Solar Standard Offer Rider—Solar Integrator

Application:
This rate schedule applies to a solar photovoltaic (PV) system with a capacity less than 10,000 kW alternating current as measured at the inverter's output, interconnected with Austin Energy's distribution system ("Solar Integrator"), that (a) exports power to Austin Energy, (b) is not already taking service under another solar rate schedule, including but not limited to the *Value of Solar Rider*, (c) has submitted and obtained Austin Energy approval of a service application under this schedule, and (d) has submitted and obtained an approved interconnection agreement from Austin Energy. For information on the program and to submit an application and interconnection agreement, please visit Austin Energy's website.

All Renewable Energy Credits and all other renewable-energy attributes accruing under this schedule shall be aggregated and retired by Austin Energy.

Energy-export payment:
No less often than once every three months after the initial payment, Solar Integrator shall receive a payment (net of charges under the *Secondary Voltage—Demand less than 10 kW* rate schedule) equal to the metered kilowatt-hour output of the Solar Integrator's solar PV system that was exported to Austin Energy multiplied by the rate of payment that corresponds with the capacity of the Solar Integrator's solar PV system, as shown below:

Rate of Payment per Kilowatt-Hour of Energy Exported to Austin Energy	**$/kWh**
From a solar PV system with capacity less than one megawatt	*$ .1124*
From a solar PV system with capacity greater than or equal to one megawatt	*$ .0841*

Electric Service
Solar Integrator will take service from Austin Energy under the *Secondary Voltage (Demand less than 10 kW)* rate schedule, including but not limited to customer-related services, delivery and supply of power consumed by the Solar Integrator's solar PV system. Examples of customer-related services include metering, meter reading, bill rendering, customer records, customer accounting, customer service, and associated administrative and general expenses.

Service Connection Costs:
Consistent with City of Austin Code, costs incurred by Austin Energy to connect Solar Integrator to Austin Energy's distribution system will be directly assigned to Solar Integrator and will be collected directly from Solar Integrator in the form of contribution in aid of construction.

Interconnection Guidelines
The Solar Integrator shall comply with current City of Austin technical requirements for interconnection. The Solar Integrator shall obtain approval from the City of Austin before the Solar Integrator energizes the on-site generating system or interconnects it with the City of Austin's electric system. The Solar Integrator shall submit to the City a completed interconnection application form and signed interconnection agreement. The Solar Integrator is responsible for any costs associated with required inspections and permits.

Rate of Payment Update Methodology
Under the *Solar Standard Offer Rider*, Austin Energy pays Solar Integrator a rate per kilowatt-hour of energy produced, net of electric charges. The payment rate is based on (a) the line-loss adjusted estimated value of energy that the solar installation enabled Austin Energy to avoid purchasing from the ERCOT power market (energy component), plus (b) a component based on the line-loss adjusted estimated value of

the ERCOT transmission charges that the solar installation enabled Austin Energy to avoid (transmission component), plus (c) a component based on the line-loss adjusted estimated value of the ancillary services that the solar installation enabled Austin Energy to avoid purchasing from the ERCOT power market (ancillary services component).

Each year, an avoided cost of energy will be calculated based on the year's market value of the energy produced divided by the volume of energy produced. The volume produced includes energy from all solar installations on the system that take services under Austin Energy's solar tariffs, including but not limited to *Value of Solar* and *Solar Standard Offer Rider.* For each hour, ERCOT's day-ahead market price of a kilowatt-hour at the Austin Energy Node is multiplied by the solar production during that hour, and the sum of the year's hourly values is that year's total market value of the solar energy produced. The year's market value of energy is then divided by the year's solar production, resulting in a weighted average cost of energy during that year.

Each year, an avoided cost of ERCOT transmission charges will be calculated based on (a) for the year's months of June, July, August, and September, the average of the kilowatt-hours of solar production that occurred during each hour that contained the time of the ERCOT transmission system peak demand in that month, multiplied by (b) the sum of the wholesale transmission service access rates ("postage stamp rate") that were in effect on the date that the Public Utility Commission of Texas's "matrix" docket[1] was approved in that year, divided by (c) the year's solar production.

Each year, an avoided cost of ancillary services will be calculated based on (a) for each hour of the year, ERCOT's weighted average cost per-kilowatt-hour for regulation up, regulation down, responsive reserve, and non-spinning reserve services, multiplied by (b) kilowatt-hours of solar production in that hour, divided by (c) the year's solar production.

The energy, transmission, and ancillary services components are adjusted for energy losses, estimated based on information from Austin Energy's most recent line-loss study.

The initial levels of the payment rates shown above are based on the straight average of the energy, transmission, and ancillary services components calculated for fiscal years 2021, 2022, and 2023.

Every three years beginning in March 2026, the Rate of Payment for the *Solar Standard Offer Rider – Solar Integrator* shall be updated. For systems less than one megawatt the payment rate is set based on the straight average of the energy, transmission, and ancillary services components calculated for each of the most recent five historical years. For systems greater than or equal to one megawatt, the transmission component is excluded.

[1] For example, the "postage stamp" rate used to develop the initial value of the transmission component was approved in *Commission Staff's Petition to Set 2021 Wholesale Transmission Service Charges for the Electric Reliability Council of Texas, Inc.*, Docket No. 51612.

