Xcel Energy pricing plan options for solar

Trade Partner Info

Need to know

• For all plans, credits are worth the price of electricity during the timeframe in which they were generated.

• Solar can offset some demand but the value of Peak Demand Pricing kWh credits is less than both the Time of Use rate and General Residential rate. Increased REC incentives are available to offset this reduction, but you must choose the “CO-2017 Solar*Rewards Peak Demand” product in the Application Portal, at the start of a new solar application process.

• Those with Southwest facing systems will benefit the most from these rates, improving the offer of solar for leads that may otherwise not be interested due to roof orientation.

Prices

<table>
<thead>
<tr>
<th>General Residential</th>
<th>Time of Use Pricing</th>
<th>Peak Demand Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seasonal charges for energy used, not dependent on time</td>
<td>Differing rates/credits during different times of the day</td>
<td>A demand charge, an on-peak demand charge and a rate/credit for kWh</td>
</tr>
<tr>
<td>Winter price: 10 cents per kWh</td>
<td>Winter Prices: On-peak 14 cents per kWh Shoulder 10 cents per kWh Off-Peak 8 cents per kWh</td>
<td>Winter Prices: Any time demand charge $3.73 x kW On-peak demand charge $9.73 x kW On-peak 4 cents per kWh Off-peak 3 cents per kWh</td>
</tr>
<tr>
<td>Summer prices: 10 cents per kWh (&lt;500 kWh) 14 cents per kWh (&gt;500 kWh)</td>
<td>Summer prices: On-peak 18 cents per kWh Shoulder 13 cents per kWh Off-Peak 8 cents per kWh</td>
<td>Summer Prices: Any time demand charge $3.73 x kW On-peak demand charge $12.53 x kW On-peak 4 cents per kWh Off-peak 3 cents per kWh</td>
</tr>
<tr>
<td>Solar*Rewards incentive of ½ cent</td>
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<td>Solar*Rewards incentive of 4 ¾ cents if chosen at start of solar application</td>
</tr>
</tbody>
</table>

Total Value of Credits: 10.5 – 14.5 cents
Total Value of Credits: 8.5 – 18.5 cents
Total Value of Credits: 8.9 - 10.9 cents*

*1.1 – 2.1 cent demand reduction value

*Rates may change upon approval. Peak hours are not applicable on weekends and holidays.

Estimated hourly credit value comparison for a 6 kW system*

Hourly Winter Predicted Value

Hourly Summer Predicted Value

More west facing will give a smoother peak

* Calculated from expected hourly generation (kW) multiplied by electricity price/value, based on data from NREL’s PVWatts engine and the assumption of monthly excess usage or generation < 500kWh. Not intended to be used for financial analysis.
What does the data show?
• Nearly 700 solar customers are currently on a pricing plan
• 90% of enrollees have remained on their chosen plan, as of February 2018
• Of those that have been on a pricing plan for 6+ months, most…
  …are flexible with when they use energy
  …have 1 or fewer children
  …do not work from home
  …have excess consumption of about 350 kWh/month, after solar production
  …have an average array size of 4 kW, but arrays range from 0.5 to 10.5 kW
  …have a South facing array. 30% are SW or W facing, showing opportunity for growth

Who might want solar more, with a plan?
• For the customer that buys solar to save on bills:
  Choosing Time of Use Pricing and shifting usage to the off-peak means that excess
daytime generation is more valuable than normal, and the energy they do consume from
the grid is cheaper.
• For the customer that buys solar for the environment:
  These pricing plans do maximize environmental benefits because they help Xcel Energy
avoid building additional “peaker plants”.
• For the customer that buys solar for independence:
  These pricing plans provide customers with hourly consumption data, empowering them
to determine when they use the grid, and for what purposes.
• For the customer that is a long term planner:
  Xcel Energy anticipates defaulting customers to a Time of Use rate beginning January
2020. It is a good idea to plan/build solar systems with a Time of Use rate in mind.
• For the customer with an electric vehicle:
  Electric vehicles are a large load that many people charge overnight, when solar is not
offsetting use. With a pricing plan, it may be easy to continue the same behavior and
save. We have found that EV drivers are doing well on the plans.
• For the customer considering a battery:
  Batteries with solar and a pricing plan are allowed and can help achieve many goals.
  Charging the battery with solar, and discharging the energy for off-peak use, means that
reliance on the grid is greatly reduced, environmental benefits maximized, and remaining
usage billed is cheaper.

Rules
Customers are allowed to opt out of the Pricing Plans within the first 6 billing cycles, and
they would return to their previous plan. After 6 bills, they must remain in the program for an
additional 12 months.

Time of Use Pricing will continue at least through 2019. Peak Demand Pricing will continue
through 2021. Once Xcel Energy no longer offers these plans, customers will return to their
previous plan and receive credits at those prices.