

# ED3

## Electrical District No. 3



### SOLAR Q&A

#### What are some things I should consider before going solar?

Leasing verses owning: Know the Pros and Cons of each, as well as the Short-term and Long-Term effects of each. Ask for advice from professionals you trust such as your Tax, Real Estate and Insurance Agents. Share with them your plans to incorporate solar on your home. This will help you feel more secure in your investment.

Do your research. Choosing the right contractor and solar equipment for your solar project will save you lots of headaches later on. Get multiple estimates from multiple companies and compare. Know what the average labor costs are, and how much you are paying per watt. Once you have the appropriate system size, know what you can expect to pay for certain types of solar equipment.

Choosing the right size system may be a lot more important than you think. Since State and Federal Regulations, and changes in utility rate structures can directly affect your benefits package outlined in your sales contract, choosing a size system that will only produce what you use will help avoid any excess generation to fall vulnerable to outside variables beyond your control.

#### Why do I need to submit an Application for Customer Owned Distributed Generation and sign an Interconnection Agreement?

ALL customers who wish to interconnect their solar electrical system to the ED3 Distribution System, are required to complete an Application and the approval process. The Interconnection Agreement outlines in detail ED3's Interconnection policies, rules and owner responsibilities. You can find this Application which includes the Interconnection Agreement and associated Solar Rider on our website at [www.ed3online.org](http://www.ed3online.org) under the ED3 Customer Owned Distributed Generation (DG) Program.

#### How long does it take ED3 to approve my Application? What is the process?

There is a three step approval process that can take up to two and half weeks to complete for both residential and commercial Applications.

- Upon receipt of your Application, ED3 will review to ensure it is complete, and that the contractor designs match the listed information provided on the Application. An email from the ED3 Solar Department will be sent to the contractor advising the status of the Application.
- As long as the Application does not require any revisions, it is sent to an ED3 Solar Technician and then to the Director of Engineering & Operations for approval.
- Once the Application is approved, an ED3 Interconnection Approval Letter will be sent via email to the contractor. The Final ED3 Inspection or Commissioning of your solar electric system will be scheduled once the City or County clearance has been received by the ED3's Solar Department.

## What is the Commissioning and what can I expect on that day?

A Solar Interconnection Commissioning is when ED3 conducts a final inspection of your solar electric system to ensure the system turns on and off safely, and to verify system size. After successful completion, your solar electric system is then interconnected to the ED3 Distribution System. (You do not need to be present during your Commissioning, but ED3 requires your contractor to be on-site during this process.)

## What is net metering and does ED3 offer this to solar customers?

Net Metering is a billing process which enables self-generating customers to be compensated for their excess generation that is placed onto the ED3 electric grid.

ED3 offers net metering by compensating for net excess generation specified under the appropriate Solar Rider and billing rate established either at the time the Application had been approved or on the date when the solar DG system had been interconnected to the ED3 electric grid.

## What happens to the energy my solar electric system produces if I am not using it?

When your system for your home or small business is producing more than what you are using the excess generation is placed onto the ED3 electric grid. Through a billing process called Net Metering, your net excess generation will be compensated either under the ED3 Buyback Option or the ED3 Carry Forward Option.

Due to changes to the former ED3 Solar Power Program effective July 2, 2015 under Rider No. 8, excess generation is compensated under the ED3 Buy Back Option. The ED3 Buy Back Option credits solar customers' monthly bill for net excess generated at the current market rate of energy (Avoided Cost) in effect at that time. The Buy Back amount will be itemized on the billing statement as a credit deducted from the monthly bill amount.

Prior to July 2, 2015 under closed Rider Nos. 3 and 4, excess generation could either be compensated under the ED3 Carry Forward Option, or the ED3 Buy Back Option. The Carry Forward Option allows solar customers to bank their net excess generation monthly at the retail rate in order to apply against any future billable usage.

