



AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

CM/DCM/ACM: Antonio Puente, Jr., DME General Manager

DATE: July 8, 2024

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the Value of Solar Study.

BACKGROUND

The City of Denton (City) has offered energy efficiency and solar rebates through the GreenSense and Solar Programs since 2003 and 2009 respectively. During this time, many DME customers took advantage of these incentives to improve the energy efficiency of their homes and businesses. Customers also took advantage of these programs to install Solar Photovoltaic (PV) systems on their houses and businesses. Since then, there have been a lot of changes to both the energy efficiency measures that are available and relevant to today's housing stock as well as substantial reductions to the cost of PV. In an effort to quantify the value of solar being sold back to DME and to mitigate any cross subsidy from the rest of the DME customers to Solar DG customers, DME hired NewGen to conduct a detailed analysis of our program and provide a report.

RECOMMENDATION

Staff Recommends:

1. Implementing the avoided cost method based on DME Solar PPAs rate of \$0.0379/kWh effective 10/1/2024.
2. Transferring estimated annual savings of \$463,069 to GreenSense Incentives program. GreenSense budget will increase from \$1 Million to \$1.46 Million.

PRIOR ACTION/REVIEW

Sustainability Framework Advisory Committee heard the presentation and had discussion June 7. The SFAC voted unanimously (4-0) on;

1. Accepting the avoided cost method if the rate used was the average of both the DME PPA Avoided Cost rate and the ERCOT Market Avoided Cost rate. The average rate using this approach is \$0.05405/kWh.
2. Transferring the estimated annual savings of \$350,364 to the GreenSense Incentives program budget.
3. Wanted further discussion to take place regarding Grandfathering.

EXHIBITS

- Exhibit 1: Agenda Information Sheet
Exhibit 2: Value of Solar Presentation
Exhibit 3: Value of Solar Report

Respectfully submitted:
Bill Shepherd
DME Executive Manager of Business Services