



As of 8/8/2019

COMMERCIAL SOLAR PROGRAM PILOT – PRICING OVERVIEW

To support the solar market and provide more certainty in investment decisions, City Light intends to establish a large commercial solar program open to customers with photovoltaic (PV) systems greater than 100 kW and not greater than 2 MW.

Compensation Overview

The program design rewards rooftop PV systems that are aligned and sized to the load of the building, which delivers similar value to energy efficiency, City Light's priority energy resource. Solar production that is used onsite can offset the retail energy that otherwise would have been purchased from City Light. All energy exported back onto City Light's grid will be compensated at an export rate.

Export Rate

All energy exported onto City Light's system will be compensated per kWh. The export rates will be set every two years and may contain the following components:

1. Energy Value
2. Transmission and Distribution Value
3. Environmental Attribute Value

Energy Value will be based on a two-year outlook of monthly Mid-C wholesale market prices. The monthly weighting will be determined by the relative monthly solar output for a typical Seattle solar PV system. As data becomes available, daily and/or hourly customer export profiles may be used to weight market prices to more accurately reflect the value of the solar generation being exported to City Light and/or the wholesale energy market. An avoided generation capacity benefit will also be evaluated.

Transmission and Distribution Credit will be based on the following: avoided distribution losses.

Environmental Attributes: Customers will retain the "greenness" of both the solar energy exported to City Light's system and the energy used on site. It is the customer's responsibility to certify any environmental attributes (i.e. RECs) if certification is required to meet their environmental goals. This credit will continue to be re-examined to ensure that value is attributed appropriately to conform with the laws and regulations applicable.

Other costs and value: Note that deferred investment in generation capacity, ancillary service costs, locational (customer specific) deferred distribution investment credits, deferred distribution investment at a system level, increased or decreased transmission sales and net transmission loss impacts may be included in the future with a separate rate and/or incentive at City Light's discretion.

Export price floor

The initial annual export price will be the higher of the calculated price (above) and 1.8 cents per kWh. 1.8 cents per kWh is the lowest expectation of the export value for a calendar year average. Data from this program will help assess this value for future programs.

Program Duration

Customers can enroll in this pilot program through 2021. The enrollment date may be extended at City Light's discretion.

Participants in the program will be guaranteed offsetting retail energy and an export rate equal to or greater than 1.8 cents per kWh until Dec 31, 2034.

2019 AND 2020 EXPORT RATE

Commercial Customer Solar Pilot		
Export Rate (cents per kWh)	2019	2020
Energy Value	3.33	3.00
T&D Value	0.18	0.16
Environmental Benefit	-	-
Total Export Price	3.51	3.16

Export Price
Components Evaluated
for 2019-2020

Notes

Energy value	Included based on monthly Mid-C market forward price weighted by an expected monthly shape for a typical solar PV system in Seattle.
Distribution losses	Included at Seattle’s current calculation of distribution loss savings. The loss savings value is calculated as the energy value * 5.4%.
Environmental benefit	Excluded because customer retains all the environmental attributes of the solar production.