesandfox.com

206-919-4960

