

AUSTIN ENERGY'S TARIFF PACKAGE: §
2015 COST OF SERVICE § BEFORE THE CITY OF AUSTIN
STUDY AND PROPOSAL TO CHANGE § IMPARTIAL HEARING EXAMINER
BASE ELECTRIC RATES §

**AUSTIN ENERGY'S THIRD SUPPLEMENTAL RESPONSE TO PUBLIC
CITIZEN AND SIERRA CLUB'S FIRST REQUEST FOR INFORMATION**

Austin Energy ("AE") files this Third Supplemental Response to Public Citizen and
Sierra Club's ("Public Citizen/Sierra Club") Request for Information No. 1-8.

Respectfully submitted,

**LLOYD GOSSELINK ROCHELLE &
TOWNSEND, P.C.**

816 Congress Avenue, Suite 1900

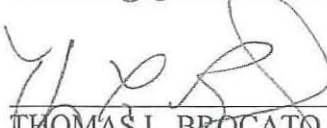
Austin, Texas 78701

(512) 322-5800

(512) 472-0532 (Fax)

tbrocato@lglawfirm.com

hwilchar@lglawfirm.com



THOMAS L. BROCATO

State Bar No. 03039030

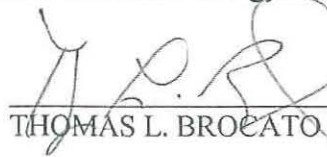
HANNAH M. WILCHAR

State Bar No. 24088631

ATTORNEYS FOR AUSTIN ENERGY

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this pleading has been served on all parties
and the Impartial Hearing Examiner on this 18th day of April, 2016, in accordance with the City
of Austin Procedural Rules for the Initial Review of Austin Energy's Rates.


THOMAS L. BROCATO

AUSTIN ENERGY
2016 APR 18 AM 11:27

Public Citizen/Sierra Club 1-8

Value of Solar Tariff:

- A. Please provide any information, communication, data, worksheets or reports that relate to calculations of the residential value of solar tariff, as proposed in the rate case.
- B. Please provide any documents and communication that relate to the current policy of offering the value of solar tariff to residential, but not commercial customers. Has Austin Energy had any discussions related to expanding the value of solar tariff to commercial customers? Please provide any documents and communications.
- C. Austin Energy is contemplating creating a community solar project and creating a special tariff or rate for those customers wanting to invest in community solar. Please provide any information, communication, data, worksheets or reports that relate to a community solar program.
 - i. Did Austin Energy contemplate creating a community solar tariff or rate as part of the current rate package? Why or why not?
 - ii. Does Austin Energy have any draft calculations of what the value of community solar tariff might be? If so, please provide all relevant documents.
- D. In August of 2014, Austin City Council approved Resolution 157, which set a minimum floor for the value of solar tariff. Is Austin Energy aware of this city policy? Does Austin Energy believe that the current proposed value of solar tariff proposed in the rate package meet this city policy? If so, explain how. Please provide any documents and communications or related to the value of solar rate proposed in the rate case and the city policy that creates a minimum floor value.

ANSWER:

Please see Supplemental Attachment 1.

Prepared by: KP/TH/BE/ADR
Sponsored by: Debbie Kimberly



Clean Energy
COLLECTIVE®

member owned. nature operated.

Community-Owned Solar

overview provided for

Austin Energy



U.S. DEPARTMENT OF
ENERGY

**National Innovative Green
Power Program of the Year**



**2012 National Photovoltaic
Project of Distinction Award**





The Clean Energy Collective

1. **Nation's leading community solar provider**

- 9 utilities spanning 4 states
- 18 community solar facilities and growing
- In conversations with over 100 utilities about community solar

2. **Focused solely on turnkey community-owned solar solutions**

- Built the nation's first community-owned solar facility in 2010
- Built the nation's largest in 2011
- Built the nation's new largest in 2012

3. **Partner with utilities to provide utility and customer value**

- The utility is our partner and #1 customer
- Utility-partner branded, providing PR with a solution customers want
- Help utilities meet their renewable energy goals without capital costs