**Note:** *ALL customers may be subject to future rate changes in accordance with the terms and policies of ED3's Electric Service Guidelines - Rules and Regulations.*

## Does ED3 monitor my solar Distributed Generation (DG) system?

ED3's meter does not read energy produced by a customers' solar DG system, and therefore does not have the ability to monitor your total solar production. The ED3 meter measures the energy delivered to you by ED3, (indicated as "REC" on your bill), and the energy your system places onto the ED3 electric grid that had been generated by your system (indicated as "GEN" on you bill).

## Does ED3 assist in recommending an appropriately licensed solar contractor?

ED3 does not recommend any one specific contractor, but ED3 will work with any contractor of your choice.

- For information on contractors that serve the ED3 area, reference the Solar Energy Industries Association website at: [www.seia.org/state-solar-policy/Arizona](http://www.seia.org/state-solar-policy/Arizona) click onto "Finding The Right Solar Companies in Arizona" and choose Pinal County.
- Contacting the Arizona Registrar of Contractors toll free at 888-271-9286 or the Better Business Bureau's website at: [www.bbb.org](http://www.bbb.org).

## Will I still receive an ED3 bill after my solar DG system is operating? Will I have to pay any fees?

Yes, you will still receive a monthly ED3 bill if your solar DG system is connected to the ED3 electric grid. Both residential and small commercial customers can still expect to see the Basic Monthly Service Charge. Systems interconnected after December 31, 2013, can expect to see a fixed monthly surcharge known as the Distributed Generation Fixed Cost Recovery Fee (DGFCR) itemized on their billing statement each month. For assistance in calculating what your DGFCR amount will be per month, please contact the ED3 Solar Department at (520) 424-0418.

## What is the Distributed Generation Fixed Cost Recovery Charge (DGFCR)?

Both residential and commercial solar customers need the electricity grid 24 hours a day. You will need to connect and rely on a system of generating facilities, transmission lines, substations, distribution lines, transformers, wires and personnel to ensure power is available when it is needed – at night, when it's cloudy, or when it's so hot that you need additional power to run air conditioners. Solar customers also use the grid to send power back into the system when you are generating more energy than your home or business needs.

Renewables, like Solar have helped our customers save money on their monthly electric bills. The ED3 challenge with this is that “fixed” costs are built into rate structures that absorb these expenses in the monthly usage charges. Unfortunately fixed costs are not reduced when a solar customer is using less power. The DGFCR surcharge helps ED3 recover some of these losses to ensure that resources are available for power line repairs, metering expenses, and installing and maintaining the electric grid.

For additional information, see the ED3 Distributed Energy Generation Policy power point presentation on the ED3 Customer Owned Distributed Generation Program homepage at [www.ed3online.org](http://www.ed3online.org).

**Note:** *Effective July 2, 2015, Changes were made to the DGFCR amount. Please refer to ED3's Electric Service Guidelines, Rules and Regulations – Section 27 – Design Deposits and Fees for the current charge amount.*

## What is an ED3 Minimum Bill Charge, and does it apply to ED3 solar customers?

ED3 is a Not-For-Profit Public Utility that maintains more than 1,050 miles of distribution lines and twelve substations. The Minimum Bill Charge is designed to collect the costs of electrical infrastructure, service equipment, and administrative costs so power is readily available whenever any specific location goes from using very little or no power to resuming a normal usage pattern.

If a solar customer's monthly usage, Basic Monthly Service Charge, and Distributed Generation Fixed Cost Recovery Fee (DGFCR) is less than the Minimum Bill amount, then a Minimum Bill Charge will apply. The Basic Monthly and Minimum Bill Charge amounts are listed in the Electric Service Guidelines, Rules and Regulations, **Section B – Standard Residential Service or Small General Service.**

## Does ED3 offer any solar rebates?

ED3 no longer offers any Solar Capital Incentives or rebates as of January 1, 2015.

## What solar tax credits are available?

If you are a homeowner looking to own your solar electric system, The Arizona Residential Solar & Wind Energy System Tax Credit and The Federal Investment Tax Credit (ITC) may be available to both residential and commercial properties, however, if you are looking to lease your system, tax credits and depreciation are provided only to system owners, not the lessees.

