

## **Baldwin, Julie (LARA)**

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**From:** David LaRoy <davidlaroy@gmail.com>  
**Sent:** Friday, November 03, 2017 7:30 AM  
**To:** Baldwin, Julie (LARA)  
**Subject:** Re: MPSC Staff Agenda Proposed DG Concept Tarriff- October 18, 2017  
**Attachments:** IREC\_Rabago\_Regulators-Guidebook-to-Assessing-Benefits-and-Costs-of-DSG.pdf;  
NREL - 62447 - Methods for Analyzing the Benefits and Costs of Distributed Photovoltaic Generation to the U.S. Electric Utility System.pdf;  
LaRoy\_MPSC\_Presentation\_DG Working Group\_2017-11-03.pptx

Julie,

I have attached a presentation containing my input to the DG working group as well as two key reference documents for your review and consideration. I will send a separate email with a .zip file containing the rest of the documents referenced in my presentation. Is there room on the agenda at next week's meeting for me to present these slides?

### **Summary of my Input:**

- The majority of studies have shown that at low market penetrations, net metering actually under-compensates DG customers and benefits the Utility and non-DG ratepayers
  - Michigan has an extremely low market penetration of 0.02%
  - For simplicity, MPSC should consider retaining net metering until solar DG penetration approaches 5% (currently limited to 1% by law)
- Utility companies have aggressively lobbied to weaken or eliminate net metering in Michigan and around the country, and we should recognize that their motivation has nothing to do with fairness to non-DG ratepayers.
  - Utility recommendation for avoided energy cost of service outflow calculation takes a purposely limited view of the value of solar and is intended to undercut and stifle the DG market
  - MPSC should not use the Utility approach as a fair and reasonable solution
- An Inflow-Outflow scheme with the currently-estimated Staff outflow credit of ~\$0.075/kWh does not accurately value solar DG, and would push payback periods beyond economic viability, effectively halting the DG industry in Michigan
- If switching to Inflow-Outflow instead of net metering, MPSC must conduct a true value of solar calculation for the outflow credit
  - Adopt a transparent, comprehensive standard valuation methodology such as the IREC model to fully account for the costs and benefits of solar DG
  - Inflow Rates & Outflow Credit should be Time-of-Use based
  - As DG market penetration increases in the future:
    - Incentives for distributed energy storage (residential batteries and V2G) should be enacted to mitigate the effects of excessive grid-wide outflow and swings in output due to weather
      - TOU rates naturally help to incentivize this
    - At high penetration rates, outflow credit will adjust downward to account for necessary grid upgrades and maintenance costs

Thank you for your consideration.

Best Regards,  
David LaRoy  
Troy, MI

On Tue, Oct 24, 2017 at 8:22 AM, David LaRoy <[davidlaroy@gmail.com](mailto:davidlaroy@gmail.com)> wrote:

Julie,

I joined the DG working group recently, and attended last week's meeting via phone.

I live in Troy, MI and I'm a DTE electric customer currently under a solar net-metering agreement since 2015. I have concerns with the proposed tariff, and especially the direction being taken with the proposed calculation for the outflow credit, and have some thoughts for the Staff to consider if it's not too late to impact the process. I'm not representing anyone, and I don't have the benefit of a well-funded national research and lobbying staff like some of the presenters, but I think I can offer a useful perspective and proposal based on my own research and also my experience with the actual interconnection process as a Michigan resident.

I can put together my input for you to consider in the meantime, but is it too late to request time on the Nov 7 agenda for a presentation?

Best Regards,  
David LaRoy

----- Forwarded message -----

**From: Michigan Department of Licensing and Regulatory Affairs**

<[LARA@govsubscriptions.michigan.gov](mailto:LARA@govsubscriptions.michigan.gov)>

Date: Fri, Oct 13, 2017 at 10:54 AM

Subject: MPSC Staff Agenda Proposed DG Concept Tarriff- October 18, 2017

To: [davidlaroy@gmail.com](mailto:davidlaroy@gmail.com)

Dear MPSC DG Workgroup –

The agenda and Staff's proposed DG concept tariff (using Consumers Energy's net metering tariff as a starting point) are attached to this email. Staff will present the highlights of the DG concept tariff and welcome any initial input from Workgroup participants at next week's DG Workgroup meeting on Wednesday, October 18.

The November 7 meeting will have an opportunity for Workgroup participants to present their concept tariff or suggested modifications to Staff's proposal. The November 7 meeting agenda also includes Staff's proposal for the Outflow calculation. Please contact me as soon as possible if you would like time on the November 7 agenda for a presentation.

If you would like to provide written comments and/or an alternative tariff proposal, please email it to me by November 3 and I will post your information on our DG workgroup website. Thank you and see you next week!

Julie Baldwin, Manager  
Renewable Energy Section  
Electric Reliability Division  
Michigan Public Service Commission

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- [DG+concept+tariff.pdf](#)
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