

# Overview of Solar Programs and Net Metering Policy

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*July 19, 2024*



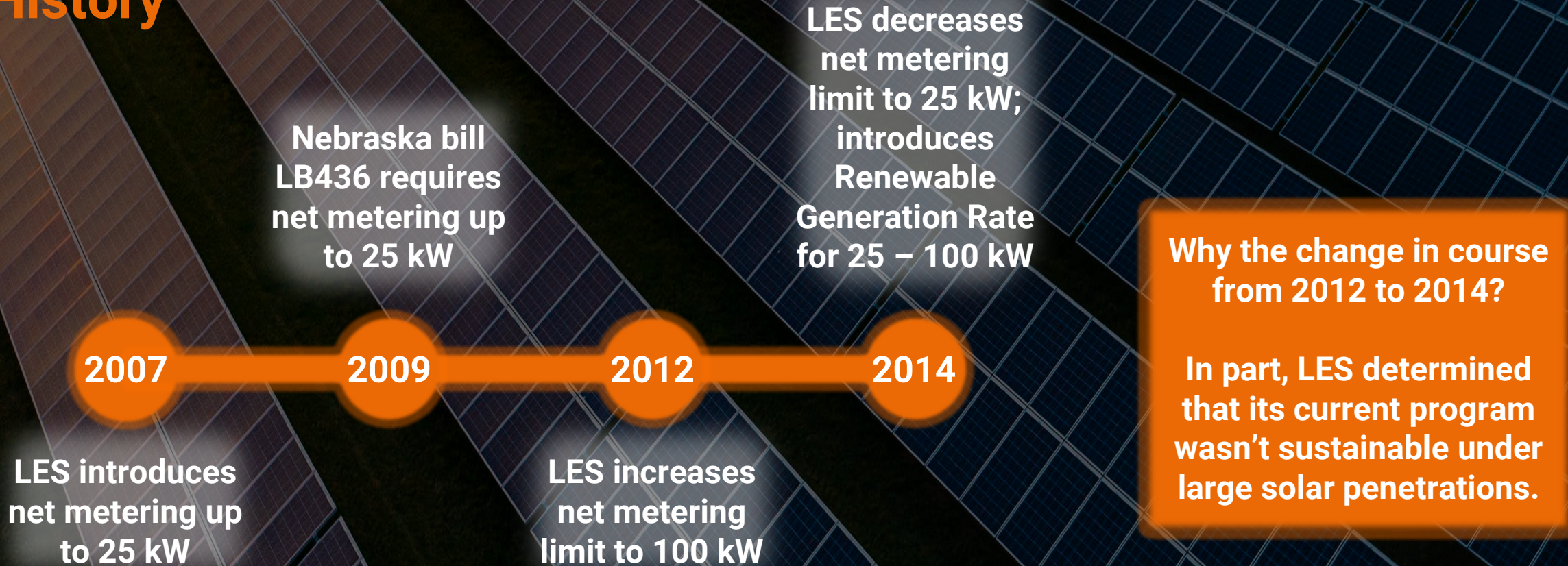
Lincoln Electric System

# LES Solar Rates History



# LES Solar Rates

## History



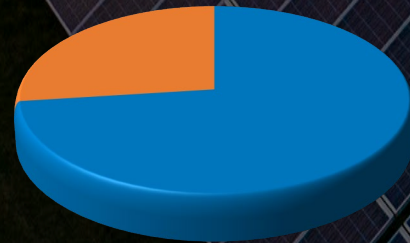
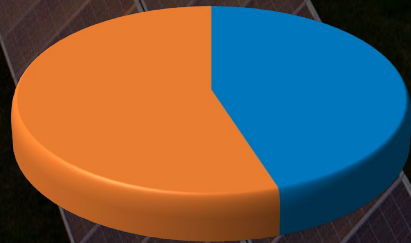
# LES Solar Rates

## Renewable Generation Rate

### 2024 Energy Charges

Residential

General Service



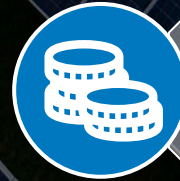
Fixed



Variable



Energy charge associated with non-demand rates (i.e., demand < 100 kW) includes a large portion of LES' fixed costs (e.g. generating units, lines, etc.)



