

**Utilities**

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MEMORANDUM**DATE:** July 1, 2022**TO:** Mayor Arndt and City Councilmembers**THRU:** Kelly DiMartino, Interim City Manager

Kendall Minor, Utilities Executive Director

FROM: John Phelan, Energy Services Manager and Policy Advisor**RE:** June 28, 2022 Work Session Summary: Solar 120% Sizing Rule and Rates

The purpose of this memo is to summarize the discussion from the work session regarding the solar 120% sizing rule and associated electric utility rates. Councilmembers Arndt, Francis, Pignataro, Peel, Gutowsky and Ohlson were present. The overall objectives for local solar policy and practice are twofold: 1) to support scaled up adoption in alignment with Our Climate Future and resource planning targets; with 2) a sustainable and equitable funding for Utilities customer service, operations, and infrastructure. The existing sizing requirement articulated in City Code limits new solar systems to provide no more than 120% of a customer's historical use. Combined with replacement of the 120% rule, proposed changes to several components of the current rate structure align with accomplishing these outcomes.

Feedback from Council included:

- Several Councilmembers expressed support for all five of the primary recommendations presented by staff.
- Staff responded to several questions related to how solar sizing may impact requirements related to Platte River Power Authority.
- Councilmembers expressed support for continued collaboration with Platte River and the other member cities towards accomplishing community energy goals.
- A Councilmember asked about the role of community solar in addition to rooftop solar.
- A Councilmember asked questions about several rate components, expressing:
 - An interest to re-examine the base rate
 - Strong support for the tier component of the time-of-day rate
 - Support for replacing the 120% sizing rule, and
 - Pointed to the staff proposed next step of a written summary of potential benefits and risks of removing the tier component from the current rates

Next steps:

- Bring forward ordinance language to revise City Code with regards to the Solar 120% Rule with replacement by an administrative model for flexibly managing solar sizing, including coordination with Platte River
- Deliver a written summary to Council regarding the potential benefits and risks of removing the tier component of the TOD rate regarding electrification, customer service, and solar
- Prepare related options for the fall electric rate ordinances that support solar and electrification goals

CC: Gretchen Stanford, Utilities Deputy Director Customer Connections

Lance Smith, Utilities Finance Director

Randy Reuscher, Utilities Rate Analyst