Ways in which CEC Helps Utilities

- **Meet renewable energy goals**
 - Add to the solar goal of 36 MW in 2013
 - Get a head start on the 25 MW solar goal for 2015
 - Moves Austin Energy closer to the 200 MW by 2020 goal
- **Work within the utility's existing framework**
 - CEC's turn-key program is super easy to implement
 - Works with Residential Solar Rate of \$0.128/kWh
 - CEC can also handle direct kWh credits (if AE chooses that approach)
- **Make a difference in the local economy**
 - Create jobs locally, keep investment dollars in the local community & city
 - Get the community involved in the utility's success
 - Create press for the utility and the city
 - Reduce monthly bills for customers to build customer loyalty



Community Solar with CEC is the Answer

SOLAR POWER Reinvented

3,575 Panels
hundreds of customers

*The community must feel **OWNERSHIP** in the solution, or they will do it themselves.*

Montessori School

Your Panel

Your Neighbor's Panel

Johnson Family

Jimmy's Pizza

Sue Hamill

858 kW Garfield County Airport
Rifle, Colorado

- Centralized solar facility
- Utility is in control of the power
- The member directly benefits
- Utilizes local resources & equipment



How does CEC Community Solar work?

- 100% ownership/benefit to community members (opt-in/voluntary)
 1. All power delivered directly to the utility via contract (PPA)
 2. Payment for power production delivered to customers via **on-bill credit by CEC's RemoteMeter™** (\$/kWh or kWh credits)
- Used to offset power use, not for excess generation
- Utility receives long-term, in-network clean power at reasonable rates; **system paid for by private customers**
- Utility provides a solution that its members want

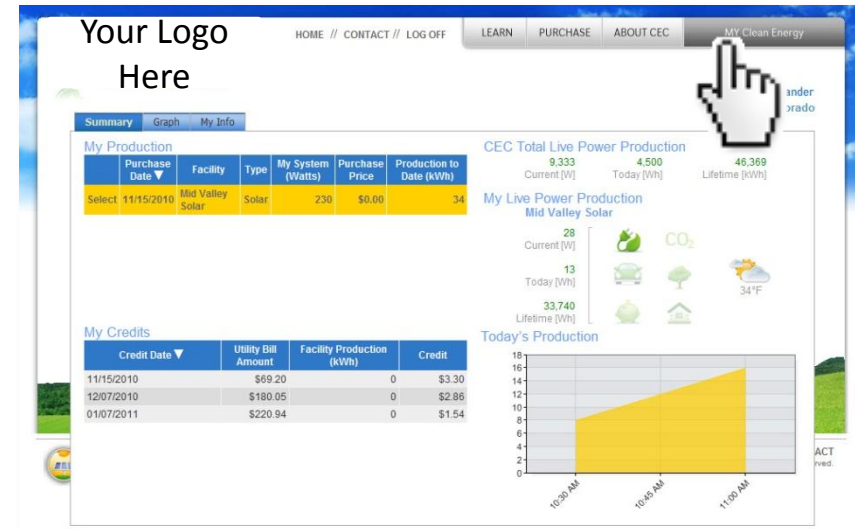


PPA Payment via Member Bill Credit



RemoteMeter™ Makes It Possible

- **Turn-key remote metering**
 - Regardless of the physical facility proximity
- **Integration with utility billing systems**
 - *Integrates with billing systems (Oracle/IBM)*
 - Track/apply clean energy production credits
 - Production surpluses tracked / applied depending on the utility's policy
 - Credited directly on customer's bill
 - Versatile integration engine
- **Easy monitoring (customer / utility)**
 - Real-time clean energy production, account information and reporting
 - Telemetry and meteorological data
 - Management tools
 - Accessed online and via mobile devices





Why Community Solar with CEC?

