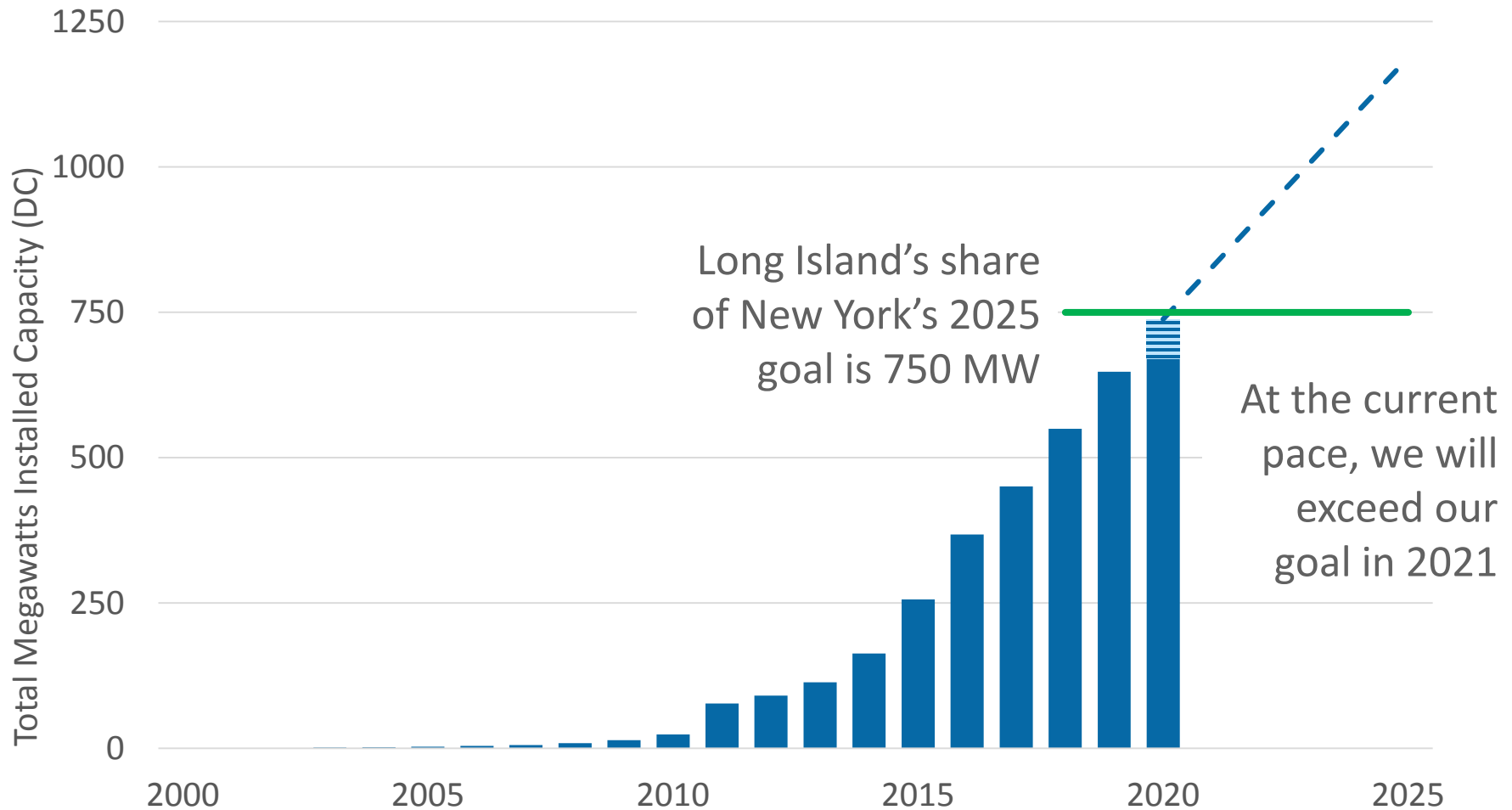




# **Board Briefing: Successor to Net Energy Metering**

June 24, 2020

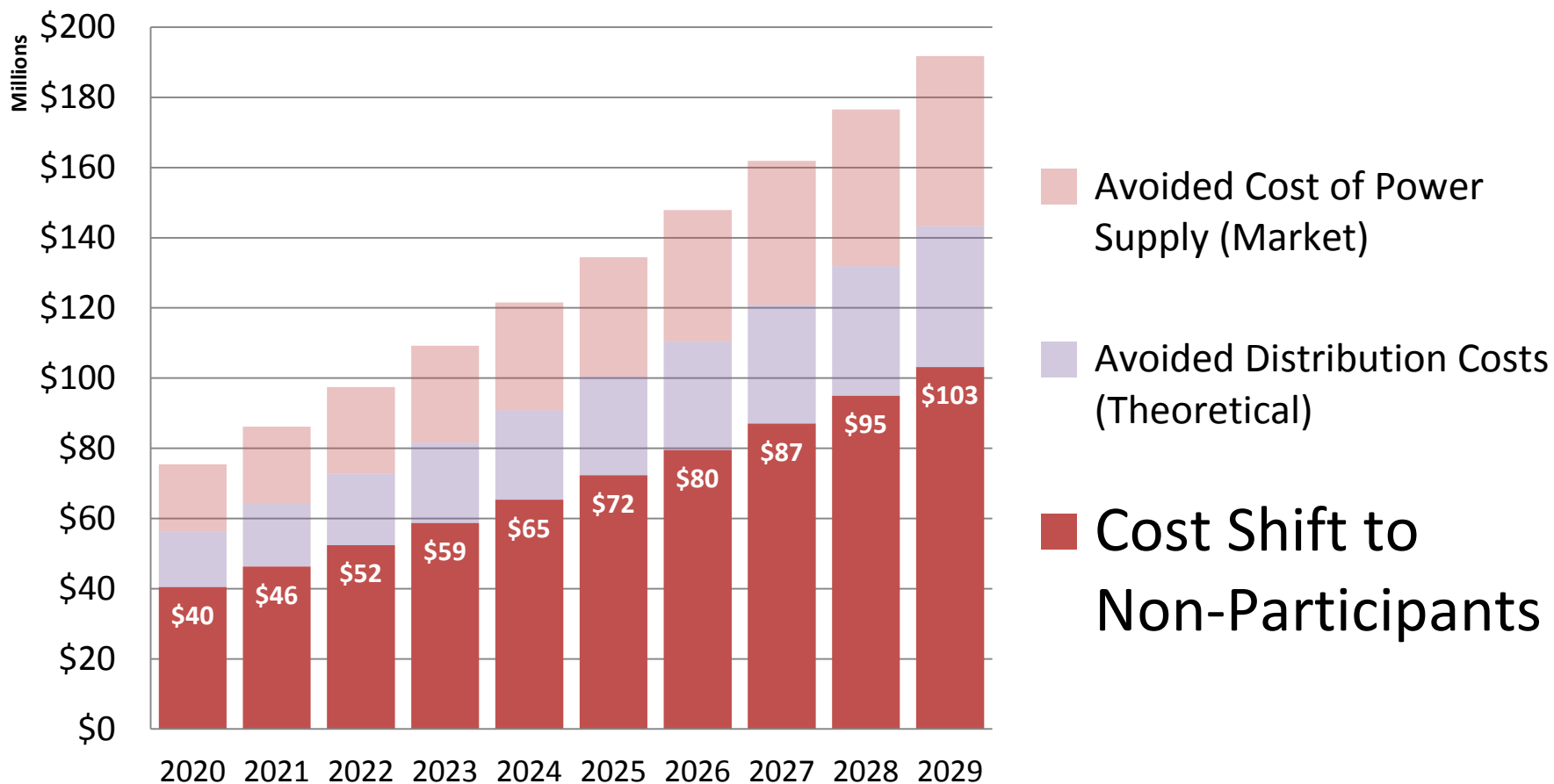
# LONG ISLAND DISTRIBUTED SOLAR TO EXCEED GOAL



# THE CHALLENGE

# NET METERING SHIFTS COSTS TO OTHER CUSTOMERS

## Cost Impacts of Behind-the-Meter Solar



# PROGRESS TOWARD A SOLUTION

<b>April 2014</b>	New York Reforming the Energy Vision (REV) launched
<b>December 2015</b>	Successor to net metering proceeding commenced
<b>March 2017</b>	PSC issues VDER Phase 1
<b>December 2017</b>	LIPA adopts VDER Phase 1
<b>2018 – 2019</b>	VDER Refinements
<b>December 2019</b>	DPS issues successor to net metering white paper
<b>Feb - March 2020</b>	Stakeholders comment on DPS white paper
<b>June 2020</b>	<b>LIPA Board briefing on DPS white paper</b>
<b>Late 2020</b>	Final PSC order expected



# RATES FUND IMPORTANT PUBLIC BENEFITS

## DPS Findings

1. **Utility rates fund important public benefit programs**
2. Net metering customers on volumetric rates shift the cost of these programs to other customers
3. All customers should contribute to these programs

LIPA/PSEG Long Island Program	Expected 2021 contributions by mass market customers
Low-income customer discounts	\$7.2 million
Energy efficiency and beneficial electrification programs	\$41.4 million
Grid clean energy and batteries	\$35.9 million

# RATES FUND IMPORTANT PUBLIC BENEFITS

## DPS Findings

1. Utility rates fund important public benefit programs
2. **Net metering customers on volumetric rates shift the cost of these programs to other customers**
3. All customers should contribute to these programs

## Monthly public benefit cost shift per customer

(6 kW solar system)

	Central Hudson	Con Edison	National Grid	NYSEG	O&R	RG&E	LIPA/PSEG-LI
Residential	\$ 5.53	\$ 6.54	\$ 5.72	\$ 4.15	\$ 5.56	\$ 5.05	\$ 6.01
Small Commercial	\$ 5.03	\$ 6.60	\$ 6.07	\$ 4.34	\$ 5.54	\$ 5.00	\$ 6.05

