

Community Solar Update



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Community Solar

- Objective
- Design Principles
- Customer Market Research
- Request for Proposals
- Customer Solicitation
- Next Steps

Objective

Develop a Community Solar Program (CSP) that will provide a solar option for all customer classes.

Design program fully funded by participating customers to ensure five-year no general rate increase.

Meet OPPD's mission to provide affordable, reliable, and environmentally sensitive energy services.

Design Principles

- Avoid cost shifting to non-participants
- Make available to all customer classes
- Simple to explain
- Transparent and based on actual results
- Use learnings to inform future Distributed Energy Resources (DER's) pricing options

Qualitative Market Research

Stakeholder workshop findings:

- Simple, transparent, and availability to all customers is important
- Customer demand is high
- Project size is not critical
- Visibility may be physical or virtual
- Affordability and educational value is needed

Customer Power Panel findings: *(Phase I)*

- Indication of higher interest from environmental advocates and higher income customers

Quantitative Market Research

Customer Power Panel findings: (Phase 2)

- Pay-As-You-Go model preferred over Pay Upfront model
 - Interest level showed little change across price levels tested
 - With a bill increase of 15% or 20%, about 15% of those surveyed indicated a likelihood to participate
- Participation terms not critical
- Physical location not critical
- Of those surveyed, 53% felt that program should be funded by program participants, while 38% felt it should be funded by all customers.

Proposal Details

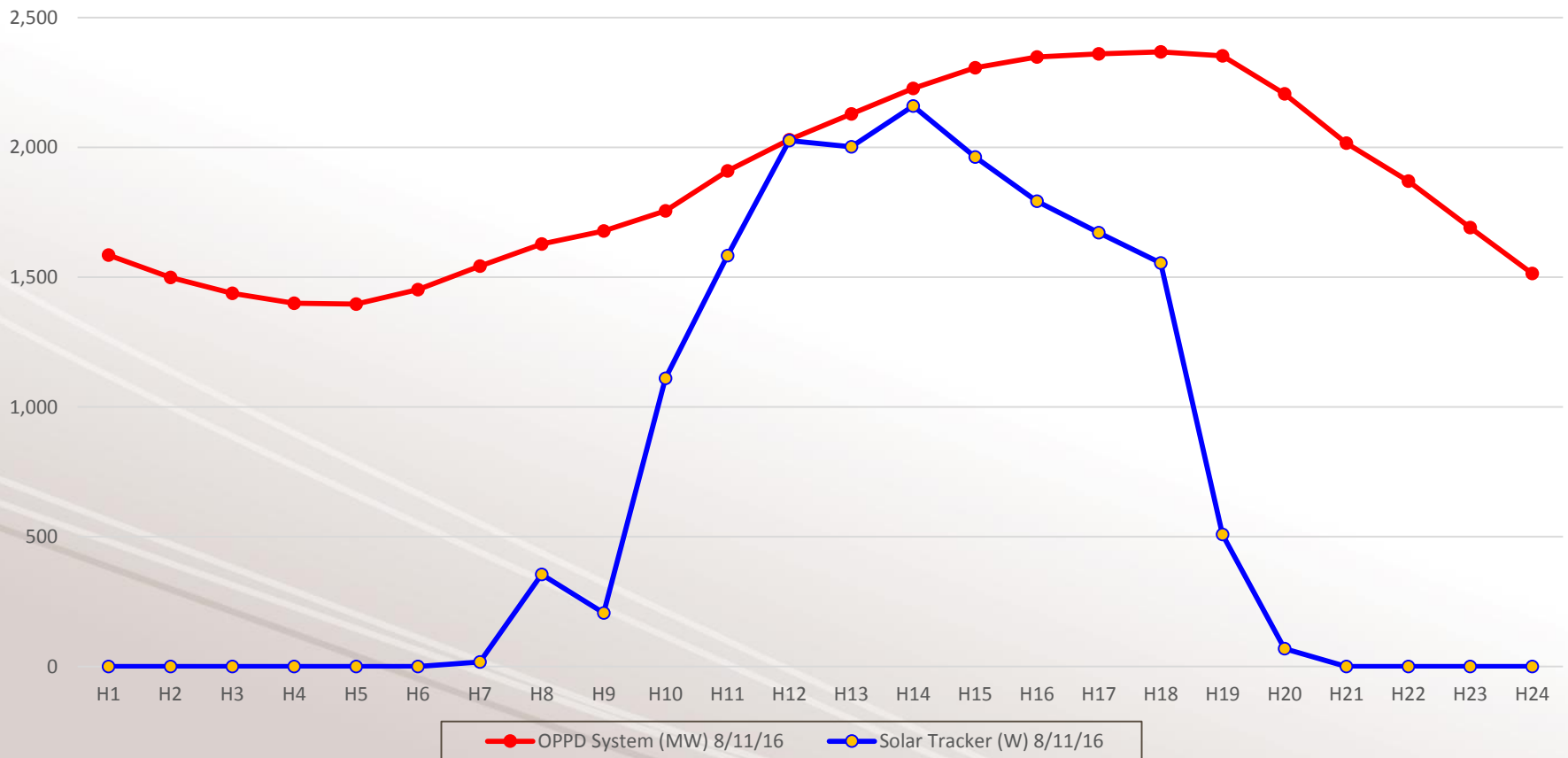
- **Locations considered**
 - I-80 rest area near Gretna
 - City of Fort Calhoun
 - Bellevue landfill
- Ten developers over 100 proposals
- Electrical interconnection costs will be added to RFP prices

Pricing methodologies considered

- **Avoided Cost**
- **Embedded Cost Methodology**
- **Solar Valuation Methodology**

Peak distributed solar PV generation does not offset OPPD's peak demand

OPPD System Load Shape Vs. Omaha Center Solar Tracker



Proposed Program Components

- Refundable deposit
- Contract term – three, five or ten year contract
- Develop contract minimum & maximum
- Transferrable within the service territory
- Terms may differ by customer class

Customer Acquisition Strategy

- Develop Acquisition strategies for:
 - Residential
 - Commercial & Industrial (C&I)

Next Steps

- Q1 2018
 - Present business case and formula rate to Board of Directors