- **Benefit from Community Solar without the hassles**
 - Leverage this program without staff time or expenses
 - Keep customers happy through a solar ownership model
 - Allow them to take advantage of renewables through you
- **Lowers the barrier-to-entry and expands availability**
 - **Ownership** for **renters** and sites without solar accessibility (not possible with traditional solar)
 - Everyone can own - optimally placed for **maximum production** (no shading, trees, poor aesthetics, permitting hurdles, etc.)
- **Maintain leadership status as a solar leader**
 - Community solar becomes another feather in AE's cap
- **Aggregated purchasing**
 - **Lowers overall costs** by purchasing in bulk, making clean energy ownership **available to more of the public**
 - Advantageous financing vehicles (**low interest loans**)
- **CEC handles everything:** installation, sales & marketing maintenance, production credits and administration
 - **Turn-key program! Don't lift a finger!**





CEC offers a Managed Solution

- **Superior array placement & solar production**
 - Our solar arrays are perfectly situated for optimal sun capture
 - Maximizes on-bill credits for customers
 - Maximizes customer's overall system payback
- **CEC solar panels are maintained and managed**
 - Panels are cleaned when dirty or covered in snow
 - Parts are repaired or replaced when broken
 - Maintenance includes panels, inverter(s), structure, etc.
- **Guaranteed for 50 years**
 - A 50-year equipment and maintenance warranty is included
 - Twice the lifetime of a traditional system
 - No extra cost!

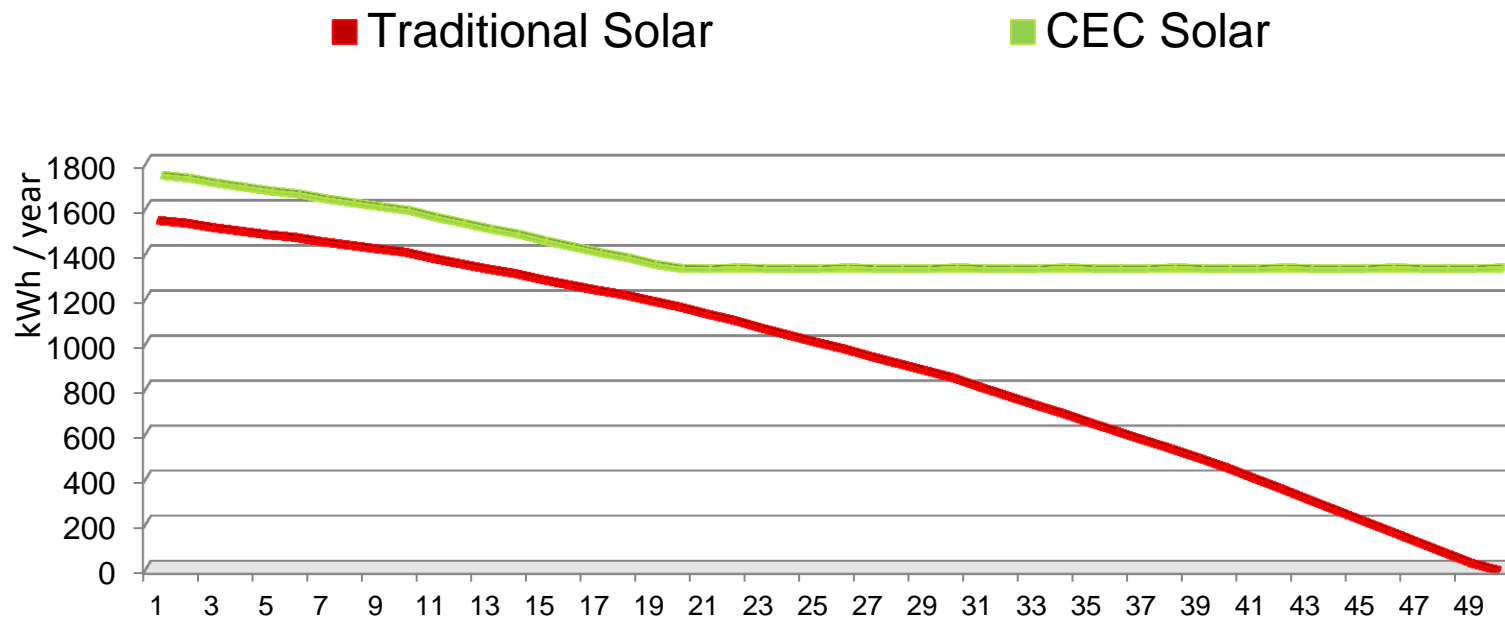
As a result, systems last longer giving owners even more benefit