# THE SOLUTION



# CUSTOMER BENEFIT CONTRIBUTION

## DPS Findings

1. Utility rates fund important public benefit programs
2. Net metering customers on volumetric rates shift the cost of these programs to other customers
3. **All customers should contribute to these programs**



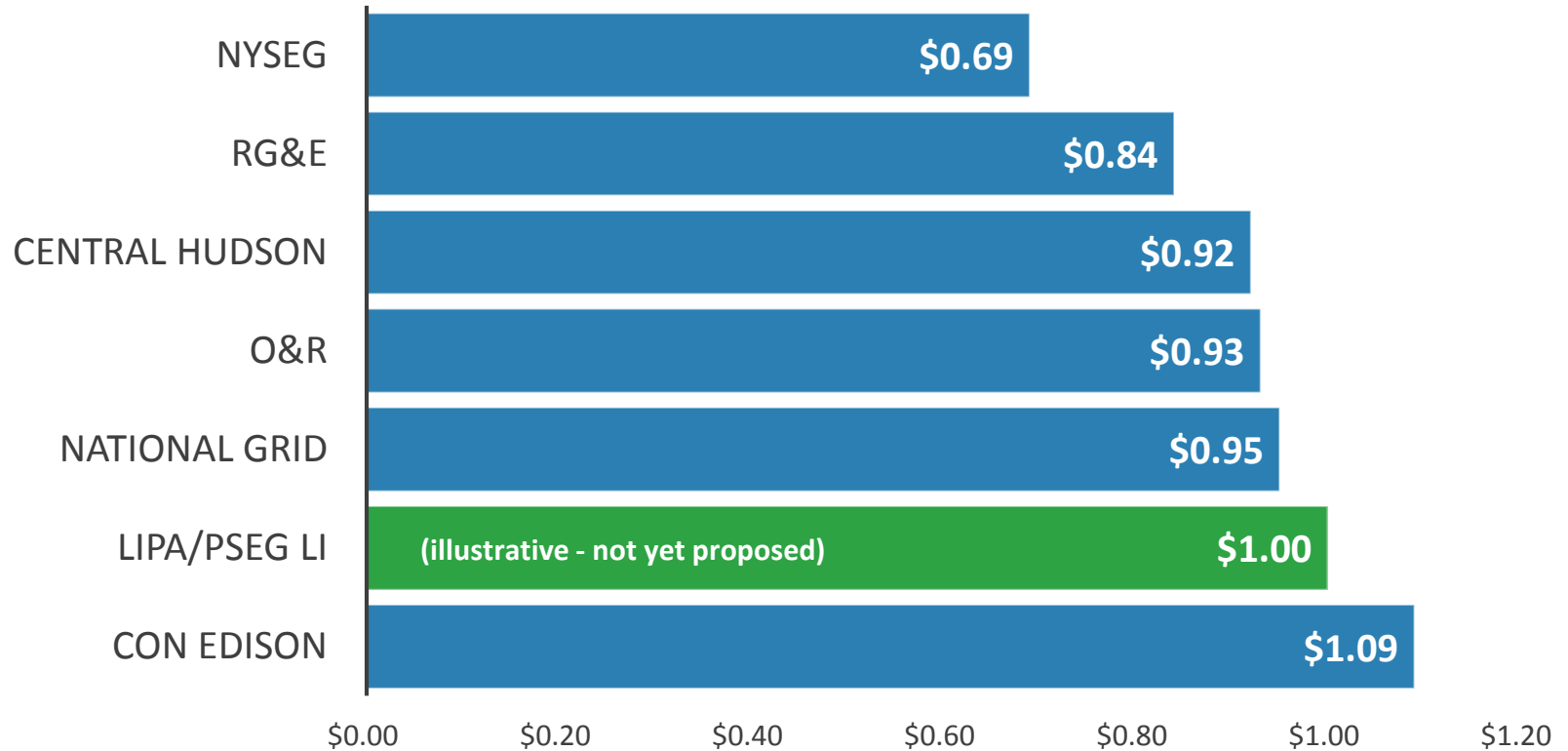
## DPS Proposed Solution

### **“Customer Benefit Contribution” charge**

- Fixed monthly charge
- Based on the size of the solar PV system
- Recovers cost of public benefit programs

# CUSTOMER BENEFIT CONTRIBUTION

## Monthly Residential Customer Benefit Contribution (per kW)



# PUBLIC PARTICIPATION AND NEXT STEPS

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## **DPS Public process**

1. Working groups open to all stakeholders
2. White paper issued December 2019
3. Comments received February – March 2020, from 20+ groups representing solar industry, utilities, consumers, and environmental interests

## **Highlights of open items before PSC**

1. Application of Customer Benefit Contribution to different customer classes
2. Grandfathering of existing net metering customers
3. Timeline for future additions of other fixed costs

## **Next steps**

1. PSC Order expected later in 2020
2. LIPA Board proposal and comments



# THANK YOU

Questions?