



**Solar Rate Design Options – Customer Solar Electricity\***

<b>Attribute</b>	<b>Net Metering</b>	<b>Value of Solar Net Billing</b>	<b>Feed-in, Buy All/Sell All</b>
<b>Value for solar that offsets consumption</b>	Current retail rate	Calculated value of solar	Approved feed-in/sale rate
<b>Value for solar excess</b>	Varies: avoided cost, retail, other	Calculated value of solar	Not applicable – all generation gets same rate
<b>Charges for network use</b>	Varies: net to zero bill, net to customer charge, net to credit	Gross consumption at retail rate	Gross consumption at retail rate
<b>Term of rate</b>	Perpetual	Varies: perpetual, fixed term	Fixed: 10 to 20 years typically
<b>When/how is value changed?</b>	When underlying rates or charges change	Varies: periodically updated, locked for term	Locked for term
<b>Credit or Sale?</b>	Credit; sometime with sale at end of netting period	Credit only	Sale
<b>Relationship with PURPA?</b>	Consistent with right to self-generate	Consistent with right to self-generate	Energy sale
<b>Relationship with Avoided Cost?</b>	Not applicable	Calculated value of solar is full avoided cost with retail benefits	Approved rate is based on avoided cost; may be technology-specific avoided cost
<b>Raises tax issues?</b>	Test: Is Energy for USE or SALE?	Test: Is Energy for USE or SALE?	Yes
<b>Netting/settling period?</b>	Varies: billing period, annual	Varies: billing period, annual	Not applicable
<b>Carryover of periodic excess?</b>	Varies: none, annual, perpetual	Varies: none, annual, perpetual	Not applicable
<b>Mode of implementation?</b>	Statutory authority	May fit as alternative credit under net metering law, may require additional statutory authority	May fit under state PURPA implementation law
<b>Standby charges</b>	Some utilities argue for charge = retail minus avoided cost	Not applicable under gross consumption charge	Not applicable under gross consumption charge
<b>Revenue or earnings shortfall risk</b>	Yes, unless net metering rate is backed by valuation analysis	No	No

\* This table compares three common rate options, but by no means all rate possibilities.