

Net-Metering, Pricing & RECs

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DC is Unique

- Approximately 2,500 MW peak load
- 2.5% consumption in solar carve-out by 2023
- Need approximately 240 MW solar in DC to meet carve-out
- 9.6% of current peak load
- 3.9 MW/sq. mi. solar density (including park land)
- 4.8 MW/sq. mi. solar density (excluding park land)

Current NEM Rules

- NEM designed for customer-owned behind the meter generation
- Upper bound for NEM systems approximately Customer's load, but no more than 1,000 kW
- Two sets of NEM rules:
 - SOS customers entitled to NEM
 - Third-party supplier customers NEM is at discretion of supplier
- <100 kW – compensation for “excess” generation is 100% of retail rate
- 100 – 1,000 kW – compensation for “excess” generation is energy portion of retail rate
- Compensation for “excess” generation is based on dollar value of kWh at time of generation

Proposed Expansion of NEM

- DC currently developing Community Solar legislation
- Changes NEM to customer-owned, not behind meter
- Injections into grid
- Purchase/sales, or retail wheeling
- Needs to be carefully crafted to not have unintended consequences, e.g. not create inadvertent wholesale transactions
- Needed in DC to help meet solar carve-out
- Allows wider range of customers to be solar electricity producers

RECs

- Solar Renewable Energy Credits (SRECs) are the mechanism through which the solar aspect of generation is purchased by LSEs to meet solar carve out.
- Solar generator who sells SRECs can claim to be a generator of solar energy, but not a consumer of solar energy (more than the general body of ratepayers)
- Ceiling price of SRECs is set by Alternative Compliance Fee (ACF). In District that is \$500/MWh at present until 2016.

Price of SRECS

- Current price of DC SRECs is about \$300
- Lower than it should be looking at market fundamentals
- Legislation establishing 2.5% carve out and \$500/MWh ACF included a grandfather clause for existing electric supply contracts.
- Most suppliers claimed grandfathered contracts
- Commission is in the process of reviewing the situation and action on grandfathered contracts should be made public in the near future.