



Solar Strategy

July 2019

What is a Solar Strategy?

A solar strategy is a plan to make solar power as available and affordable as possible without disrupting reliable electric service. The wide integration of solar into a utility's electrical generation mix requires thoughtful planning on the part of both the utility and its customers.

Why is planning for solar power so complicated?

Planning for any technology change in any industry is complicated. Utilities in particular have to think about how emerging and renewable technologies will affect hardware, software, infrastructure, maintenance, customer service, pricing, and a number of other factors across a huge enterprise. Solar power in general is not new, of course, but implementing it widely and at utility-scale is still an emerging phenomenon.

The traditional utility model was to generate electricity at a few, remotely located power plants, transmit that electricity to regional substations, and then distribute it to customers at their homes and businesses. Solar power, however, can be generated in many places. It is considered a "Distributed Energy Resource" or "DER." Figuring out how to connect all that power to the electric system, manage that power and price that power is simply more complicated. Combined with the fact that Texas is a summer-peaking state; solar is most useful during the summer months of June to September.

What is CPS Energy's Solar Strategy?

CPS Energy is embracing solar by:

- **Providing rebates** to customers who buy and install solar systems through a registered solar contractor.
- **Offering credits** on monthly bills:
 - For customers with their own solar systems, CPS offers "net metering." Net metering means that the customer is generating more energy on its own than it consumes from the utility, so that excess energy is sent back to the grid and the customer receives a bill credit.
 - For customers that want to benefit from solar but, for whatever reason, do not want to own or install their own system,



Solar Strategy July 2019

Community Solar programs are available. These solar customers receive credits on their monthly bills.

- **Maintaining reliability** with other DERs and power plants for the times the sun does not shine, and solar power systems do not generate electricity.
- **Ensuring interconnectivity** between all the solar DERs and existing infrastructure to manage voltage, safety, meters, access points, and many other technical requirements.

Strategically planning for the future to address regulatory requirements, battery storage at utility scale, alternative pricing mechanisms (ex. time-based), intercommunication between the utility and DERs, community impacts, operational practices, and new programs.

What is the bottom line?

CPS Energy is committed to solar power through rebates, credits, maintaining reliability, ensuring interconnectivity, strategic planning, and the utility-scale implementation of solar power.

What do we want you to know?

CPS Energy's solar strategy offers its customers a variety of safe and cost-effective solar programs while still ensuring reliability when the sun does not shine.
