



Austin Energy proposes Value of Solar for commercial properties

Tuesday, April 25, 2017 by [Sommer Brugal](#)
ENERGY

Austin Energy presented a commercial Value of Solar proposal at the Austin Energy Utility Oversight Committee Monday morning. Danielle Murray, the Solar Energy Services manager at Austin Energy, said the proposed plan would have benefits for both present and future energy customers.

One of those benefits is compensation for excess generation. According to Murray, it's an issue that's especially relevant for customers, such as schools, that have unusual use patterns.

"Sometimes (schools) push back their solar energy onto the grid in the summer," Murray said, "and under the current rate structure, they don't get compensated for that." This proposal addresses that discrepancy, she said.

The proposal includes three value components for commercial customers: an energy value, a transmission and distribution value, and an environmental compliance value. Under the proposal, customers would be able to reduce their demand charges with solar.

The plan also calls for a Value of Solar rate that would be updated every four to five years with Austin Energy's cost of service study, rather than yearly, as is required currently under the residential Value of Solar program. Doing so, Murray said, would not only provide better stability to customers but make it easier for contractors to communicate when the rate is set for a number of years at a time.

Kaiba White, policy analyst at Public Citizen and president of Solar Austin, said she's excited to see the proposal come forth, describing it as an important development for Austin's commercial sector.

"(The city) has incredible potential for adding (solar) capacity on the commercial side," White said. "(The proposal is) really important for meeting our goals – our local solar goals, our climate protection goals – and also for creating jobs here in the city." White said it is a win on all fronts.

According to Murray, commercial customers can currently receive benefits from installing solar in two ways. The first, she said, is through the rate structure. Instead of purchasing energy from Austin Energy, customers are producing a kilowatt-hour of energy under their own roof from solar.

"(Customers) are reducing what they buy from us," explained Murray. "Therefore, whatever charges they have on their bill based per kilowatt-hour are reduced."

Customers can also currently benefit from Austin Energy's incentive programs, such as the performance-based incentive program. Through the program, Murray said customers receive an incentive for every kilowatt-hour they produce from the system for the first 10 years. The 10-year time period, she said, gives larger systems and their owners the incentive to properly maintain their solar system.

The proposal also includes a Value of Solar tariff for commercial customers, which would require customers to have solar panels on their roofs, a solar meter and a revenue meter as well.

"Under a Value of Solar tariff, (customers) would get a Value of Solar credit for every kilowatt hour that solar system produces as measured on the solar meter," explained Murray. She said customers would also be charged the regular rate structure for everything else they used.

Since the residential Value of Solar was developed in 2006, there have been a number of changes in the Texas electric market. Murray said one of those developments was a move to a fully deregulated approach with a fully market-based buying and selling system.

“We want to move to a Value of Solar that better reflects (those changes),” said Murray. “It’s a little more transparent to our customers as well.”

Murray said this proposal is on track with the city’s efforts to meet 70 Megawatts of customer-sited solar by 2020. According to the numbers, the goal will be met by 2019.

Photo by [Pujanak](#), Public Domain.