

Policy and Program Solutions

Key considerations for design and lessons from other jurisdictions

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Agenda

- Summary of key barriers identified
- Guiding principles for policy design
- Elements of policy and examples
- Questions for discussion in groups

Summary of key barriers identified

Guiding principles for policy design

- When considering policy/program design to address barriers – what principles/goals do we want to achieve?
- Examples from other regions:
 - Ensure access to community energy for all consumers (geographical, income level, etc.)
 - Deliver tangible economic benefit to customers
 - Ensure customer choice and flexibility for consumer preferences
 - Offer consumer protection
 - Be additive to and supportive of existing renewable programs and do not undermine

Examples of key policy design elements

- Policy and programs must provide (not exhaustive):
 1. Ownership structures
 2. Compensation/benefit sharing mechanism
 3. Source of financing
 4. System sizing
 5. Additional considerations or constraints

2. Compensation/benefit sharing mechanism

- Virtual Net Metering (VNM, or sometimes aggregate, group): The output of a single renewable system can be shared among (utility) accounts
- Group billing: All loads combined into one bill like master metering in a multi-unit building
- Via company outside of utility bills
- Via utility on utility bill directly

3. Source of financing

- Company ownership
- Securitization
- Raise money directly from investors who are not owners (eg crowd sourcing, traditional financing)
- Grants to offset parts of the costs

4. System sizing

- Fixed MW limit, wide variation
- Need clarity on how collocated systems are treated (are % of a larger project allowed?)
- Can be restricted by additional limits eg total % net metering in a region

5. Additional considerations or constraints

- Set aside or lower limits for low income participation
- Procedures for participants who move outside of the jurisdiction

Case example: Colorado community solar

- Owner can be either the utility or a third-party operator that contracts with the utility for the solar power production
- Projects have VNM, no upfront cost to consumers
- 10 kilowatts to 2 megawatts in size located in or near the same community as the customers
- 5% percent of new shared solar projects reserved for low-income customers
- Projects treated separately from other solar programs

Questions for discussion

- What are our key guiding principles?
- What are the barriers the policy and programs must overcome?
- What policy mechanisms are suited for our situation? Are there specific policies that would hinder development?
 - Ownership structures
 - Compensation/benefit sharing mechanism
 - Source of financing
 - System sizing
 - Additional considerations or constraints?
 - Other key mechanisms?