

# How Our Rates Work With Solar Installations

Last month, we provided several tips on what to consider before installing a solar system. In addition to those tips, it is also important to understand utility rates and other impacts before purchasing a system.

Linn County REC does not offer rebates for installing solar. However, we do offer monthly net metering within our rate blocks. Any excess generation is paid at our avoided cost rate. Avoided cost is based on the average monthly cost, minus distribution losses, that our power supplier would have incurred if energy was purchased in the wholesale market.

The largest percentage of the membership's power costs come from peak demand. Unfortunately, there is a misalignment between when solar production occurs and when our members use it the most. Most of our margin on the kilowatt-hour goes towards covering members' peak demand costs. Our system typically peaks hour-ending at 6 pm and 7 pm during the summer and 6 pm - 9 pm during the spring, fall, and winter.

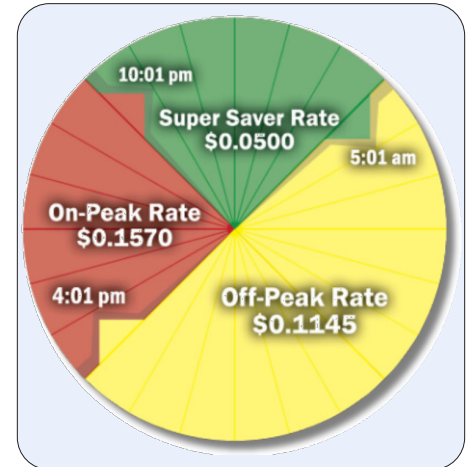
To better align with our power

suppliers' rate structure and to encourage peak demand reduction, we implemented a 3-tier time-of-day rate for residential and single-phase small commercial members in 2023.

When a solar system produces more than a member uses, the excess generation goes back to the grid unless a member has on-site battery storage. Most overproduction occurs during our off-peak time; the difference in the member's consumption from the grid and generation back to the grid will be netted out at the end of the month. Any kilowatt-hour overage will be converted to a monetary value using the current month's avoided energy cost. This amount is then used to reduce the remaining billing components.

We do not allow overproduction to be used in other time blocks as we cannot store excess generation to the grid from members during lower-cost off-peak times and use it when costs are higher during on-peak times.

**Example 1:** If you consumed 100 kWh from LCREC and your system overproduced 250 kWh during the



Off-Peak, the remaining -150 kWh will be paid out at the avoided energy cost.

**Example 2:** If you consumed 200 kWh from LCREC and your system overproduced 25 kWh during the on-peak, you will be billed for 175 kWh for the on-peak time.

If you are considering solar or Alternative Energy Production (AEP), please contact us first. We will help guide you through the process and answer any questions you may have so you can make an informed decision.

For more information on renewable energy, please visit our website.

## Additional Costs and Considerations

- Before installing solar, make your home as energy efficient as possible and shift usage to off-peak hours. Energy-efficient homes and behavioral efficiency can save you money and reduce your home's environmental impact. This also allows you to install a smaller solar system.
- Don't overlook the condition of your roof. It is more difficult and expensive to replace a roof with solar panels. Evaluate if the roof will need to be replaced before the solar panels need to be replaced.
- Solar production is based on the time, weather, and orientation/tilt. Since solar is not constantly available and predictable, members rely on the grid. Due to line workers' safety concerns (electrical code), solar systems will automatically be disconnected from the grid during an outage. The system cannot generate power behind the meter without battery storage.

### Shifting your behaviors can save money (with or without solar):

- Use a programmable thermostat to sub-cool your home prior to on-peak hours.
- Utilize the delayed start on appliances such as dishwasher, washer, and dryer.
- Use smart plugs to schedule pumps, dehumidifiers, etc., to turn off during the on-peak hours.
- Schedule EV charging
- If you have solar, utilize your production as much as possible. When your array is producing, do tasks such as laundry, dishwashing, and charging an electric vehicle.