

Council Business Meeting

December 19, 2017

Title: Amendment to Renewable Resource Purchase Policy (Net Metering)
From: Adam Hanks
Interim Assistant to the City
Administrator
adam@ashland.or.us

Summary:

The draft ordinance for review by Council this evening amends the long-standing (1996) and very successful Renewable Resource Purchase Policy that formalizes the relationship between the Electric Utility and its customers who install local renewable electricity generation on their property within the City's service territory. Amendments include:

- Change in the date for the annual "true-up" for customers who have excess kilowatt hours (kwh) of electricity above and beyond what they consumed through the course of the year
- Inclusion of language allowing "virtual net metering", meaning that kwh generated from one customer account can be transferred to either another account under the same account holder or be allocated by contract agreement to other account holder(s) within the City's service territory

Actions, Options, or Potential Motions:

I move to approve a resolution titled, "A Resolution Amending the Renewable Resource Purchase Policy."

Staff Recommendation:

Staff recommends Council approved the draft resolution as proposed with the anticipation that additional amendments will likely be presented to Council in the coming months in conjunction with new solar program incentives relating to the implementation of the Climate and Energy Action Plan (CEAP).

Resource Requirements:

The current "true-up" date currently triggers a once a year credit to a handful of solar net metered customers with a total cost of between \$1,000 and \$2,000. It is anticipated that the adjusted true-up date will eliminate the credit "payments" and will instead be utilized by the customers as a month to month net meter credit. The net effect of the adjustment is negligible, as it is primarily a timing and maximization of system generation adjustment.

Policies, Plans and Goals Supported:

Climate and Energy Action Plan (CEAP) – Buildings and Energy

- BE-1-3 – Facilitate and encourage solar energy production

Background and Additional Information:

The City of Ashland Electric Utility was one of the first electric utilities in the state to develop and approve a renewable resource purchase policy to formalize and encourage customer interest

and installation of local, renewable electricity generation. Three different amendments to the resolution have occurred between its original approval and the proposed amendment before Council now, which is indicative of the evolving nature of local generation and its relationship to the Electric Utility.

The proposed amendments contained in the draft ordinance address two issues that have been identified by City Staff, local solar installation partners and net metered customers.

True-up Date

Electric Utility customers who have installed generating equipment on their property are called net metered customers as they utilize the City's local distribution grid as a virtual battery by placing excess kwh generation onto the City's grid each month. How much excess generation each customer has is dependent on the size of their solar system, their consumption needs and the energy efficiency of their structures and equipment.

The excess kwh are shown each month on the customer's utility billing statement and can accumulate seasonally and are typically exhausted prior to the current true-up date of December 31 so no credit is applied. In recent years, the lower costs for solar systems has resulted in larger system sizes which then resulted in more net metered customers having excess kwh at the end of the calendar year.

By moving the true-up date to March 31 of each year, it is anticipated that net metered customers will be better positioned to utilize 100% of their generation throughout the year since the January, February and March months are lower system generation months and can also be high consumption months for customers who heat with electricity.

Virtual Net Metering

City Staff have been working with local solar installers and other renewable energy entities and utilities in the region to determine how to better facilitate the ability of a customer account location that has good solar access, but not enough consumption at that site to make the solar installation economically viable or wishes to have others share in the solar installation investment and use the generation capacity as a portion of the investment return.

Virtual net metering (VNM) is a bill crediting system for transferring energy production benefits from one utility account holder to another. Energy produced at one utility meter (the Generator account) may be shared among other account holders (the Benefitting accounts).

VNM Generator accounts must, at minimum:

- Be a City of Ashland electric utility account holder and have a utility installed production meter
- Sign a current Net Metering Contract with City of Ashland
- Have a current VNM Allocation Agreement on file with the City for 100% of the generation

VNM Benefitting accounts must, at minimum:

- be listed on a current VNM Allocation Agreement on file with Utility billing

The availability of VNM provides for the potential installation of community solar projects not owned and operated by the City, as well as for installations on multi-family and commercial buildings that currently face financial return on investment challenges.

Attachments:

Draft Renewable Resource Purchase Policy Resolution