Cheq Bay Renewables

BEC's response to annual meeting chat questions regarding changes in their net-metering policy (copied from BEC's website):

"The Cooperative Board is elected by the membership to make decisions in the best interest of all of our members, and agrees that long-term sustainability is a very important goal. The Cooperative does not own generation assets, but supports the efforts of its parent cooperative, Dairyland Power, to increase the overall percentage of renewable generation in its portfolio. All DG-owning members were sent a copy of the new DG rate in March, along with a letter explaining the policy and the 5-year grandfathered rate applicable to owners of existing systems. The Board does not believe that the DG rate change results in renewable generation owners subsidizing other members.[1] Rather, the "avoided cost" rate for excess energy sold back to the Cooperative reflects Dairyland's market price for generation within the wholesale power market that includes Wisconsin. In other words, it reflects the wholesale price of the energy component of your electric service.[2] It is important to understand that under the Cooperative's rate structure, not all of its fixed costs (e.g., line upgrades, debt service) are recovered in the daily facilities charge.[3] Instead, a portion of those costs are recovered via the per-kWh energy rate. Therefore, the system of rolling over or "banking" kWh credits for excess generation in a given month under the old rate resulted in DG-owning members paying less than their proportional share of the Cooperative's fixed costs. In other words, because the kWh credit "paid" by the Cooperative for excess energy reflected the price of energy as well as a percentage of fixed costs, those costs were not being fully recovered from DG owners. Nevertheless, existing DG members are grandfathered in at the old rate through 2024[4]. Despite the rate change, we believe our DG-owning members will continue to enjoy the benefits of offsetting their monthly power bills and reducing the overall demand for fossil fuel-fired generation."

CBR's response as footnoted:

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[1] You state that BEC does not "believe" renewable generation owners are subsidizing other members. This is not about belief; this is about math. If BEC would provide a few basic numbers from the current rate study, we could talk about this in factual terms. For example, 1) What is the average annual cost of electricity purchased from Dairyland in kWh, 2) What would the facility charge be per month to cover your fixed charges and 3) What is the price of electricity from Dairyland during a peak summer day.

[2] Dairyland's avoided cost on the wholesale market is not the same as BEC's avoided cost at the distribution level. You are not comparing apples to apples. We acknowledge you are satisfying the PURPA and FERC requirements. This is not about satisfying Federal regulation, but rather about fairness to your cooperative members.

[3] You make a valid point about the facility charge not covering your fixed costs, but excess energy put back on the grid during a peak summer day has more value than your average cost of electricity from Dairyland. Your rate study should provide enough information to determine this excess value and how much summertime solar generation it would take to offset all the fixed costs.

[4] The grandfather clause for existing systems, in most cases, does not allow enough time to cover the members investment. CBR recommends that you match the timeline of the community solar garden which will expire in 2041. This would only effect about 80 members out of 8000, would not be an unduly financial strain on BEC, and show "good faith" on the part of the Board.