Rate Impact of Net Metering

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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 loses
• 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 firmed 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

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