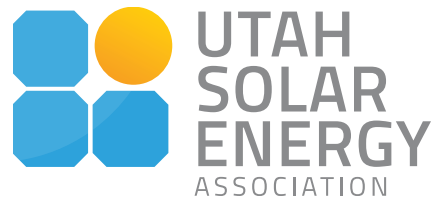




# Net Metering Settlement Details

Utah Solar Rates and Structure- Members Only Document  
August 28, 2017



## NET METERING SETTLEMENT SUMMARY

The Utah Solar Energy Association throughout the settlement talks had two clear priorities; keeping rooftop solar affordable for Utahns and preserve the 4,400 jobs the solar industry has created. This compromise, which comes with challenges, maintains solar as an affordable and secure investment, encourages self reliance and promotes choice in our energy market.

### **Signatories- each of the following signed this settlement**

Utah Solar Energy Association, Vivint Solar, Auric Solar, Intermountain Wind & Solar, Legend Solar, Utah Clean Energy, Office of Consumer Services, Division of Public Utilities, HEAL Utah, Summit County, Park City, Salt Lake City, Rocky Mountain Power, Utah Citizens Advocating Renewable Energy (UCARE)

## SETTLEMENT KEY TERMS

### **Net Metering Program**

- NEM Cap Date
- NEM Customers
- Grandfathering Period

### **Export Credit Proceeding**

- Proceeding Time Frame
- Proceeding Goals

### **Net Metering Program**

- Transition Customers
- Transition Period
- Transition Export Credit
- Netting Period

### **Other DG Matters**

- Legislative & Regulatory Stay Out
  - [utah.gov](http://utah.gov) website
  - Consumer Protection
  - Communication Plan
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## NET METERING PROGRAM

### Net Metering Cap Date

The day that will signal the close for all new net metering customers, those that receive a full 1:1 credit.

- November 15, 2017 or 60 days after a final Public Service Commission Order

### NEM Customers

Those that have had solar installed or will have a completed application submitted by 11/15/17. To be considered a NEM customer you do not have to have your installation completed, simply that a completed interconnection application is filed by 11/15/17.

### NEM Grandfathering Period

NEM Customers will be grandfathered through 12/31/35. During that time frame, they will continue to receive the 1:1 to credit and netting period Utah has offered. All customers that submit a completed interconnection application by 11/15/17 will remain in their respective rate classes and not have any discriminatory charges applied, including no rate changes, no new monthly charges and no new fees that are not applied to other customers in the same rate class.

Grandfathering applies to the meter, not the customer.

## EXPORT CREDIT PROCEEDING

### New Docket that opens immediately to Determine:

The long-term rate structure and appropriate rate for exported solar energy to the grid.

The docket will be open for 2.5 - 3 years, with an ending date at the latest of 10/1/2020. The proceeding will consider such things in terms of costs & benefits as it relates to DG solar:

- Energy value
  - Appropriate measurement intervals
  - Generation capacity
  - Line losses
  - Fuel hedging
  - T&D capacity and investment
  - Long-term benefits
  - Environmental compliance
  - Other quantifiable elements
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Additionally, the proceeding will consider possible upgrades to export credits or how distributed generation export credits may or may not be tied to capability. Such possible upgrades include:

- Storage
- Smart inverters
- Smart load controls
- Other load and generation management technology

## TRANSITION PROGRAM

### Transition Customers

Transition customers are rooftop solar customers that submit applications after 11/15/17 through the end of the Export Credit Proceeding which will end no later than 10/1/2020.

Transition customers will remain in their respective rate classes and not be subject to discriminatory charges and have a fixed rate structure and rates until 12/31/32.

The docket will be open for 2.5 - 3 years, with an ending date at the latest of 10/1/2020. The proceeding will consider such things in terms of costs & benefits as it relates to DG solar:

### Utah State Solar Tax Credit

In order to ease the industry and customers into a new rate structure the parties involved (excluding government agencies) will work together to extend the Utah State Solar Tax Credit (residential) through the transition program, as indicated below.

	Scheduled	Proposed via Settlement
2018	\$1,600	\$1,600
2019	\$1,200	\$1,600
2020	\$800	\$1,600
2021	\$400	\$1,200
2022	Expires	\$800
2023		\$400
2024		Expires

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## Transition Program Fees

Level 1:

- \$60 Application fee, non-refundable
- Metering fee equal to incremental cost of bi-directional meter, refundable if not installed (approximately \$60)

Level 2:

- \$75 Application fee, non-refundable
- \$1.50 per kw installed

Level 3:

- \$150 Application fee, non-refundable
- \$3 per kw installed

## Transition Program Rates

- Behind the Meter = 1:1 credit
  - Most valuable energy produced and technically indexes with utility rates
- Exported Energy: 90% (schedules 1,2,3) or 92.5%, (commercial schedules) average energy rate
  - Rate for Schedules 1,2,3 becomes \$0.094/kWh if the Utah State Solar Tax Credit (residential) is not extended (see Tax Credit section)

Schedule	Transition Export Credit Rate (cents/kWh)
Res 1,2,3	9.2
6	3.4
6A	6.6
6B	3.4
8	3.5
10	5.6
23	8.2

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### Transition Netting Period

Consumption and exports:

- Measured & netted in 15 minute intervals
- Excess exports applied to power & energy charges
- Excess annual credits surrendered as before\*

The Transition Export Credit will apply against the power and energy charges only, and will not apply against monthly customer charges or minimum bills. Excess export credit values will carryover and apply against power and energy charges in subsequent monthly bills. At the end of a customer's applicable annualized billing period, the value of remaining unused credits shall be granted: (a) to the Company's low-income assistance programs as determined by the Commission; or (b) for another use as determined by the Commission.

### Transition Caps

- Residential & Schedule 23: 170 MW, applied and installed
- Commercial: 70 MW, applied and installed

### Post Transition Caps Customers

Customers who submit a complete interconnection application after the applicable Transition Cap is met but before the Commission has issued a final order in the Export Credit Proceeding ("Post-Transition Customers") will receive the Transition Export Credit (as applicable) until the Commission issues an order in the Export Credit Proceeding and a new tariff is implemented, at which time such customers will be subject to the terms of the new tariff, as determined by the Commission.

### Other Important Issues

- Legislative & Regulatory Stay Out- Following the conclusion of the Export Credit Proceeding, parties have agreed not to initiate or support legislation or a regulatory proceeding that would alter the settlement outcomes in any way.
  - Create Utah.gov site for DG solar info- The parties will build an information page on a utah.gov website to better educate the public about solar energy and need to know information when investing in rooftop solar.
  - Work on consumer protection- There will be a coordinated effort to improve consumer protection in the Utah market. This could result in proactive legislation from the industry.
  - Joint communication plan- The parties will work on a communication plan to inform the public about the changes in solar rates and rate structure.
  - Low-income solar program- Interested parties will meet in 2018 to discuss and evaluate the implementation of a low-income solar program.
  - Full Settlement Stipulation can be read here: <https://psc.utah.gov/2016/06/20/docket-no-14-035-114-2/>
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