



**Committee of the Whole Meeting – Sept. 18, 2023  
Staff Responses to Council Questions**

**3. Items of Business**

**b. Consider Draft Ordinance Restating Title 9 (Municipal Utilities), Chapter 2 (Municipal Electrical Service), Article B (Service, Rates, and Charges), Section 13 (Net Metering Policy) of the Geneva City Code.**

*Q: How was the 2,000kW/AC threshold determined?*

A: Several scenarios were run based on estimated solar production at various levels. The 2,000kW is equivalent to a 1% reduction in sales revenue on an annual basis. Based on the average system size to date (8kW), this level would allow for 250 residential PV installations. The solar calculator provided by the National Renewable Energy Laboratory was used to estimate the output of 2,000kW of solar generation in the City of Geneva. This estimated energy production was then multiplied by the residential rate and this dollar amount was used to compare revenues with varying levels of solar production.

*Q: Does this take into consideration the potential for a significant increase in electric use from planned development?*

A: Potential increases in retail energy usage were not considered in setting the transition to avoided costs.

*Q: Would it make more sense to set the metric as a proportion of the total electric use rather than a set number whose value as a part of the whole could change significantly over time?*

A: The installed capacity is a simpler and easier metric to track. Energy production is directly correlated to installed capacity.

*Q: Will the current system using a spreadsheet to track the energy usage continue, or will it change?*

A: This process will change if the credits roll through the utility account.

*Q: Is it to have the software give the credit in full each month?*

A: Yes.

*Q: Would the water for a given customer be enough to cover the water credit? What happens if the water usage is less than the credit created by the electric?*

A: For some customers, the electric credit would be less than the water portion of the bill. For other customers, it would be more. In the latter, the City of Geneva would not pay the credit out in the form of a check. It would stay on the account for the next billing cycle.

*Q: Is it possible that the 2,000kW AC threshold might need to/be able to be raised (meaning our electrical system's capacity for using/incorporating excess solar) as we make system upgrades that are currently underway?*

A: Like any rate, this threshold can be raised or lowered based on the requirements of the utility or will of the City Council.

*Q: A 2,000 kW/AC threshold is being proposed. What approximate percentage of the Geneva system does 2,000 represent?*

A: Approximately 1% of the total energy consumption of the utility.

*Q: What is the current capacity of PV interconnected generation?*

A: Residential and small commercial installations to date equal 360kW.

*Q: Using a rough average of PV generation for a residence, approximately how many more installations would be allowed in before the cap is reached?*

A: About 215 based on average installation size. There are currently 37 accounts that have interconnected or applied to do so.

*Q: What dollar impact is anticipated for applying the avoided cost versus the retail rate for every 1,000 kW/AC of PV generation?*

A: It is difficult to estimate the dollar impact between the full retail and avoided costs methods of reimbursing for the energy not used because of variances in system size and energy usage between all different installations. The transition to avoided cost is not to recover lost revenue but to help capture the full fixed costs for the interconnected residential customer. Keep in mind the avoided cost only is applied to excess energy produced by the customer-owned generation and not the total energy produced. The energy produced and used by the customer is realized at the full retail rate regardless of how the excess energy is accounted for at the end of the month. In previous discussions with the City Council, it was noted that the \$8 the City collects in fixed monthly charges from each residential customer only covers a portion of the total fixed costs. The remainder is made up through the energy charges. Purchasing the excess energy produced by the customer-owned generation at retail rates also has the effect of under-collecting the total fixed costs for the customer.

*Q: What would the dollar impact be if the cap was 3,000 kW/AC instead of 2,000?*

A: Based on the avoided cost previously presented and the new retail rates effective in November, the revenue impact for a 2,000 kW/AC cap would be \$154,000. For a 3,000 kW/AC cap the revenue impact would be \$230,000. These numbers exclude credited net energy.

*Q: Is the avoided cost reimbursement expected to vary significantly over time or could the avoided cost amount simply be a percentage of the retail rate?*

A: The avoided cost would vary over time based on the market costs for energy.

**c. Consider Draft Ordinance Proposing the Continuation of Special Service Area No. 1 and Providing for Public Hearing and Other Procedures.**

*Q: Will the presentation cover which improvements to special service area No. 1 are showing deterioration?*

A: Yes.