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## **SOLAR ENERGY SOLUTIONS**

October 15, 2019

Gwen Pinson, Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602

**RE: Case No. 2019-00256 – Consideration of the Implementation of the Net Metering Act**

Ms. Pinson:

Please accept these comments in regards to your administrative case 2019-00256. We are writing both as utility ratepayers and as joint owners of a Kentucky small business focused on solar installations. Matt Partymiller will in addition be submitting other comments in his role as President of the Kentucky Solar Industries Association but, with these comments, we hope to offer the Commission some brief personal insight in respect to customer generators.

For more than 13 years net metering has been foundational to our livelihood. This year we will, with more than two dozen full-time coworkers, install around 100 net metered systems in Kentucky (as well as other net metered systems in surrounding states). Over past years we have installed close to a thousand net metered systems including on our places of business and homes. We are writing today to share our observations as a team that has likely designed, engineered and installed more net metered systems than any other Kentuckian and consequently have a deep understanding of this fast-evolving area, both locally and nationally.

The vast majority of net metering customer generators will state that they are making a significant investment decision. As investors, Kentuckians taking service under a net metering tariff are looking for similar assurances to any other investor, particularly given the typical system cost is around \$20,000 with a 25-year+ operating life. A financial return is clearly important but, as important, is certainty. And net metering does a lot to promote certainty by its clarity and transparency.

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1. Net metering can be easily understood by the layperson. ‘Any excess electricity produced by the system will be sent back to the grid and generate a kilowatt-hour (kWh) credit for use later.’
2. Net metering ties the value of generator production to the retail rate – a rate most customers believe to be stable and likely to increase.
3. Net metering allows savings to be calculated based on kilowatt-hour (kWh) consumption and without a detailed understanding of instantaneous power consumption (demand-interval data still is not available across most of Kentucky, including for commercial and industrial ratepayers. In the absence of such data or the presence on most homes of ‘Smart Meters’ the homeowner has no method of managing their net power consumption).
4. Net metering offers the ratepayer a hedge against rising and volatile utility rates.

We strongly encourage the Commission to ensure future customer generators enjoy as much certainty as possible when making their net metering investment. Implementing a net metering tariff that is easily understood, that enjoys a significant implementation period, that allows a calculable return on investment, and that allows a ratepayer to hedge against market price shocks (be they resource or compliance based) will be critical to maintaining net metering as a ratepayer choice.

We suspect we have also engineered and installed more Kentucky qualifying facilities (QF) than any other entity. We will note that some key reasons there are so few qualifying facilities in this state is because QFs are not easily understood, offer a short contract period, expose the owner to significant price risk, and provide a minimal hedge against market price fluctuations. Customer generators are just like utility investors in that they will not build facilities if offered a standard Kentucky QF contract.

In addition to certainty, many of the net metering customer generators we speak with are also interested in self-sufficiency. They see net metering as an alternative to a monthly bill and are almost always interested in battery storage. Luckily for utilities, battery storage is expensive, but that is changing very rapidly. This year we will install more than 20 battery storage systems. Adoption rates are likely to increase significantly, and Bloomberg New Energy Finance indicates battery pack pricing will halve by 2024.

We strongly encourage the Commission to ensure future customer generators are incentivized to remain part of the grid. Our operations in Indiana suggest that uncertainty or erosion of net metering agreements significantly speeds customer interest in defection from local utilities. However, the value of predictable and reliable production from aggregated customer generator systems will best accrue to the grid as a whole.

In 2006 the EIA projected 800 MW of solar would be online in the US by 2016. By 2016 the industry had eclipsed 39,000 MW. Exceeding predictions by 4,800% seems commonplace in the solar industry. Our national industry association projects solar will provide 20% of America's power by 2030. For customer generators, this transformation should be an opportunity to invest in Kentucky's power grid. We look forward to working with the Commission to make this a reality.

Regards,



**Matt Partymiller**  
Member  
Solar Energy Solutions, LLC



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