

**CURRENT TRENDS:**  
**CHANGES TO UTILITY SERVICE  
PROVIDER RATE PLANS  
AND  
ITS IMPACT ON THE FEASIBILITY OF  
TRIBAL RENEWABLE ENERGY  
PROJECTS**



CONATION ENERGY



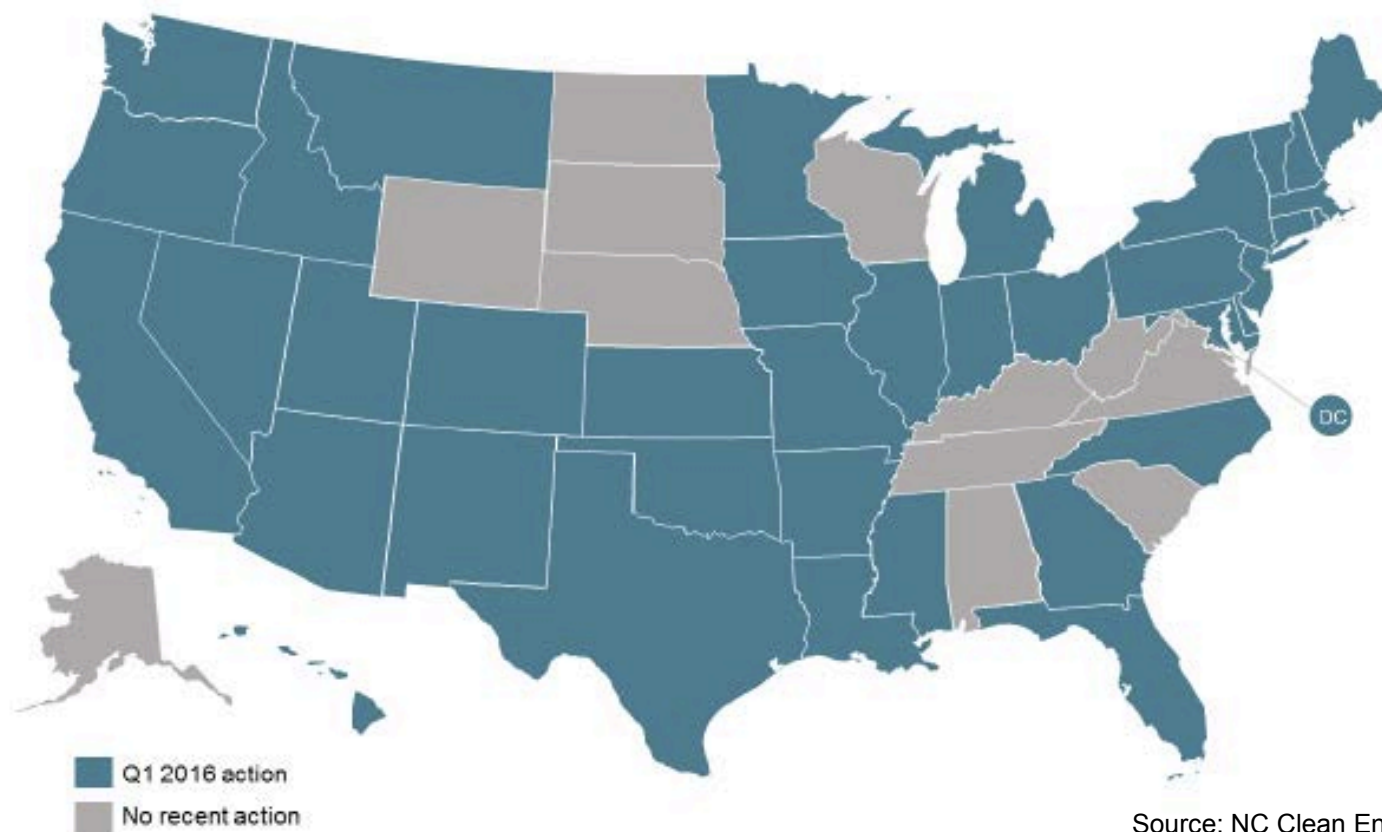
CURT SHANNON, PRINCIPAL  
curt@conationenergy.com  
(480) 652-5547



ROBYN L. INTERPRETER, ESQ.  
rinterpreter@milawaz.com  
(480) 513-6825

# Utility Providers in 38 of the 50 States have or are Proposing Changes for Net-Metering for Distributed Generation by Customers

Figure 1. Action on Net Metering, Rate Design, & Solar Ownership Policies (Q1 2016)



# Examples of the Types of Changes Being Proposed by Utility Providers

- ◆ In many States, utilities are moving aggressively to slow down or stop the proliferation of customer-owned renewable energy DG facilities.
- ◆ Types of Changes Being Proposed or Implemented by the Utility Providers:
  - ◆ Increasing Basic Service Fees
  - ◆ Adding New “Fixed” or “Per kW” DG Charges
  - ◆ Adding New Demand Charges
  - ◆ Asking for retroactive ratemaking to stop customer DG development while rate cases are pending review before a State administrative agency

**Net Impact: A higher percentage of the customer’s monthly utility bill becomes a fixed cost—and a lesser percentage is billed on a per kWh basis that can be offset by the customer’s renewable energy project.**

# Example of How a Rate Change Can Impact the Feasibility of a Tribal Renewable Energy Project

For Tribes that are customers of a State-regulated utility, these rate changes to net-metering can dramatically impact the economic viability of a PPA based Tribal DG Project, even when applying all available incentives (30% ITC, etc.)

Example:

Tribal Community Scale Project With Current Net-Metering Rate:

\$1,461,000 in **SAVINGS** per MW over 25 years

Tribal Community Scale Project With New Net-Billing Rate:

\$124,000 in **ADDITIONAL COST** per MW over 25 years

# Things to Consider

- 🔥 Know your Utility Provider's Rate Structure and Evaluate the Viability of your DG Project in the Context of that Rate Structure as well as Future Potential Rate Structures that Might be Imposed on You as a Customer of the Utility Provider
- 🔥 Participate in State-Agency Administrative Proceedings when Your Utility Provider seeks a Rate Change that Could Impact the Bills Your Tribe Pays as a Customer
- 🔥 Consider Whether or Not Becoming Your Own Utility Provider (aka Tribal Utility Authority) is a Feasible Alternative for Your Tribe

Questions / Discussion