R-22-131

RESOLUTION NO. _____

A RESOLUTION DETERMINING AND ESTABLISHING THE NORTH LITTLE ROCK ELECTRIC DEPARTMENT'S 2022 AVOIDED COST OF SOLAR POWER; AND OTHER PURPOSES.

WHEREAS, the City of North Little Rock ("the City") calculates its avoided cost of power to determine the appropriate value of electric energy, capacity and other benefits supplied by others within its distribution system ("Avoided Cost") in accordance with the Net Metering and Distributed Generated Rules adopted by Ordinance No. 9255 on June 8, 2020; and

WHEREAS, the City is required by the Public Utility Regulatory Policies Act ("PURPA") found at 18 C.F.R. § 292.101, et seq., to determine and establish its Avoided Cost; and

WHEREAS, the North Little Rock City Council is the authority designated by the Arkansas Renewable Energy Development Act found at A.C.A. § 23-18-601, et seq., to determine and establish its Avoided Cost; and

WHEREAS, the North Little Rock City Council previously established the avoided cost of solar for the North Little Rock Electric Department ("NLRED") based on an analysis by Utility Financial Solutions ("UFS") and the recommendation of the NLRED's Risk Management Committee in 2018 (Resolution No. 9582) and 2021(Resolution No. 9997); and

WHEREAS, the NLRED engaged UFS to provide an updated analysis and to assist in the current calculation of Avoided Cost as it applies to solar power facilities, and has verified and concurred with said calculations; and

WHEREAS, the updated Avoided Cost calculations were submitted to the Risk Management Committee which recommends approval by the North Little Rock City Council (see Exhibit A attached hereto).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

SECTION 1: That the North Little Rock Electric Department's avoided cost of solar power beginning July 2022 is hereby determined and established to be as follows:

A) For fixed array solar generation: $0.03629/kWh
B) For single-axis solar generation: $0.03779/kWh

SECTION 2: That this Resolution shall be in full force and effect from and after its passage and approval.

PASSED:

APPROVED:

Mayor Terry C. Hartwick

SPONSOR:

Terry C. Hartwick by AF

Mayor Terry C. Hartwick

ATTEST:

Diane Whitbey, City Clerk

APPROVED AS TO FORM:

Amy Beckman Fields, City Attorney

PREPARED BY THE OFFICE OF THE CITY ATTORNEY/kt

FILED 10:45 A.M. _____ P.M.
By A. Fields
DATE 7-5-22

Diane Whitbey, City Clerk and Collector
North Little Rock, Arkansas

RECEIVED BY S. Ussery

EXHIBIT A

High Level Summary/Recommendations for Avoided Cost of Solar Report

Annually NLR Electric engaged Utility Financial Solutions to assist in determining the avoided cost of solar power. Based on the 2022 Valuation of Solar Report, NLR Electric would like to present the recommended avoided cost of solar power to the Risk Management Committee.

Summary for Solar Fixed Array

	2021	2022
Energy	$ 0.02719	$ 0.02965
Capacity	$ 0.00057	$ 0.00064
Transmission	$ 0.00734	$ 0.00600
	$ 0.03510	$ 0.03629

Summary for Solar Fixed Array with Storage

	2021	2022
Energy		$ 0.02965
Capacity		$ 0.00088
Transmission		$ 0.00872
		$ 0.03925

Summary for Solar 1-Axis Array

	2021	2022
Energy	$ 0.02735	$ 0.02947
Capacity	$ 0.00051	$ 0.00080
Transmission	$ 0.00960	$ 0.00752
	$ 0.03746	$ 0.03779

Summary for Solar 1-Axis Array with Storage

	2021	2022
Energy		$ 0.02947
Capacity		$ 0.00097
Transmission		$ 0.00925
		$ 0.03969

Summary of Assumptions (Changes):

- We moved from a 5 year average to a 3 year average for Energy, Capacity & Transmission.
- We moved from Hourly Day-ahead local margin to Real-Time local margin price. (Since solar is a renewable we depend on it in real time.)
- Introduction of Storage.

General observations for 2022 study

- RT LMP for CP Node went up slightly (solar weighted)
- Distribution system loss assumption stayed the same as prior study 4.66%
- Transmission per kW-Month went up slightly
- Capacity per kW-Month went up slightly