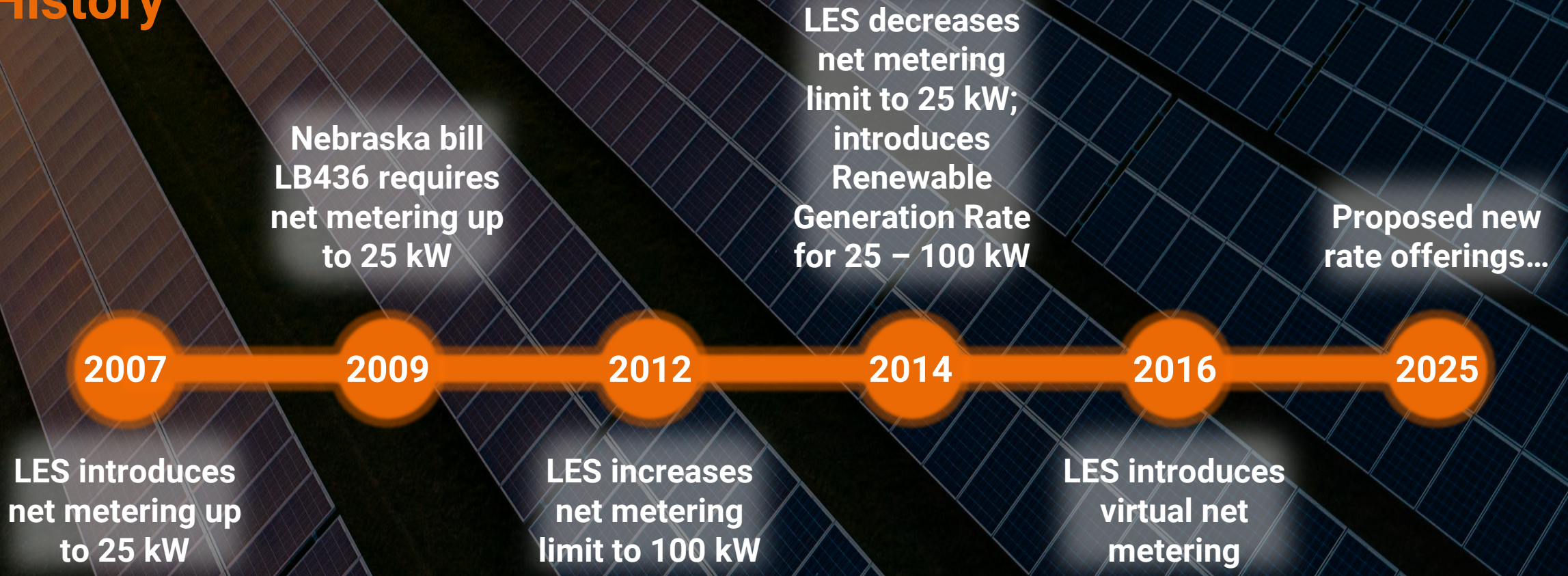
When net metering customers offset that full energy charge, they shift their responsibility for those fixed costs onto other customers.



LES' Renewable Generation Rate fairly compensates customers for solar energy production without impacting load charges, avoiding this cost shift.

