October 7, 2019

Dear PSC members,

I am writing about Case No. 2019-00256, which is the PSC is to determine a fair reimbursement rate for solar generated energy as required in SB 100.

Evaluation of the cost of net metering should include the full range of benefits that net metering and distributed generation provide to the utility, ratepayers, and society. One main benefit of residential and commercial generated solar energy is that solar adds electricity during peak energy hours. Solar energy credits are typically used during non-peak evening hours. According to LG&E and KU's website (link below), the cost (in cents/kWhr) for energy during the peak daylight hours is worth more than 3 times off-peak energy:

	Electricity cost cents/kWhr	
	LGE	KU
Off-Peak	6.9	5.9
On Peak	23.4	27.6

LG&E and KU Link: https://lge-ku.com/residential/billing/time-of-day-rates/energy-rate

There have been many studies that show that the benefits of distributed solar outweigh the costs. These studies include a 2014 Minnesota's Public Utility Commission study determined that distributed solar generation is worth more than its retail price and concluded that net metering undervalues rooftop solar. The PUC found that the value of solar was at 14.5 cents per kilowatt hour (kWh)—which was 3 to 3.5 cents more per kilowatt than Xcel's retail rates—when other metrics such as the social cost of carbon, the avoided construction of new power stations, and the displacement of more expensive power sources were factored in. (Farrell, Institute For Local Self-Reliance, 2014)

Another study commissioned by the Maine Public Utility Commission in 2015 put a value of $0.33 per kWh on energy generated by distributed solar, compared to the average retail price of $0.13 per kWh — the rate at which electricity is sold to residential customers as well as the rate at which distributed solar is compensated. The study concludes that solar power provides a substantial public benefit because it reduces electricity prices due to the displacement of more expensive power sources, reduces air and climate pollution, reduces costs for the electric grid system, reduces the need to build more power plants to meet peak demand, stabilizes prices, and promotes energy security. These avoided costs represent a net benefit for non-solar ratepayers. (Norris, Gruenhagen, Grace, Yuen, Perez, and Rábago 2015)

An analysis of Kentucky utility data reveals that, at most, net metering costs the average ratepayer less than one penny per month (Kentucky Resources Council 2018). A study by the US Department of Energy concluded in 2017 that distributed solar would have a negligible impact on rates until solar reaches 10% or more of a utility's peak demand (Galen, Department of Energy, 2017). In Kentucky, we are far from that 10% mark– much less than 1% of Kentucky's energy mix currently comes from distributed solar.

When excess energy is generated by distributed solar, it travels through a few hundred feet of electrical line to nearby neighbors. The utility charges the neighbor the full regular price, as if they used the utilities fuel, power plant and very long transmission lines. How much is the very short section of transmission line costing the utility? And solar generators already pay the fixed monthly "meter" fee which does include some fixed cost reimbursement. Considering this and all the benefits of solar generated power, I argue that the current 1 for 1 credit for every rate cases is more than fair for both the utilities and the solar power generators. This is especially true considering current legislation caps total renewable energy to no more than 1% of total demand, which is much too low to be noticed in the rates of non-solar users.

Thank you for your time and consideration.

Sincerely,

Chris Dolan

Chris Dolan

1626 Ruth Avenue
Louisville, KY 40205

Chris Dolan
1626 Ruth Ave
Louisville, KY 40205

PUBLIC SERVICE COMMISSIO
211 SOWER BOULEVARD, POST OFFICE
FRANKFORT, KY 40602-0615

40601$8294 R013