

BENEFITS OF DG DEPLOYMENT

Staff noted that the purpose of this docket is to “determine the appropriate rate structure for DG customers by evaluating the costs and benefits of DG, as well as by examining potential rate design alternatives for DG customers.”¹ The Commission made a similar notation in its Order opening this docket when it stated its desire for “a thorough and thoughtful discussion of the appropriate rate structure for DG including the quantifiable costs and quantifiable benefits of DG.”² The Commission’s Order also noted its “discretion to consider the utility’s quantifiable costs of providing service to a customer class, such as DG customers. The Commission recognizes that quantifiable benefits of DG may decrease the utility’s cost of providing service to DG customers.”³

Brightergy’s position is that DG solar provides enough quantifiable benefits to the grid, and in turn, all ratepayers, to justify no added monthly access or maintenance fees. Westar⁴ and Kansas City Power & Light⁵ (“KCP&L”) customers already pay a monthly minimum charge for their utility service. Given these monthly minimums, there is no reason to add further charges to net metering customers’ monthly bills.

Some of the benefits of DG deployment directly impacting the utilities include peak load reduction/management, reduced maintenance costs at customer sites, extended life of fossil generation assets, avoided fuel costs, and reduced costs of compliance with environmental regulations.

¹ Staff R&R, p. 8.

² Order Regarding General Investigation p. 10.

³ *Id.* at 8.

⁴ https://www.westarenergy.com/Portals/0/Resources/Documents/Tariffs/Small_Gen_Serv_1015.pdf

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https://www.kcpl.com/-/media/indexedmedia/my_bill/ks/detailed_tariffs_ks/102315ksdtsmallgeneralservice.pdf?la=en

These benefits are each quantifiable, and should figure into the Commission's analysis regarding rates for DG customers. A calculation that does not fully consider the benefits of DG solar to utility providers, as well as to all customers, would fall short of providing the accurate accounting the Commission will need to set a balanced policy.

VALUE OF SOLAR FRAMEWORK

The State of Minnesota⁶ as well as the City of Austin, Texas⁷ have adopted Value of Solar ("VOS") tariffs. At a high level, the VOS framework is meant to assign a value to DG solar production, at a fair market rate, that will eliminate the need for debate about whether to compensate net metered production at the retail rate paid by the customers to the utility, or at the wholesale rate paid by the utility for its power supply. This is one method by which the Commission could find a medium between how much the utilities need to recover to stay profitable and maintain a safe, reliable grid system.

A VOS rate for production will generally not fluctuate with shifting retail and wholesale rates, giving the utility and the DG customer certainty over the course of the life of the solar generation system as to what rate will be paid. Customers will feel more secure in their investments, and utilities will have more information for long-term planning.

The VOS rate should be an opportunity for all stakeholders to make their cases to the Commission regarding the costs and benefits of DG solar. Under this framework, the utilities

⁶ <https://fresh-energy.org/2016/07/21/mn-regulators-adopt-first-of-its-kind-value-of-solar-rate/>

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<http://my.austinenergy.com/wps/wcm/connect/c6c8ad20-ee8f-4d89-be36-2d6f7433edbd/ResidentialSolar.pdf?MOD=AJPERES>

would retain their minimum monthly charges to ensure sufficient contributions from customers for grid maintenance and upgrades.

RATE DESIGN CONSIDERATIONS

One structural consideration for DG customers is for utilities to continue to allow Time of Use (“TOU”) rates. Such a rate structure would reduce the utilities’ peak demand. On a TOU rate, a customer is incentivized to move load from peak hours to off-peak hours. Locally, these rates are not as popular as they are in jurisdictions with a heavier deployment of distributed generation resources, but assuming the trend continues toward more solar installations, these rates will assist customers in maximizing benefits from generation. Likewise, TOU rates should assist utilities in peak load management and reduce strain on generation resources.

Technological innovation will lead to more monitoring of load devices, increasing a customer’s ability to schedule load (for example, delay timers on dishwashers and washing machines), customers will have more flexibility in shifting their electrical consumption to times when their electricity costs are lower.

A TOU rate will give flexibility to customers and a higher degree of certainty and control to utilities when engaging in load balancing activities.

CONCLUSIONS

Brightergy and the other participants in this docket will only scratch the surface of these issues in their initial comments. Brightergy plans to participate in the roundtables and share its

experiences installing and interconnecting hundreds of smaller-scale solar projects in the Midwest. This experience will help inform the Commission in coming to a decision that will allow customers the freedom to install DG resources, permit the industry to continue growing jobs in the State of Kansas. At the same time, DG policy will need to keep utilities profitable and able to maintain a secure and reliable grid system.

Dated March 17, 2017

Respectfully submitted,

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VERIFICATION

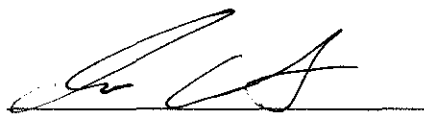
STATE OF MISSOURI)
) ss:
COUNTY OF JACKSON)

Andrew J. Zellers, being duly sworn upon his oath deposes and says he is the attorney for Brightergy, LLC, that he is familiar with the foregoing Comments, that the statements therein are true and correct to the best of his knowledge.



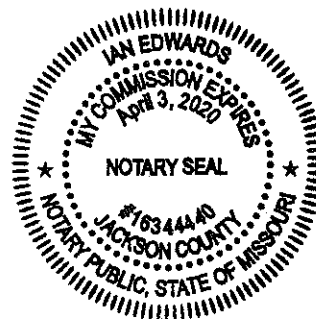
Andrew J. Zellers

Subscribed and sworn to me this 17th day of March, 2017



Notary Public

My Appointment Expires: 4/3/2020



CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of March, 2017, the foregoing Comments were electronically filed with the Kansas Corporation Commission and that an electronic copy was delivered to each party on the service list.

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