# LES Solar Rates

## History



# Proposed: Renewable Generation Standby Rider & Multi-tenant Shared Solar Rate

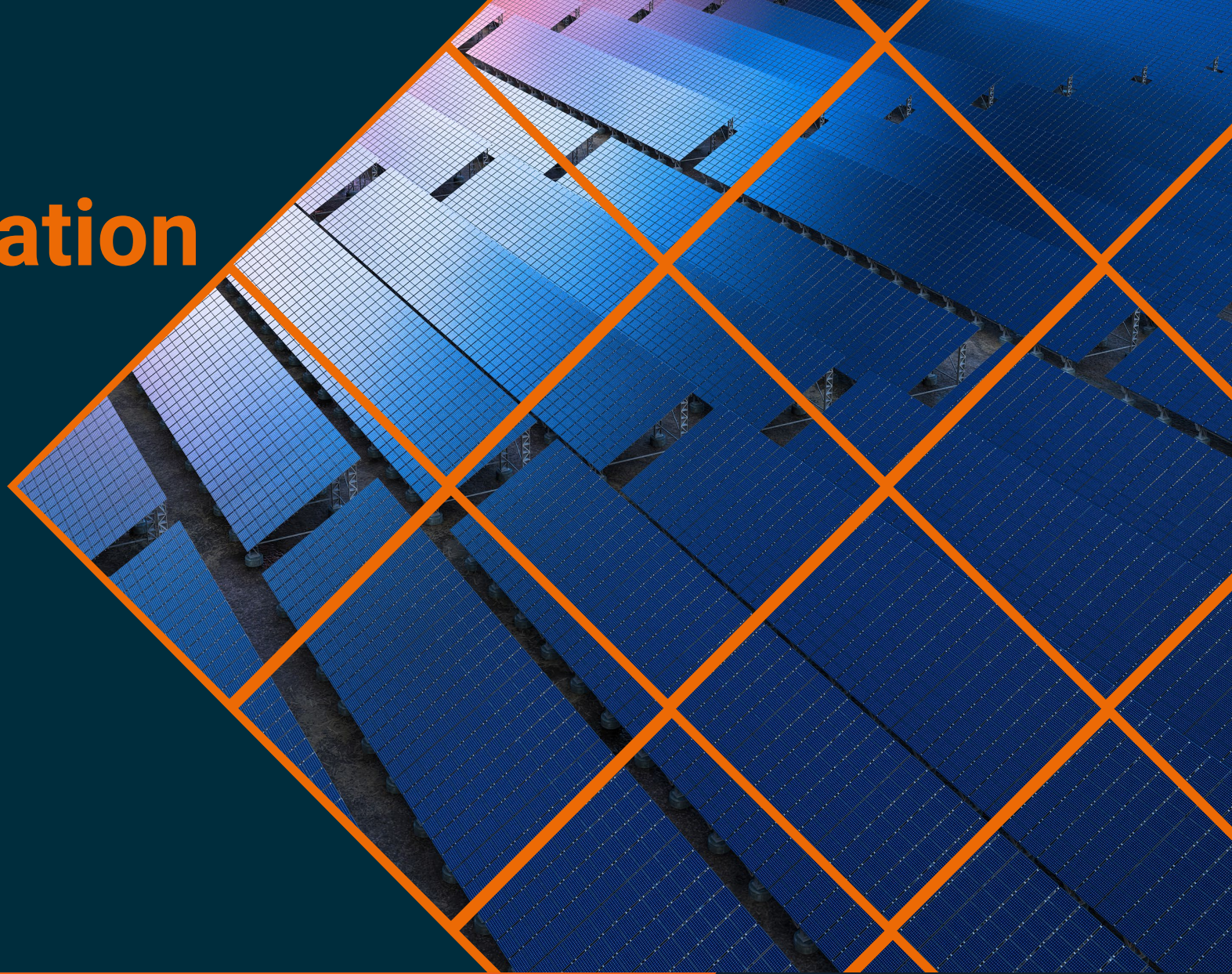
(Presented to Finance Committee, 4/19 & 6/21)



## Primary Objectives:

- **Facilitate interconnection of customer-owned large scale solar.**
- **Fairly compensate customer-owners for excess energy generated.**
- **Fairly recover fixed costs needed to serve customer-owner's load.**

# Proposed: Renewable Generation Standby Rider





## Purpose

To accommodate large commercial and industrial customers wanting to serve their facilities with solar.

# Proposed: Renewable Generation Standby Rider

Capacity



**LES**  
Lincoln Electric System

Energy

Generation

Transmission

Distribution

Customer



Capacity/  
Energy

Capacity/  
Energy

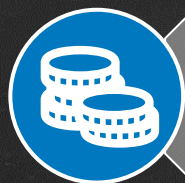
Exported  
Energy

# Proposed:

## Renewable Generation Standby Rider



Rider bills customers for LES standby service and pays customers for renewable energy.



For analysis purposes, Standby Charge is based on each customer's respective rate class transmission-related costs.



