

**OFFICE OF THE CITY MANAGER  
LITTLE ROCK, ARKANSAS**

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**BOARD OF DIRECTORS COMMUNICATION  
NOVEMBER 19, 2019 AGENDA**

<p><b>Subject:</b></p> <p>A resolution in support of the continuation of retail net metering for residential solar customers in Arkansas</p> <p><b>Submitted By:</b></p> <p>Public Works Department</p>	<p><b>Action Required:</b></p> <p style="text-align: center;">Ordinance √ <b>Resolution</b></p>	<p><b>Approved By:</b></p> <p style="text-align: right;">Bruce T. Moore City Manager</p>
<p style="text-align: center;"><b>SYNOPSIS</b></p> <p style="text-align: center;"><b>FISCAL IMPACT</b></p> <p style="text-align: center;"><b>RECOMMENDATION</b></p> <p style="text-align: center;"><b>BACKGROUND</b></p>	<p>A resolution in support of the continuation of the current 1:1 “retail” compensation policy for residential solar customers as pertains to Docket 16-027-R before the Public Service Commission.</p> <p>A Retail Net Metering Schema assures solar customers that they will receive the full financial benefits of their initial investment in solar panels and the replacement of the unidirectional meter with a net meter. It requires no expenditure from the government and will help consumers save money and continue to drive the expansion of the private solar industry in Arkansas.</p> <p>Approval of the resolution.</p> <p>Retail Net Metering was enshrined in law for businesses and industrial customers in Senate Bill 145, aka the Solar Access Act, passed in the last legislative session. The question of Residential Net Metering Policy was last debated in Act 827 of 2015, which required electric utilities to compensate net metering customers for net excess generation credits. The question now is whether those customers should be owed the full value of said excess energy credits (the retail rate) generated on their home solar array or not.</p>	

**BACKGROUND  
CONTINUED**

Studies show that at solar penetration levels below 5% (Arkansas is currently at about 0.1%) Retail Net Metering does not shift costs to non-participating customers and that the benefits to the grid of private solar investment outweigh any system costs associated with lost utility revenues by avoiding or delaying otherwise needed system upgrades.