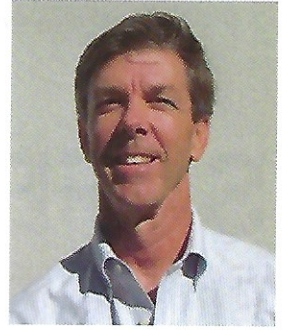


[savvy solar energy]

EXPERT ON SOLAR CUSTOMER-OWNED, LOCALLY-SOURCED



By Frank Kelly



The latest legislative session was another reminder that the regulated electric utility monopolies operating in Arkansas love electricity created with solar energy – as long as they own it!

For anyone following the regulatory history, you may know that the rules related to customer-owned generation has been debated at the Arkansas Public Service Commission since 2015. The first ruling in docket 16-027-R states that any net-metering system installed before the final ruling would be grandfathered for twenty years under existing rules which allows for one-to-one full retail kilowatt hour credit for excess generation.

This year, SB 145, a “simple” one-and-one-half page bill written to allow for third party ownership and a slightly larger maximum generating capacity for customer-owned commercial generation quickly morphed into a ten-pager that actually transferred rate-making formulas away from the PSC and to the legislature. This was no small feat and shows the incredible in-roads your local electric utility has over the legislative process.

Act 464 also dispensed with the final two hundred plus page order that the chairman of the PSC testified he was ready to release in the 16-027-R docket, but he was concerned the order would be tied up in the courts for years.

The final version passed and certainly allows for third-party ownership of solar arrays, and it also increased the size limit from 300kW to 1MW. Now, Act 464 states that an installation commissioned before December 31, 2022, is grandfathered for twenty years under existing rules. The window is open, and I expect

you will see an increase in marketing and installations around the state leading up to this date.

Your local electricity provider will need two years to roll out the new “super-smart” meters across their entire customer base that will measure usage and generation on fifteen-second intervals, with the goal of charging all customers for their actual usage during peak power times and crediting occasional net excess generation from solar installations during the day with less than the full retail rate. If you needed any additional incentive to go solar sooner than later, now is the time to do it. Not only is one-to-one full retail credit applied, but any excess generation can be carried over by the customer indefinitely.

The same regulatory shenanigans are happening in various ways and intensity across the United States. Ironically, in Puerto Rico – where the majority of the electric grid infrastructure was destroyed – they have quickly implemented policies for promoting customer-owned generation that are models of what every state should be adopting. Sometimes it takes an “in-your-face” awakening to change direction.

In Arkansas, it was the strategic use of the word “shall” vs “may” that holds out a little glimmer of hope that in the not too distant future

the true value of customer-owned, locally-sourced solar electric generation will be rewarded instead of thwarted. ▼