It is best to contact your tax professional to see whether or not you are eligible to benefit from tax credits.

## What does ED3 require me to do if I am purchasing a new solar home from my builder?

ED3 requires that you fill out the Application for Customer Owned Distributed Generation following your turn on request of services to your new solar home. Please ask to be transferred to the ED3 Solar Department or call (520) 424-0418 for assistance. The Application can be found on the ED3 website at [www.ed3online.org](http://www.ed3online.org) under the ED3 Customer Owned Distributed Generation Program.

**Note:** *Failure to complete this process could result in interruption of service.*

## What does ED3 require me to do if I am purchasing or leasing an existing solar home or business?

Upon turn on of service in your name, you, as the Operator / Owner will assume and agree to the rate billing option and its associated Rider in addition to any terms, policies and regulations effective with the Interconnection date of the system. Please contact the ED3 Solar Department at (520) 424-0418 for more detailed information, and a copy of the ED3 Solar Distributed Generation Policy.

## I wish to increase the size of my solar electric system, what does ED3 require for me to do?

If you wish to increase the size of your solar electric system, you will be required to complete the Application for Customer Owned Distributed Generation and submit for approval. The Application can be found on our website at [www.ed3online.org](http://www.ed3online.org) under the ED3 Customer Owned Distributed Generation Program.

The existing system size including the increased kilowatts cannot exceed the Residential Interconnection Maximum cap of ten kilowatts (10kW), or the Small Commercial Interconnection Maximum cap of twenty kilowatts (20kW). The billing rate option and the appropriate Solar Rider established at the time of Interconnection (the date the system had originally been turned on by ED3) will remain effective regardless of the increase.

## What do I need to do if I want to relocate my solar electric system to another home within the District?

The Solar DG System's current Rider will remain effective regardless of ownership or location, therefore systems can be moved from one location to another; however, a new Application for Customer Owned Distributed Generation will be need to be submitted for review and approval. The Application can be found on the ED3 website at [www.ed3online.org](http://www.ed3online.org) under the ED3 Customer Owned Distributed Generation Program.

**Note:** **Removal of any Solar DG System will be subject to a Site Inspection. The fee for this service is listed in ED3's Electric Service Guidelines, Rules and Regulations – Section 26 – Schedule of Charges and Fees.**

## Does ED3 offer Time of Use options to solar customers?

TOU options are not being offered at this time.

## If I sell my solar home or business, what rate or billing option would the new owner be on?

The rate and the appropriate Rider effective at the time of the Interconnection (when the system was originally turned on by ED3) will remain at the location regardless of ownership.

## What do I need to do if I want to disconnect my solar electric system?

Removal of any Solar DG System will be subject to a mandatory Site Inspection. It is important that you contact the ED3 Solar Department at (520) 424-0418 to schedule your system disconnection, so ED3 may provide you with the appropriate electrical meter and billing rate option. There is a fee for the ED3 Site Inspection. For fee amounts, please refer to ED3's Electric Service Guidelines, Rules and Regulations - **Section 26 - Schedule of Charges and Fees**.

## What is the System Engineering Analysis, and how do I know if I'm required to have one?

A System Engineering Analysis is an examination of ED3's existing infrastructure and its ability to take on additional power generation before interconnecting a new solar or distributed generation system to the ED3 electric grid. Should ED3 find this analysis to be necessary, the ED3 Solar Department would contact you and your solar contractor during the Application approval process. Fees associated with this service or costs incurred to ED3 to replace existing or add new equipment to accommodate a solar electrical system will need to be paid for by the customer before an approval can be issued. For fees and additional information, please refer to ED3's Electric Service Guidelines, Rules and Regulations, **Section 26 - Schedule of Charges and Fees**, or the **Rider No. 8** included in the Application for Customer Owned Distributed Generation.

## DO YOU STILL HAVE MORE QUESTIONS?

Contact our Solar Coordinator today at (520) 424-0418 or send an email to [solar@ed-3.org](mailto:solar@ed-3.org).