Standby Charge was based on the 2024 Cost of Service per-unit costs for the LLP and LPC rate classes.



Customers are paid for any excess energy provided to LES at their applicable rate energy charge.

# Proposed: RGSC Rider Overview

*Renewable Generation Standby Capacity Rider		
Rate Components	Standby Rider: LLP 15	Current LLP 15 Rates
Demand Charge, \$/kW of BILLED DELIVERED DEMAND	\$10.40	\$16.00
Standby Charge, \$/kW of TOTAL CUSTOMER DEMAND	\$5.60	N/A
Energy Payment of Excess Energy, \$/kWh	Applicable Rate Energy Charge	N/A

**Demand Charge**

- Rider unbundles charges for generation and transmission.
- The demand billed is only for the power capacity LES has provided for the customer.

**Standby Charge**

- Standby Charge only reflects costs associated with transmission services.
- Total demand billed is a combination of generation and delivered power to the customer.

**Energy Payment**

- Energy Payment is credited at the customers current applicable rate schedule.
- Only the customers excess energy is credited.

\*Based on 2024 rates and subject to change.

# Proposed: **RGSC Customer Benefits**



## **Customer Generation Reduces Energy Charges**

*Customer benefits from reduced energy charges for all energy produced by renewable generation serving their facility.*



## **Rider Energy Payment Credits Benefit Customer**

*The Energy Payment of the rider benefits the customer, allowing them to get a credit for excess energy production.*



## **Demand Charge Savings Benefit Customer**

*As long as the onsite generation occurs during periods the customer requires the most demand, the customer can achieve demand savings.*

# Proposed Multi-tenant Shared Solar Rate



## Purpose

To facilitate customer (property owner)-owned solar for multi-tenant residential rental properties.

# Why Now?





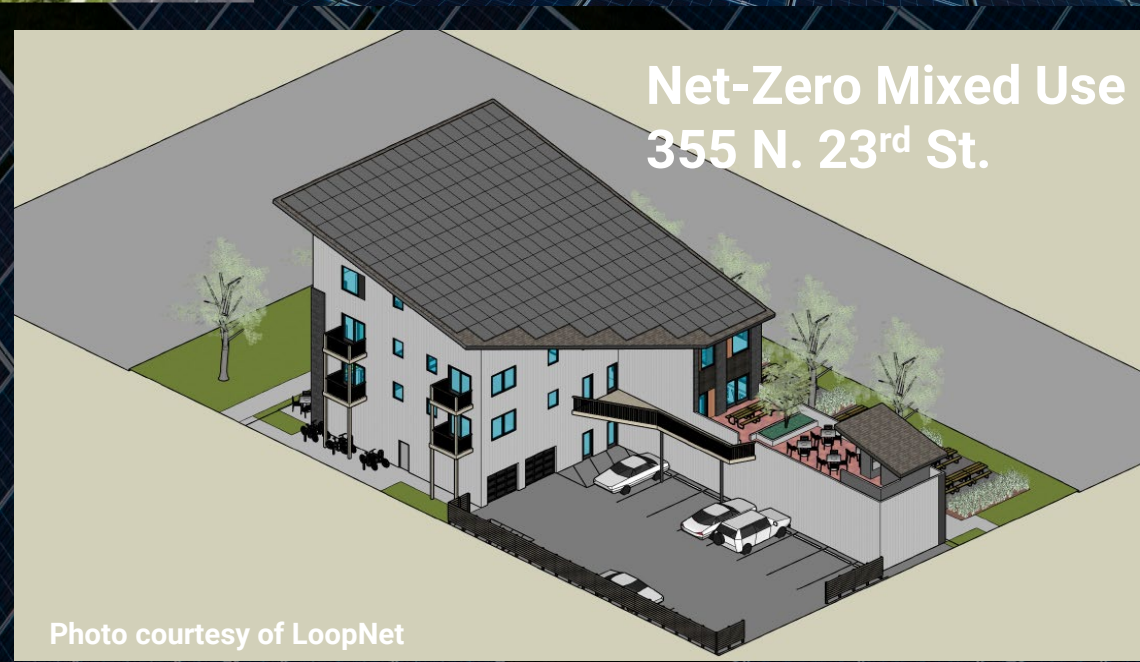
**Woodside Village  
NW 48<sup>th</sup> & Holdrege**



