



Legislation Text

File #: 2017-142, Version: 1

Draft Resolution - Cooperative Solar Rate Option Tariff Amendment - I Sterzing

Submitted By: Ingmar Sterzing

Department: Power Supply and Energy Services

Financial Impact and Cost/Benefit Considerations:

Cooperative Members that subscribe to the Cooperative Solar Rate option will be charged for their solar energy share at a fixed rate that is established based on the Cooperative's costs and benefits of the associated energy. Any additional benefits realized by the associated solar projects shall be retained by PEC and allocated to the Cooperatives Cost of Power. The virtual net metering for the Cooperative Solar Rate option only offsets usage associated with TCOS and Power Costs, and therefore, does not have any impact on PEC's recovery of costs or margins associated with PEC's distribution system and operations.

On December 7, 2015 the PEC board passed a resolution ("Member and Community Solar Power Purchase Agreements") authorizing the development and acquisition of up to 15 MW electric capacity, energy and other related products from renewable solar photovoltaic distributed generation located within the Cooperative's service territory to reduce exposure to higher cost peak power pricing, mitigate the Cooperative's Transmission cost exposure, and provide solar capacity and energy to use for a member rate option. The Cooperative has successfully executed a sufficient number of distributed solar project Power Purchase Agreements (PPAs) and verified the technical requirements of the Cooperative's metering and billing systems to propose and establish a Cooperative Solar Rate option.

The Cooperative Solar Rate option will allow eligible PEC members to subscribe to a share of the available solar capacity and energy. The member's solar energy share will determine, on a percentage basis, the energy output of the total solar energy output that will be allocated to the member based on actual production. The solar energy share allocation will be virtually net metered against the member's actual energy usage. The solar energy share allocation will only offset TCOS and Power Cost charges and will not offset Service Availability Charge, Delivery Charge, or Demand Charge. The member will be charged a fixed rate for their solar energy share allocation.

Since the overall capacity of PEC's distributed solar projects is limited up to 15 MW, the Cooperative Solar Rate option will be limited to a certain number of shares and allocation to the different rate classes. Subscription availability will be determined by submission to the Cooperative of an application and subject to pre-determined maximum subscription allotments per Member rate class.

This rate requires a twelve (12) month commitment to purchase a portion of the monthly energy usage from the solar power generated by PEC's Distributed Solar Projects. Each Member will be allowed to subscribe up to a number of units or shares equivalent to 75% of the lowest usage at any given month during the last 12 month period. The total kWh attributed to the Member is not a fixed amount, but a percentage of total production, and will vary monthly depending on PEC's total distributed solar project generation.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative approve these amendments to the Tariff and Business Rules for

Electric Service as attached hereto to become effective as of September 1, 2017.

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer, or designee, is authorized take all such other actions necessary to implement the purposes of this resolution.