

Nev. regulators to consider solar rate-hike pause

By Michelle Rindels, AP

CARSON CITY – Nevada energy regulators are meeting this week to decide whether to hold off on controversial new rates for solar power customers.

The state Public Utilities Commission has scheduled a hearing on Thursday for requests to pause the rate hike, which was set to take effect Jan. 1. The base service charge is rising from \$12.75 to \$17.90 per month for southern Nevada solar customers and from \$15.25 to \$21.09 for northern Nevada customers.

The changes also reduce the amount the utility pays to buy power back from rooftop solar panels, from 11 cents a kilowatt-hour to 9 cents in southern Nevada and from 12 cents to 10.5 cents in the north. The service charge will rise and the reimbursement will drop every year until 2020.

Regulators approved the changes as a way to reduce a cost-shift from the state's 17,000 net-metering customers to the non-solar customer base, and to reflect the declining cost of solar power. NV Energy says that solar customers still rely on their transmission lines and power plants to keep energy flowing at night or when clouds pass over, preventing the panels from generating power.

Several entities requested the rates be postponed, including the Bureau of Consumer Protection within the Nevada Attorney General's Office. Consumer advocate Eric Witkoski said existing customers weren't properly warned that they would be subject to the new rates, instead of being "grandfathered" in to the more favorable ones.

He also raised concerns that the rate change could run afoul

of the contracts clause in the U.S. Constitution, because the changes are dramatic enough that they could disrupt private contracts homeowners have with rooftop solar companies.

Firms such as SolarCity lease panels to homeowners in mortgage-like agreements that can last for 30 years. The payments customers make each month toward their solar panels are often offset by the credits they receive for selling excess energy back to the utility, and the combined cost of the panel payments and a utility bill is often less than a traditional utility bill alone.

The rate change throws a wrench in that business model and is expected to make a rooftop solar installation less attractive. SolarCity said it is ceasing sales and installations to Nevadans as a result.

Supporters of the rate change note that Nevada has long supported the solar industry, and it's time to phase out subsidies that were put in place nearly two decades ago to get a then-fledgling industry off the ground. But Witkoski says the subsidy Nevada ratepayers foot for solar customers is relatively minor, and is several times smaller than what they pay to subsidize NV Energy's energy efficiency programs overall.

Other entities requesting a pause in new rates include the Southern Nevada Home Builders Association and The Alliance for Solar Choice.