

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Case to Explore)
Emerging Issues in Utility Regulation) **Docket No. EW-2017-0245**

BRIGHTERGY, LLC’S INITIAL COMMENTS

COMES NOW Brightergy, LLC, and for its Initial Comments in this workshop, states the following:

Brightergy has been an active participant in Commission dockets for the preceding several years, and has seen Missouri make significant progress in adapting to a rapidly changing business and regulatory environment.

It is an appropriate time for the stakeholders to gather and discuss the emerging issues the Commission has raised in this docket. The solar industry in Missouri is young and growing. Relationships with incumbent utilities, rural cooperatives and municipal power providers are being established. Ratepayers are expecting more services from their providers and control over their energy spend and usage. Brightergy encourages the Commission to continue to reach out and gather information from stakeholders as the industry matures.

These Comments are not meant to advocate for specific policy positions, but are instead a roadmap for the Commission to consider when establishing its role in regulating solar in the coming years.

The Commission’s Role in Shaping the Solar Landscape

This Commission, along with state regulatory commissions across the county, will see their influence over alternative energy deployment grow. Among the issues in the Commission’s purview, it will see net metering standards, rate designs for net metered customers, safety protocols for interconnection of distributed generation (“DG”) systems, and the overall costs and benefits of extensive deployment of DG resources.

The Commission's overall challenge will be adding a new set of renewable business interests into the mix of rate proceedings, rulemakings, and other types of dockets. Unsurprisingly, incumbent utilities tend to want to tap the brakes on the deployment of DG out of concern for load loss and uncertain effects on grid operation. The renewable energy interests will push for policies making rollout of their products easier for customers in Missouri. The energy landscape is changing, and the Commission must adapt to the new economic forces at play.

The preceding decades in energy policy were centered around how to compensate large utilities for providing centralized power to a set group of customers. The next few decades will be focused on the buildout of decentralized, clean renewable energy, and the roles of the various stakeholders in that evolution. The policies the Commission sets out now will continue to impact the industry well into those next decades.

As prices decline and more financing options become available, rooftop solar will find a market with a much wider group of customers¹. Correspondingly, new jobs in the solar market are outpacing those in other energy industries².

The policy priorities listed in this docket's workshop agenda, including net metering and cogeneration rules, avoided cost calculations, and value of solar calculations, are all important emerging issues that will set the policy boundaries going forward. The Commission's role in regulating solar's place in the coming years will be setting these boundaries in a manner that allows growth of solar jobs, protects the rights of DG customers, and ensures that utilities have the tools and revenue necessary to continue providing safe, reliable service to all ratepayers.

Of great importance will be the rate at which DG customers are compensated for the energy they produce and provide to all ratepayers. The Commission should recognize that the installation of DG infrastructure is a big financial commitment for business owners and residential customers. In order to properly value the contribution that these DG customers are making, it is imperative to properly balance the benefits these DG customers are providing to the grid, with corresponding benefits to all ratepayers. These include reduced line loss, increased security through decentralized production, reduced overall load permitting longer life for

¹ Shallenberger, Krysti, "Is rooftop solar just for the wealthy?" [Utility Dive](#), April 27, 2017.

² Popovich, Nadja, "Today's Energy Jobs are in Solar, Not Coal," [The New York Times](#), April 25, 2017.

utility-owned infrastructure, reduced compliance costs for environmental regulations, and myriad environmental benefits, to name a few.

These benefits should be considered along with any calculation of solar's value to the grid and ratepayers. An accurate calculation will permit solar's expansion while allowing utilities to continue offering safe and reliable service.

Utilities are increasingly becoming interested in constructing and owning their own renewable energy generation assets. To the extent that regulated utilities desire to own and operate solar production equipment, such investments are within the Commission's purview. Although they have traditionally been more interested in large centralized renewable generation, such as wind farms and utility-scale solar generation, utilities are increasingly exploring the possibilities of owning smaller, distributed assets³. The Commission will play a critical role in setting the circumstances in which utilities will be permitted to own such assets.

These efforts have seen opposition from some stakeholders based on the argument that there is sufficient generation to serve utilities' current load, and that renewables are not least cost when compared to fossil generation and wholesale market purchases. These arguments deserve due consideration, but cannot be the end of the analysis. Any evaluation of solar's value to ratepayers must include the benefits of such infrastructure, whether it is owned by a utility or by individual ratepayers.

Brightergy has filed supportive testimony of such efforts by utilities. One concern that the Commission should bear in mind while encouraging utilities' efforts in this regard is that the competitive environment should be managed to ensure a level playing field between the public utilities and the much smaller companies who may find themselves vying for the same customers for the first time.

³ See, e.g. EA-2016-0208, Ameren's application for a certificate of convenience and necessity for a distributed solar pilot program.

The Commission's Role Related to the Installation of Advanced Metering Infrastructure

Large-scale information gathering and data analytics will play an increasingly important role in the energy industry. The Commission will find significant challenges in balancing the interests of business and all ratepayers in having access to customer data with the privacy interests of individual customers.

Data is powerful, and can provide policymakers with invaluable information in shaping Missouri's energy future, but for every customer who declines to participate, that data becomes less useful. Masking the identities of individual ratepayers in order to promote the utility of the larger data set is one way to protect both interests.

The Commission's Role in Implementing Modified Rate Design Proposals

The Commission has wide latitude within Missouri statutes to require utilities to offer time of use ("TOU") rates to their customers. This has been a subject of debate in recent rate case dockets. The Commission should ensure that TOU rates are available to all customers of regulated utilities so as to encourage energy conservation alongside implementation of new energy management technologies. TOU rates will become more and more important to solar and efficiency customers as the technologies reach wider deployment.

Customers as a group are interested in investing in self-generation and energy efficiency, but they will only do so in a regulatory environment which rewards that investment. The Commission's role here will be to encourage these investments in a prudent, measured fashion.

The Commission should take advantage of its ability to open workshop dockets such as this one, but should also explore wider policymaking dockets in which parties can focus on issues affecting renewables and other developing technologies without the distractions found in broader rate case proceedings.

Conclusion

Brightergy appreciates the Commission's efforts to bring stakeholders together to comment on these very important issues, and looks forward to participating in the docket.

WHEREFORE, Brightergy respectfully requests the Commission and stakeholders to consider its comments.

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Respectfully submitted,

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