Operations & Maintenance Program

- Trust account funded by:
 - \$0.30 / W of the initial price seeds the escrows
 - \$0.005 / kWh of ongoing power production
- Covers: ongoing insurance, operations and maintenance

Guaranteed never to drop below 80% output!





Who Can Own It?

- Individual Residences
- Businesses
- Townhomes / Condominiums
- Homeowners Associations
- Charitable Organizations
- Tax-exempt entities / nonprofits
- Landlords and tenants, owners or renters
- If a member has an electric bill,
they can have solar!





What Happens If they Move?

- **Staying within the utility network?**
 - Keep it! Simply call the CEC to have your panels' power credits assigned to your new meter.
- **Leaving the Area? You Have Options:**
 - Sell it with your home / building
 - Sell it separately, to any utility customer or the CEC
 - Gift it to a relative or include it in your estate planning
 - Donate it to a charity and give the gift of electricity / tax write-off





Utility Value

- **CEC handles everything** (administration, customers, billing & interface services, construction, operations and maintenance) all in the proposed PPA cost.
- **Stay cutting edge** and offer ALL Austin Energy customers solar energy (regardless of location, shading, if they own their own home, etc).
- Add **utility-branded solar** to your portfolio. The *Austin Energy Community Solar Program* includes a website portal and smartphone applications that are updated in real-time.
- One step closer to the **175 MW utility scale solar goal by 2020** with *no new costs*.
- **Social equity** - provide all members with an equal opportunity to participate in solar incentive programs at an attractive price point.
- **Utility-scale, industrial strength** managed clean energy facilities, utility sited and approved, with known grid connected production (reduced risk to the grid).
- 9 out of 10 Americans think solar is a good idea. Provide a turn-key ownership program to your 400,000+ customers.



Community Solar – Many Considerations



- Competing interests
 - Complicated Securities and Tax Laws
 - Consumer Protections
- On-bill Crediting
- Ongoing Operations and Maintenance
- Ongoing Administration
- CEC handles *everything!*

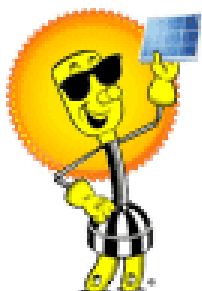


Clean Energy Collective Partners



HOLY CROSS ENERGY

A Touchstone Energy® Cooperative



**Kit Carson Cooperative
Community Solar**

Sun for All - All for Sun!

A Touchstone Energy® Cooperative

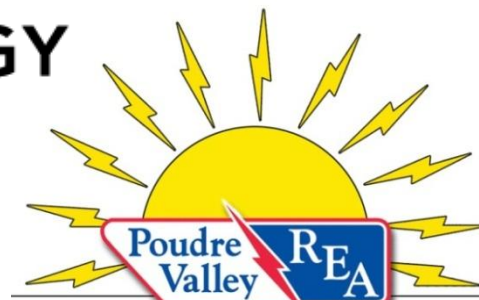


Colorado Springs Utilities

It's how we're all connected



Xcel EnergySM



Community Solar Farm

Locally grown. Locally owned.



