



Cheq Bay Renewables

Bayfield Electric Cooperative Customer Owned Distributed Generation Policy & Procedures, 300.11

Suggested changes to current policy:

1. Ref: 2.2 Rates, 2.2.1 Identify "value of solar" with assistance from Power Systems Engineering most current rate study. Use this value of solar as the avoided cost rate for excess generation. See note below.
2. Ref: 2.2 Rates, 2.2.2 Extend grandfathered-in time frame for pre-March 9th, 2020 solar PV installations to match solar garden's time frame

Note on Value of Solar: The Value of Solar is an elusive target and states like Minnesota and companies like Xcel Energy have experience identifying it. These ideas can be readily researched. It can be quite complicated, breaking down all costs associated with the final delivered kWh. BEC should establish a formula or system to determine this value based on their unique situation. Being a distribution energy company and not a generation company, many of these variables are determined by Dairyland Power. Therefore, one way to view this value is to simply determine the average cost of energy purchased from Dairyland Power. PSE's current rate study should have provided this value or be able to provide it. If excess solar generation is simply replacing energy otherwise purchased from Dairyland, then this is BEC's true avoided cost, and equitable to all members, that is, no one is subsidizing the other. Of course, a more complicated analysis is welcome which would include peak and off-peak usage and generation, avoided replacement costs because of distributed generation, social and environmental benefits, etc., but the suggested simpler approach might be less confrontational and eliminate subjectivity.

Submitted by,

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