**Solar for All Grant**



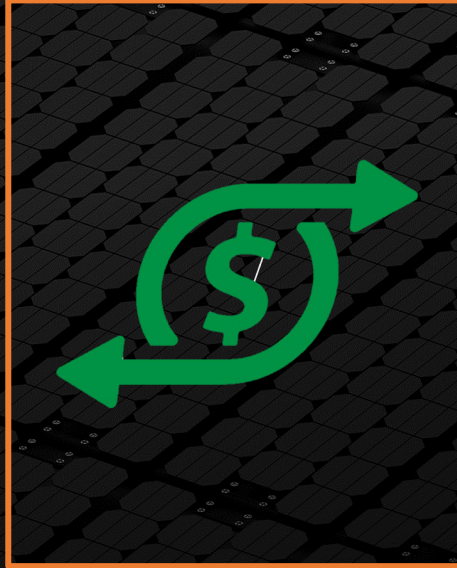
Photo courtesy of Hoppe Development



**Net-Zero Mixed Use  
355 N. 23<sup>rd</sup> St.**

Photo courtesy of LoopNet

# Proposed: Multi-tenant Shared Solar Rate



- Customer-owned solar on or off property
- Separate metered account for solar installation
- Purchase output at avoided energy costs
- Applies monthly avoided energy cost credits to designated residential and common-area accounts

# Proposed: Multi-tenant Shared Solar Rate



Customer credited for exported energy at avoided seasonal daytime energy rates.



Systems limited to 120% of projected aggregate load.



Subject to interconnection study and associated costs.



Systems  $\leq 100$  kWac will be on existing Renewable Generation Rate:

- 1) Eligible for capacity payment
- 2) Energy credited at the higher of 50% retail energy rate or avoided seasonal daytime energy rate.

# Questions?

# LES Solar Rates Summary

## Guiding Principles

- Most solar facilities up to 100 kW can be accommodated on the LES system without significant upgrades. An interconnection study, performed at the customer’s expense, is required for all solar facilities above 100 kW. Should LES feel a study is warranted for an installation less than 100 kW, LES will perform the study at LES’ expense.
- LES’ capacity payment and energy rate incentives are available for rates that don’t offset load, up to 100 kW. The lone exception is for rates that offset load in accordance with Nebraska state law (i.e., net metering).
- The “Avoided Cost” for demand-billed customers is their retail energy rate, as this rate is already designed to represent their levelized energy costs throughout the year. Non-demand customers, without a true energy-specific retail rate, will be paid the posted [LES Avoided Costs](#) for winter/summer daytime hours, currently updated annually.

						
	<b>Net Metering Rider</b>	<b>Renewable Generation Rate</b>	<b>CoGen &amp; Small Power Producer</b>	<b>Standby Rider</b> <i>Proposed for 2025</i>	<b>Multi-Tenant Shared Solar</b> <i>Proposed for 2025</i>	<b>Virtual Net Metering Rider</b>
<b>Minimum Size Limit (kW<sub>AC</sub>)</b>	0 kW	25 kW	0 kW	100 kW	100 kW	0 kW
<b>Maximum Size Limit (kW<sub>AC</sub>)</b>	25 kW	100 kW	100 kW	NA	120% of Annual Load Energy	80% of Annual Load Energy
<b>Offsets Load</b>	Yes	No	Yes	Yes	No	Yes
<b>Export Allowed</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>Export Energy Rate (\$/kWh)</b>	Greater of (a) 50% of Residential Rate or (b) Avoided Cost	Greater of (a) 50% of Residential Rate or (b) Avoided Cost	Avoided Cost	Avoided Cost	Avoided Cost	Avoided Cost
<b>Capacity Payment</b>	Yes	Yes	No	No	No	NA
<b>Study @ Customer Expense</b>	No	No	No	Yes	Yes	NA
<b>Upgrades @ Customer Expense</b>	Yes	Yes	Yes	Yes	Yes	NA