

Distributed Generation Concept Tariff

Julie Baldwin & Chuck Putnam
Michigan Public Service Commission Staff

October 18, 2017

Distributed Generation Background

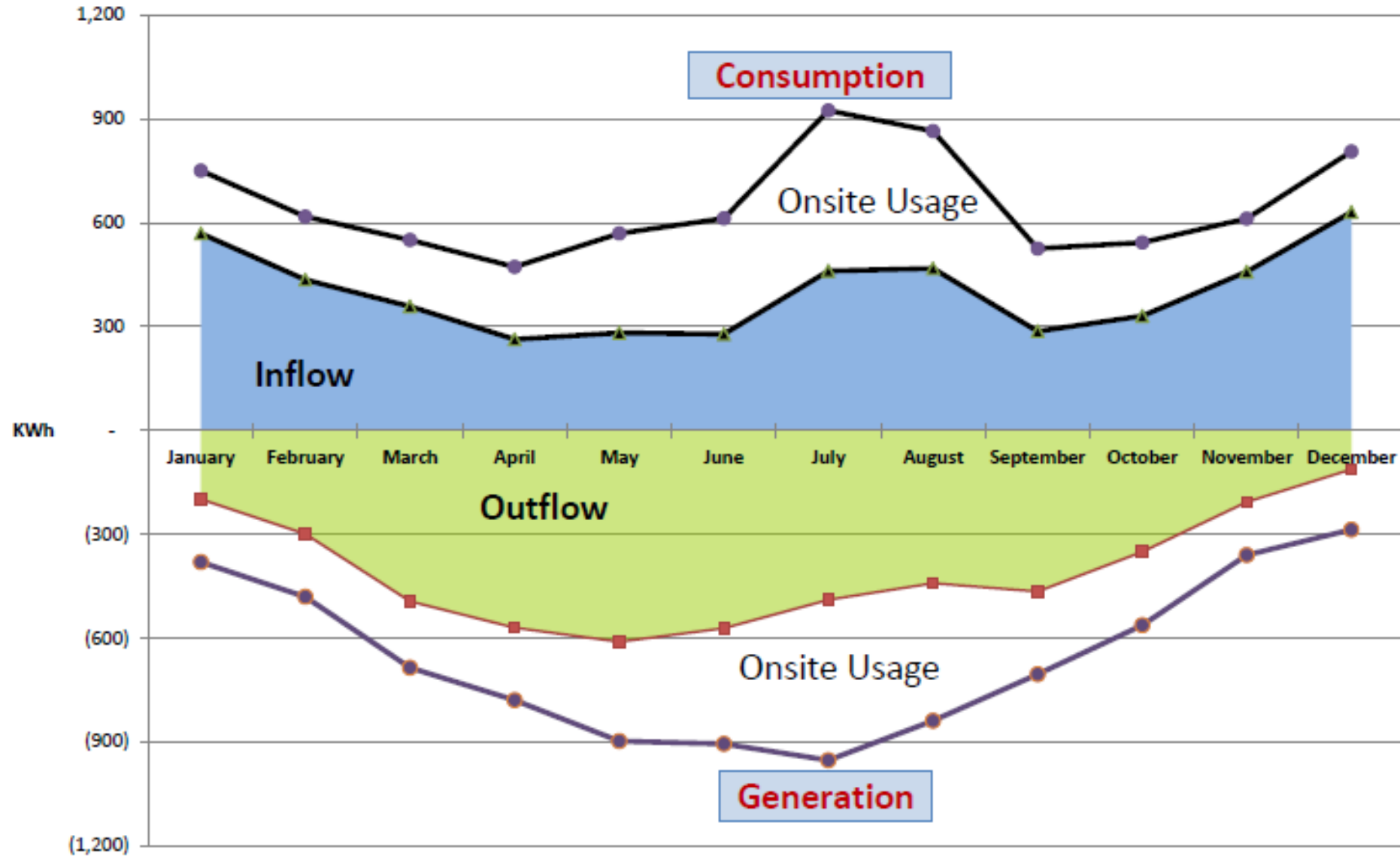
- Public Acts 341 and 342 direct the Commission to “...conduct a study on an appropriate tariff reflecting equitable cost of service for utility revenue requirements for customers who participate in a net metering program or distributed generation program.”
 - The study and tariff must be completed by April 20, 2018
 - The tariff will be a “concept tariff” because the actual numbers on the tariff will be based on the unique costs of each utility.
 - Actual numbers will be determined in rate cases filed by utilities sometime after June 1, 2018

Staff's Proposed DG Concept Tariff

- Inflow-Outflow billing mechanism
- Paired like a rider with each retail rate schedule
 - DG Provision on each retail rate schedule
 - Cost of service based rates for Inflow: power supply and distribution
 - Inflow rates are structured like the retail rate schedule (include demand charges if they are part of the rate schedule)
 - Outflow Credit shown within DG Provision
- Requires a metering and billing system capable of independently measuring and recording inflow and outflow and all necessary billing determinants for the retail rate schedule
- DG Concept Tariff implementation for utilities using meters without the capability to measure the data needed for Inflow-Outflow is under consideration

Residential Distributed Generation Comparison of Power Flow Parameters

6.28 kW Solar PV [100% of Annual Consumption]: 8760 hour analysis



- Staff will email and post our distribution-related cost of service analysis when it is completed
- Form a small subgroup to consider metering and cost of service study issues for utilities with less than 1 million customers
- Staff will email and post our generation outflow bill credit calculation by Wednesday, November 1
- The next meeting is Tuesday, November 7
 - Staff will present our outflow valuation calculation proposal and, if available, distribution-related cost of service analysis
 - Presentations by others on cost of service and concept tariff
- Draft Staff DG Workgroup report issued for comments on December 8
- Final DG Workgroup meeting is Tuesday, December 12

Michigan Public Service Commission

www.michigan.gov/mpsc

