

APPLICATION OF

CENTRAL VIRGINIA ELECTRIC COOPERATIVE

CASE NO. PUR-2017-00165

For approval of a community solar tariff

FINAL ORDER

On December 6, 2017, Central Virginia Electric Cooperative ("CVEC" or "Cooperative") filed an application ("Application") with the State Corporation Commission ("Commission") pursuant to § 56-585.1:3 C of the Code of Virginia ("Code") for approval of a companion rate schedule for a community solar pilot program ("Community Solar Tariff").<sup>1</sup>

The Community Solar Tariff is a three-year pilot program ("Pilot Program") for the development of community solar projects. The Community Solar Tariff would be available, on a completely voluntary basis, to CVEC members that are receiving electric service under a residential rate schedule ("Subscribers").<sup>2</sup> CVEC has entered into long-term contracts for the output of two recently constructed solar generating facilities ("Solar Facilities") located in its service territory and plans to make units of energy from the Solar Facilities available to Subscribers in 50 kilowatt-hour ("kWh") blocks ("Solar Blocks").<sup>3</sup> CVEC stated in its Application that it anticipates limiting enrollment to no more than five Solar Blocks, or 250 kWh, per Subscriber until January 1, 2019. Subject to this limit, a Subscriber could subscribe to one or more Solar Blocks up to a level that is not expected to exceed the

---

<sup>1</sup> Application at 1.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.* at 3.

Subscriber's metered monthly kWh usage. CVEC stated further that, after January 1, 2019, the Cooperative will work with Subscribers to limit subscriptions to no more than the Subscriber's expected monthly usage.<sup>4</sup>

Under the Community Solar Tariff, each Subscriber would pay a flat and fixed monthly rate per Solar Block ("Fixed Block Charge") of \$4.50.<sup>5</sup> The Fixed Block Charge represents a premium to the rate available under the Subscriber's standard tariff rate.<sup>6</sup> Subscribers would be responsible for the fixed monthly charge under the Community Solar Tariff even in months in which their actual usage is less than the size of the Solar Block(s) the member purchased.<sup>7</sup> Subscribers also would remain subject to the terms and conditions of the applicable standard tariff, except as modified by the Community Solar Tariff, and would remain subject to the other basic terms, conditions, and membership agreements of the Cooperative.<sup>8</sup> Subscribers would be able to cancel their subscriptions at any time after giving at least 30 days' notice.<sup>9</sup> All cancellations would be effective at the end of the billing period and the Fixed Block Charge would not be prorated.<sup>10</sup>

On December 27, 2017, the Commission issued an Order for Notice and Comment in this proceeding that directed CVEC to provide public notice of its Application and invited interested

---

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 3-4. According to the Cooperative, the Fixed Block Charge would remain fixed for the three-year term of the Pilot Program. *Id.* at 3.

<sup>6</sup> *Id.* at 5.

<sup>7</sup> *Id.* at 4.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 4-5.

<sup>10</sup> *Id.* at 5.

persons to file comments or a notice of participation or request a hearing on the Cooperative's Application. The Commission also directed the Staff of the Commission ("Staff") to investigate the Application and file a report containing Staff's findings and recommendations ("Report" or "Staff Report"). On March 15, 2018, the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel") filed a notice of participation and comments stating that Consumer Counsel is not opposed to the Application. The Virginia, Maryland and Delaware Association of Electric Cooperatives and Virginia Electric and Power Company d/b/a Dominion Energy Virginia also filed comments in support of the Application on March 15, 2018.

On March 30, 2018, the Staff filed its Report. Staff summarized the Application and noted, among other things, that based on rates in effect as of January 1, 2018, a residential Subscriber with monthly usage of 1,000 kWh would pay \$1.40 more per month when subscribed to five Solar Blocks.<sup>11</sup> The Staff further explained that the energy supply service component of the Subscriber's bill and the Power Cost Adjustment would both be offset by the cumulative monthly kWh of the subscribed Solar Blocks.<sup>12</sup> All other charges, including the basic charge, distribution charge and taxes would be calculated based on the standard applicable tariff for the Subscriber's entire monthly kWh usage.<sup>13</sup>

Staff stated that, pursuant to Code § 56-585.1:3 C, the proposed Community Solar Tariff is reasonable, and Staff is not opposed to the Community Solar Tariff or Pilot Program. However, in order to verify that non-participating customers are not adversely impacted by the

---

<sup>11</sup> Staff Report at 6-7.

<sup>12</sup> *Id.* at 6.

<sup>13</sup> *Id.* at 6-7.

Community Solar Tariff, as represented in the Application,<sup>14</sup> Staff recommended that the Cooperative file a report at the conclusion of the three-year Pilot Program detailing the following: (1) participation levels during the Pilot Program, (2) data regarding the actual costs of the components of the \$4.50 Fixed Block Charge, and (3) actual Community Solar Tariff revenues.<sup>15</sup> Staff also recommended that the Cooperative submit annual reports to Staff showing the balance of any deferred costs. Lastly, Staff recommended that, in any future base rate cases, the Cooperative clearly remove the Community Solar Tariff's investment, expenses and revenues in order to facilitate the analysis of proposed base rate changes in such proceedings.<sup>16</sup>

On April 10, 2018, CVEC filed its response to the Staff Report stating that the Cooperative supports Staff's finding that the proposed Community Solar Tariff is reasonable and that the Cooperative does not oppose Staff's additional recommendations.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that CVEC's proposed Community Solar Tariff is reasonable and should be approved, subject to the reporting requirements recommended by Staff.<sup>17</sup>

Accordingly, IT IS ORDERED THAT:

(1) The Cooperative's Application is granted, subject to the reporting requirements adopted herein.

---

<sup>14</sup> Application at 3.

<sup>15</sup> Staff Report at 8-9.

<sup>16</sup> *Id.* at 9.

<sup>17</sup> Pursuant to Chapter 580 of the 2017 Acts of Assembly, Enactment Clause (4), CVEC should include in its marking materials for the Pilot Program a disclosure indicating the cost difference between the Community Solar Tariff and the Subscribers' standard applicable tariffs but for their participation in the Pilot Program.

(2) The Community Solar Tariff shall become effective for bills rendered on and after the date of this Order.

(3) Within thirty (30) days from the date of this Order, the Cooperative shall file applicable tariffs to implement the Pilot Program with the Clerk of the Commission and with the Commission's Divisions of Public Utility Regulation and Utility Accounting and Finance.

(4) This matter is dismissed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the State Corporation Commission, c/o Document Control Center, 1300 East Main Street, First Floor, Tyler Building, Richmond, Virginia 23219. A copy also shall be delivered to the Commission's Office of General Counsel and Divisions of Public Utility Regulation and Utility Accounting and Finance.