The Community Renewable Energy Amendment Act of 2013
What is it?

- A bill that allows the benefits of renewable energy to be shared by any DC resident, business, or nonprofit

- This is possible through community net metering - you get a credit on your bill for your percentage of the solar production produced somewhere in DC.
Why is Community Net Metering Necessary?

- Equity and Access

- Not everyone has equal access to solar electricity
  - Renters - 60% (?) of DC residents (don’t own roof)
  - Apartment/Office Building tenants (don’t own roof)

- Unsuitable buildings:
  - Historic building code/neighborhood association rules, shading from trees/other buildings, tilt/orientation towards the sun (N-S, E-W), size/shape, etc
Who Benefits from this Legislation?

- Homeowners, businesses, nonprofits with unsuitable roofs
- Apartment/Office building tenants
- Renters
- Low income (low barrier to entry)
- Local businesses/installers-job creation with now expanded market
- Schools-increased educational opportunity
- Increased ability to meet DC energy goals
### Timeline

**Introduction of Bill**
- 19-715
  - March 2012

**Public Hearing on Bill**
- June 2012

**Introduction of Bill**
- 20-0057
  - January 2013

**First Vote on Bill**
- July 2013

**Final Vote on Bill**
- October 1, 2013

**Signed by Mayor**
- October 17, 2013

**Passes Congressional Review, becomes law**
- December 13, 2013

**PSC Rulemaking Complete**
- ??

**Begin Project Development**
- ??
CREF Guidelines
Maximum Size 5 MW

5 MW Sunset Reservoir array in San Francisco
Minimum of 2 Subscribers
Minimum of 2 Subscribers (contd.)

For example, a basement renter and the upstairs owner could both subscribe to a CREF, whether it’s on their roof or elsewhere in DC, as long as there are two separate billing meters. These two subscribers would be enough to build a CREF.
Located in DC

Both the:

- CREF’s, and the
- Subscribers’

meters must be located within the District
Subscription Limits

- No subscriber may exceed 120% of their last 12 month’s consumption.

- CREF can’t sell over 100% of electricity generation to subscribers.
Flexibility
Subscription as **Percentage**

- Of CREF generating capacity
- Doesn’t need to be # of panels, # of kW, etc
- Can be any size CREF owner and/or subscriber desire
- Great for low income-low barrier to entry, i.e. can buy small percentages, do not need to buy a whole solar system at once
Anyone Can Do It

- Business structure not defined in bill
- CREFs can be built, owned, or operated by 3rd parties
- Prices for subscriptions not under commission’s jurisdiction
- CREFs not considered utilities
Can Add to CREF Later

- Can increase Capacity
- Can increase # of Subscribers
- As long as it doesn’t reduce electrical production benefit to existing subscribers (like diluting shares)
Can Update Subscribers Quarterly

- CREF operator need only inform PEPCO of essential subscriber details:
  - Name
  - Address
  - Account number
  - % interest in CREF
Subscribers Safe From Others’ Default

- Bankruptcy or contractual default of any subscriber or of the subscriber organization does not prevent subscribers in good standing from receiving credits (as long as CREF still sending power to grid)
Unsubscribed Energy

- PEPCO must purchase the energy associated with the unsubscribed capacity of the CREF at the **PJM Locational Marginal Price** for the PEPCO zone, adjusted for ancillary service charges.

- Like an offtake agreement, at about $0.03/kWh (changes by the minute, sunshine hours are what’s important)
Metering
The Meter Itself

- CREF must have revenue quality production meter
  - Paid for and installed by CREF owner
- PEPCO’s responsibility to read meter
  - May require that CREF and subscribers have meters read on same billing cycle
Individual Monetary Credits

- Determined by:
  - CREF electricity generation, multiplied by
  - % interest in CREF, multiplied by
  - CREF Credit Rate (equal to PEPCO’s General Service Low Voltage Non-Demand Customer class, currently roughly 12¢/kWh)

\[
\text{Credit Rate} \times \text{% Subscribed} \times \text{Monthly Production} = \text{On Bill Credit}
\]
Credit Surplus

- If credit value allocated to subscriber exceeds amount owed on bill
- Credit carries over month to month until remaining credits are used
- You don’t get a check. It isn’t an investment and you do not earn money
Credit Shortage

- If credit value allocated to subscriber (including credits carried over from previous months) is less than amount owed on bill
- Will be billed for difference between what’s shown on bill and available credits
Alternative Energy Supplier

- If Served by energy supplier other than PEPCO
- Energy supplier will bill subscriber for full kWh consumed
- Will receive value of credits generated by CREF from PEPCO using CREF credit rate. All taken care of on one bill
- (It doesn’t matter who your energy supplier is)
Additional Rules
Before selling/reselling interests in CREF, entity must provide to potential subscribers in plain language:

- Annual kWh estimate to be delivered (per interest size)
- Explanation of bill credit calculation
- Explanation of contract disposition/transfer rules
- Explanation of costs and benefits based on current electricity usage
PEPCO may seek cost recovery for implementing CREFs in base rate case

Filing to Commission must include societal benefits as well as costs to company

Any Commission-approved recovery will occur through rate assessment on subscribers

(potential debate - valuation of solar on grid)
Annual Report

- District Department of the Environment must publish annual report describing progress towards solar generation goals set out in renewable energy portfolio standard
- Including comparison with other sources of energy used in the District
- Detailing equitable distribution of resources