

# TRIBAL ENERGY PROGRAM PLANNING: LAYING THE GROUNDWORK FOR SUCCESS!

CONATION ENERGY



CURT SHANNON, PRINCIPAL  
[curt@conationenergy.com](mailto:curt@conationenergy.com)  
(480) 652-5547



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

# Developing a Tribal Energy Program Begins With Good Data Collection

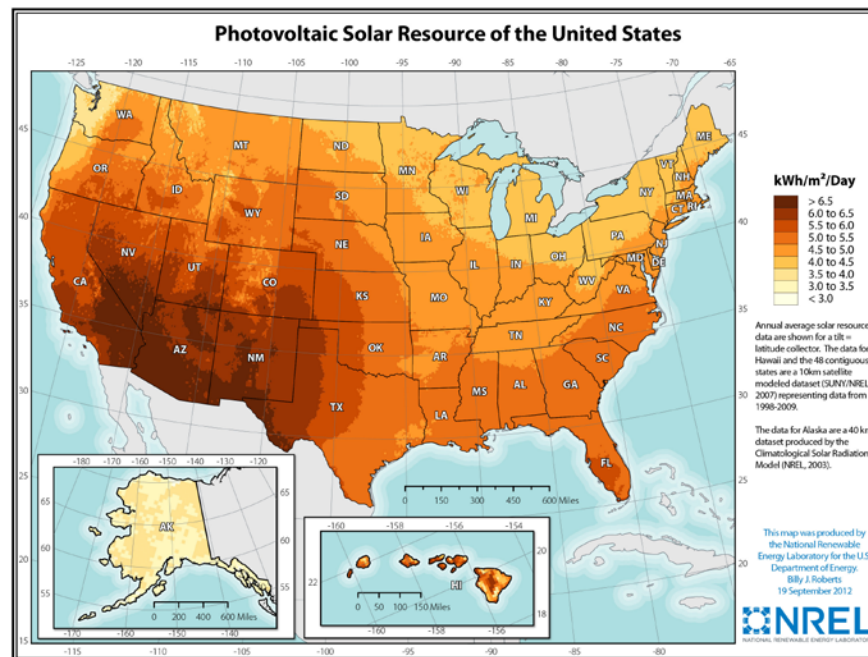
## How much Energy does the Tribe use and at what Cost?

- ◆ Before evaluating renewable energy projects, it is essential to know what the current cost of energy is to the Tribe and how that cost breaks down.
- ◆ Review Tribal utility bills over a minimum period of 12 months.
  - ◆ Data can be available from various Tribal Departments such as Finance and Tribal Gaming Operations—as well as from the local Utility Company that serves the Tribe.
  - ◆ Fully understand the applicable utility rate tariffs and fixed vs. variable components for each rate tariff.
  - ◆ Determine total Tribal energy usage and costs. This is key to evaluating renewable energy options and feasibility of forming a Tribal Utility Authority (TUA.)

# Evaluate Alternatives

## Do Renewable Energy Projects Make Financial Sense?

- What renewable energy resources are available to the Tribe? Extensive data on solar insolation, wind speeds, etc. are available at NREL.



# Evaluate Alternatives

## Do Renewable Energy Projects Make Financial Sense?

- 🔥 Excellent project modeling tools such as the Solar Advisor Model (SAM) are also available at NREL. <https://sam.nrel.gov>
- 🔥 Project modeling will allow a comparison to be made between existing Tribal energy costs and costs from a solar/wind energy project—either Tribally owned, or third-party owned and operated.
- 🔥 Modeling will provide guidance as to an optimal project structure.
- 🔥 Modeling will show the effects of various incentives and offsets available—such as the solar investment tax credit (ITC) and grant other funds.

# \* Tribes must be increasingly aware of proposed changes to utility rate-plans for distributed generation (DG) projects

- ◆ 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 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, proposed changes to net-metering can dramatically impact the economic viability of a PPA based Tribal DG project.

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

# It is very important to stay current and involved in State Utility regulatory Affairs

- 🔥 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