

## Residential Value of Solar (VoS) Rate

Any residential customer with an on-site solar photovoltaic (PV) system (owned or leased) associated with the residential account and interconnected to the Austin Energy electric distribution system will be billed under the **Residential Value of Solar Rate (pdf)**. These customers receive a "Value of Solar" (VoS) credit on their bill each month for every kilowatt-hour of solar energy produced by their system.

The solar customer will be billed for the total energy use of their home under the residential tiered rate structure, and then that bill will be reduced by the Value of Solar credit. If the solar credit is larger than the energy bill, the remaining credit rolls over to the next month as long as the account remains open. At the end of each calendar year, any solar credit will roll to the January bill. Solar credits are only applicable to the electric bill, and cannot be used to offset other City of Austin bills.

Austin Energy's residential VoS solar rate has been designed to:

- Reflect the value of local solar generation
- Create equity between high and low consuming solar customers
- Reduce cost-shifting between solar and non-solar customers
- Recover Austin Energy's fixed costs
- Encourage solar customers to engage in efficiency and conservation

The residential VoS rate went into effect October 1, 2012. Under the rate, residential solar customers will receive a Value of Solar (VoS) credit on their bill each month for every kilowatt-hour of solar energy produced by their system.

The VoS credit is designed to take into account the overall value of solar photovoltaics to the community and electric system (see the table of values listed below). The values are re-evaluated and adopted by Austin City Council annually, then integrated into the **residential electric tariff**.

Austin Energy credits solar production at the current Value of Solar Rate of 10.6 cents per kWh (effective January 1, 2017).



### Value of Solar Assessment Components

Value Component	Basis
Fuel Value	Avoided cost of fuel to meet electric loads as well as transmission and distribution losses, based on the solar production profile. This is inferred from ERCOT market price data and future natural gas prices.
Plant O&M Value	Avoided costs associated with natural gas plant operations and maintenance by meeting peak load through renewable sources.
Generation Capacity Value	Avoided capital costs of generation by meeting peak load through renewable sources, inferred from ERCOT market price data.
Transmission and Distribution Capacity Value	Savings in transmission costs resulting from the reduction in the peak load by renewable sources.
Environmental Compliance Value	Avoided cost to comply with environmental regulations and local policy objectives.

[Learn more about how we designed our Residential Solar Rate \(pdf\)](#)

### Contact Us

We're here to help you go solar!

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