

SB 100, A Bill To Curtail Rooftop Solar Is Unfair And Discriminatory[1]

Since the investor-owned and co-op Kentucky utilities began their campaign against rooftop solar energy, solar customers have asked for only one thing - a fair process before the Public Service Commission (PSC) that would consider the costs of serving solar customers **and** the value that rooftop solar provides for the grid and other customers. Despite a 2017 Department of Energy study that concluded that the rate impacts of net metering customers on other customers is “negligible” and will remain so for the foreseeable future, these utilities have spent thousands upon thousands of dollars on lobbyists and advertising in an effort to throttle back rooftop solar and a budding industry that employs Kentuckians in an effort to help homeowners install solar to gain better control of spiraling utility costs.

The latest electric utility-crafted proposal, SB 100 has many of the same serious problems as the House-passed version of HB 227 from the 2018 Session. The utility-crafted bill does not represent a fair compromise on the key issues.

SB 100 ends the “netting” of electricity generated by and used by a solar customer, instead directing the PSC to set the value to be credited to the solar customer for the fed-in electricity. No standards, no parameters, and no guidance is provided to the PSC. Language salted through the bill referring to “compensation” and “dollar-denominated credit” rather than the existing language referring to a kilowatt-based “credit,” lays the groundwork for the utilities to argue that the solar customer is being paid and thus is subject to federal regulation as a wholesale electric supplier, so that the PSC can only credit the electricity at wholesale rates. Such a dramatic reduction in the value of solar would have solar customers subsidizing the utilities, who in turn sell that power at retail rates to other customers.

The bill would end net metering in a second way, by ending the utility obligation to offer net metering service when the aggregate capacity of all net metering customers reaches 1% of load. If you fairly address the cost and value of solar so that utilities are recovering all of their “net” costs of serving net metering customers, as the solar advocates have recommended, there is no need to have an artificial 1% cap other than that utilities want to limit customers options for renewable energy.

The bill would end net metering in a third way – by potentially reducing the value of solar fed into the system (which is now credited at a 1:1 retail rate) and “entitling” utilities to discriminate against solar customers with different rates that consider none of the benefits that solar customers provide to the grid and other customers.

The only improvement in this bill over the Senate proposal last session is that the language “grandfathering” existing net metering customers has been clarified. The bill remains unfair and discriminatory to new net metering customers.

All parties acknowledge what the Department of Energy study concluded – any impact on electricity rates for non-participating customers due to the 1,000 or so rooftop customers statewide, is negligible, and will remain so for the foreseeable future. We encourage you to contact your Senator and all members of the Kentucky Senate,, asking them to vote **No** on Senate Bill 100 in order to prevent the regulated utilities from achieving their goal of cornering the market on the sun.

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