

Net Metering in South Carolina

Dukes Scott
Executive Director
South Carolina Office of Regulatory Staff

July 19, 2015



What is Net Metering?

- Customer generates electricity through renewable resource
- Meter(s) measures energy customer consumes and generates
- Customer pays for net consumption
Net Consumption =
Energy Consumed – Energy Generated



Net Metering 1.0

Where are we today?

- 1:1 Rate
- Annual True-Up – Zeroed Out
- Size Limits:
 - 20 kW for Residential
 - 100 kW or contract demand (non-res)



Net Metering 1.0

Where are we today?

- SCE&G
 - 265 Customers
- Duke
 - 165 Customers
- Progress:
 - 3 Customers



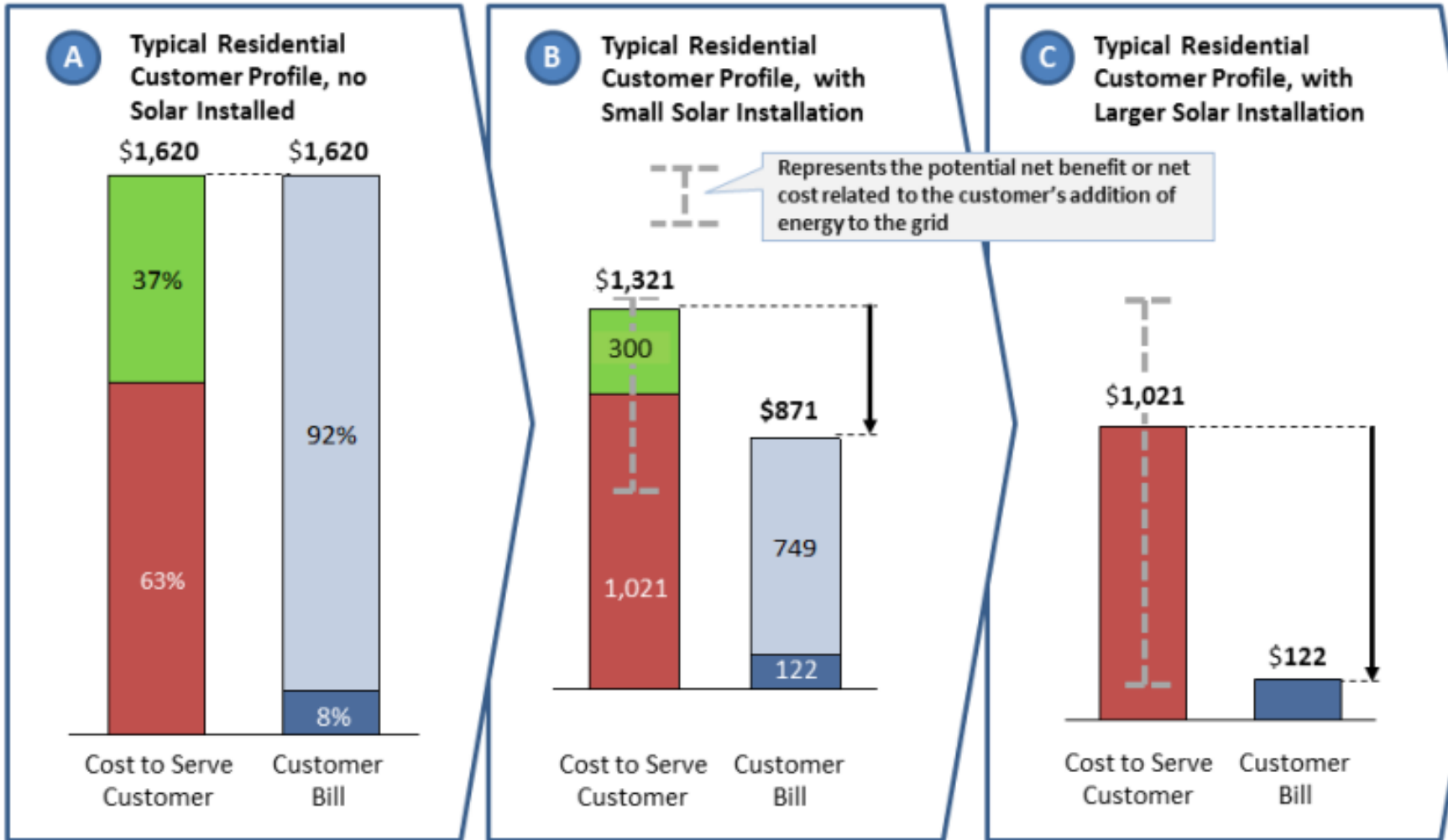
PURC – Energy Advisory Council

- September 2010: EAC First Meeting
- February 2012: Black & Veatch Resource Study and ORS Cost Analysis
- November 2013: Draft report filed and open for comments
- January 2014: Final Report filed