**SMPA
COMMUNITY
SOLAR**

Touchstone Energy® Cooperatives
The power of human connections®



Wright-Hennepin
Cooperative Electric Association
A Touchstone Energy® Cooperative

**Solar
Community**
A simple way to own solar



Clean Energy Collective Case Studies

GARFIELD COUNTY AIRPORT COMMUNITY SOLAR ARRAY	
Location	Garfield County Airport, Rifle, CO
Type	Pole mount solar
Size	5.2 acres
Capacity	Phase 1: 858.24 kW / 1,360 kW total 3,575 solar panels (240 W Hanwha) 260 kW PV Powered inverters, 480 V
Customers	Estimated 250-350 customers



HOLY CROSS ENERGY

A Touchstone Energy® Cooperative 



Clean Energy Collective Case Studies

SMPA COMMUNITY SOLAR PARADOX VALLEY	
Location	Naturita, CO
Type	Pole mount solar
Size	9.0 acres
Capacity	1,124.24 kW total 4,784 solar panels (235 W Hanwha) 1 MW AE PowerVault inverter, 480 V
Customers	Estimated 450-550 customers



**SMPA
COMMUNITY
SOLAR**



Clean Energy Collective Case Studies

XCEL ENERGY SOLAR*REWARDS COMMUNITY	
Locations	8 sites: Aurora, Boulder, Denver x 2, Jefferson x 2, Breckenridge x 2
Type	Pole mount solar and carports
Size	30+ acres
Capacity	3,587 kW ~15,264 panels (235 W)
Customers	Estimated 1,100-1,600 customers





Positive PR for Austin Energy and the city





Positive PR for Austin Energy and the city





Build Community Solar without the hassles

- The utility works with us on
 - A fair PPA
 - Site and site approvals (optional)
- CEC provides the following services (everything else)
 - Funding
 - Sales and Marketing
 - Legal, finance and construction
 - Co-branding
 - Sales tools, marketing toolkit and proposals
 - Turn-key implementation and management with customers
 - Customer administration & support
 - RemoteMeter crediting and MyOwnCleanEnergy account management tools
 - Integration of RemoteMeter with your billing system
 - *It is all turn-key!*



CEC Awards & Recognition

- **Winner:** the U.S. Department of Energy's 2011 **National Innovative Green Power Program of the Year**
- **Winner:** PV America's 2012 National PV Project of Distinction
- **Winner:** 2012 Colorado Company to Watch
- **Winner:** Climate Change Business Journal's 2012 Project Merit Award
- **Winner:** Rocky Mountain Land Use Institute's 2011 Land Use Entrepreneurs Award
- **Institute for Local Self-Reliance** – ranked as **the top community-solar solution** in the country; only solution rated as “widely replicable”
- **PV America, Solar Power International, American Solar Energy Society** – Speaking engagements
- **NBC, ABC, CBS & USA Today** – Covered by over 100 media outlets
- **NREL** – profiled as one of the only community ownership models nationwide (maximum benefit to the rate payer)
- **Home Power** – the only in-depth coverage of a community-owned solution to date



U.S. DEPARTMENT OF
ENERGY











COLORADO
COMPANIES TO WATCH





Summary of CEC Community Solar Program

-  Energy generated is owned by the utility
-  Rebates can be assigned evenly to the entire community, not just well-sited properties
-  Securities, tax, and consumer protection issues are overcome through CEC's infrastructure
-  Billing system integration handled by CEC
-  Construction begins right after PPA is signed
-  Individuals may take advantage of the federal tax credit
-  Participants truly own the solar panels allowing for a sense of ownership in the program
-  Available to all Austin Energy customers





Steps for Moving Forward

1. **Decide to leverage CEC community solar**
2. **Ask CEC to get started with a PPA**
3. **Show up for the PR events!**
 - Stand up the largest community solar array in Texas
 - Participate in interviews on behalf of Austin Energy
 - Drive economic benefits to Austin & Travis County
 - For example, a 5 MW pilot CEC community-owned solar program will drive **\$161,000,000+** to the local economy!

You've done all the hard work already! To get community solar, all you have to do is ask us to get started.



Go ahead. Power up.



Clean Energy
COLLECTIVE®

Thank You!

Bart Rupert
Vice President of Business Development

