



FPB response to Community Solar Public Hearing Testimony

On May 31st 2023, a public hearing was held to take comments regarding the Community Solar Tariff, tentatively scheduled for an approval vote on June 27th, 2023. The proposed tariff includes options for customers to subscribe to Solar Units that entitle them to the energy output of a solar facility operated and maintained by FPB. FPB received both written and oral comments related to the proposed policy.

The comments were primarily directed at the proposed subscription costs, contending these costs are too high and therefore will undermine the objectives of a community solar project.

Establishing a Fair and Equitable Cost Structure

The objectives when determining costs for the community solar program included not only keeping the cost low, but also had to ensure costs were not cross subsidized onto non project participants. In addition to the capital construction costs referenced in the public hearing, the Board need also take into consideration:

- Operation and maintenance of the facility for the life of the project including potential module and inverter replacement.
- A low but reasonable rate of return on investment.
- Distribution system charges to wheel all the energy across the system to the end user.
- Coincident demand costs.
- Program marketing, administrative and back office costs.
- Inflationary costs over 25 years for all labor and equipment associated with the projects upkeep.

Figure 1: One Time Subscription Fee

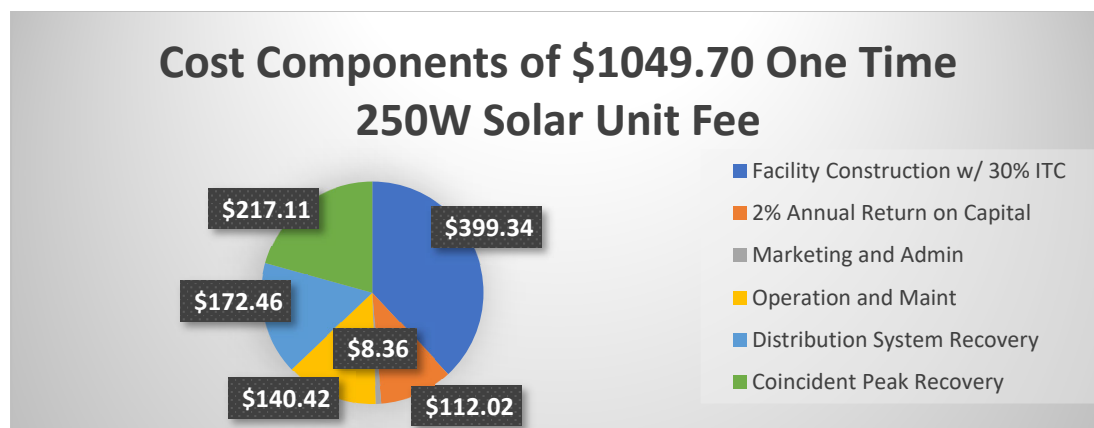


Figure 2: Monthly Subscription Fee



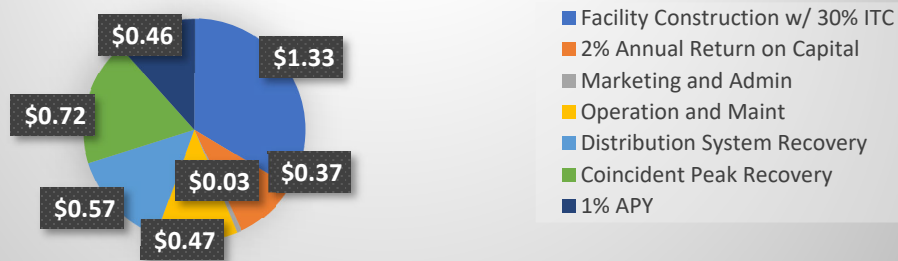
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Cost Components of \$3.96 Monthly 250W Solar Unit Fee



When considering the entire life of the project as well as the ancillary costs of a fully managed solar program, the \$3.96 per month or \$1049.70 onetime subscription fee represent reasonable subscription price to offer customers. LGE and KU for instance charge \$5.55 per month for subscription to an equal 250W capacity in their Solar Share program.

Meeting the Board’s Community Solar Goals

As was referenced in the public hearing, the Phase I RFP outlined several of the Board’s objectives with a community solar program including, among others, reducing cost barriers for solar ownership and offer renewable energy options for low and moderate income customers. While offering an option to achieve immediate bill savings would certainly support these objectives, the month to month pricing as proposed is still a viable way for customers including low and moderate income to take advantage of solar benefits. Consider for instance some of the obstacles a customer would not have to contend with versus installing a rooftop system:

- Upfront capital installation costs.
- Vetting installation contractors and comparing options.
- Potential structural upgrades to support solar modules.
- Risk of material failure and replacement costs therein.

Considering these facts, the FPB community solar program as proposed still presents a good option for customers, regardless of income, for integrating solar into their energy consumption. The program also offers a very low cost of entry, compared to an alternative rooftop system that may cost \$15,000 or more for installation alone. While the subscription costs do not currently offer a customer savings on their electric bill, it does offer a known fixed cost that will hedge against potential future increases in electric rates.