EAC Report – Cost to Serve

Cost to Serve versus Customer Bill for a Typical Residential Customer (With and Without Different Quantities of Solar)
 Excluding Potential Benefits and Costs not Reflected in Current Utility Rate Design



■ Utility Variable Costs
 ■ Utility Fixed Costs
 ■ Energy Charges (volumetric)
 ■ Basic Facilities Charge (fixed)

Act 236: The Distributed Energy Resource Program Act



Act 236 Overview

- Signed into law June 2, 2014
- Primarily applies to IOUs
- Incentivizes development of distributed energy resources in South Carolina



What does Act 236 do?

- Three separate parts:
 - Net Metering
 - Distributed Energy Resource Programs
 - 3rd Party Leasing
- Reporting
 - Cost Shifting, Net Metering, DER Programs, Leasing



Net Metering



Net Metering

What does Act 236 require?

- New Net Metering Rates
- Establish the methodology to calculate costs and benefits
- Annual True-Up – Pay at Avoided Cost



Net Metering

What does Act 236 require?

- Size Limits:
 - 20 kW for Residential
 - 1,000 kW or contract demand (non-res)
- Can't offset non-volumetric charges (BFC or demand charges)



Net Metering - Settlement

- Central Electric Power Cooperative
- Electric Cooperatives of South Carolina
- Frank Knapp
- Nucor Steel-South Carolina
- Solbridge Energy
- South Carolina Coastal Conservation League
- South Carolina Solar Business Alliance
- Southern Alliance for Clean Energy
- Sustainable Energy Solutions
- The Alliance for Solar Choice
- South Carolina Electric & Gas Company
- Duke Energy Carolinas
- Duke Energy Progress
- SC Office of Regulatory Staff
- Sierra Club*
- South Carolina Energy Users Committee*
- Wal-Mart Stores East, LP and Sam's East, Incorporated*





Net Metering - Settlement

- Maintain 1:1 Rate
- Value of DER via Methodology
- Incentives through DER Program



Methodology - Utilities

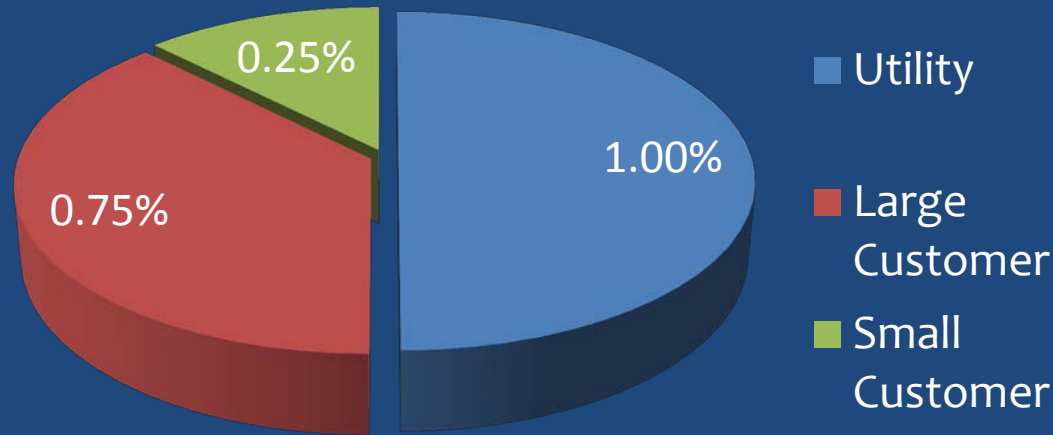
- Value of DER will be calculated
- If the Value is less than retail rates, DER Program will fund incentive



Distributed Energy Resource Programs



Components of DERP



- 2% of Utility's 5-year retail peak demand
 - 1% Utility Scale – 1-10 MW
 - 1% Customer Scale – less than 1 MW
 - $\frac{1}{4}$ of this has to be less than 20 kW

Customer Scale

3 options:

- Net metering
- Incentives
 - Bill Credit Agreements (per kWh)
 - Rebates (up-front)
- Community/Shared Solar



During Annual Fuel Review

- Avoided Costs collected in purchased power expense of fuel.
- Incentives (DER and NEM) will be collected under the caps.
 - Residential - \$1 per month
 - Commercial - \$10 per month
 - Industrial - \$100 per month



3rd Party Leasing

