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**2017/18 & 2018/19 ELECTRIC GENERAL RATE APPLICATION****Manitoba Hydro Undertaking Transcript Page 2640**

**Manitoba Hydro to clarify how customers with solar PV systems, or other Non-Utility Generation systems, are credited for the excess energy generated each month.**

**Response:**

During cross-examination on the topic of the Solar Energy Pilot Program, PUB Counsel Ms. Steinfeld inquired if the amount of energy required by the customer is less than what has been generated by the solar PV system whether the customer can sell the solar energy to Manitoba Hydro. In her response, Ms. Morrison incorrectly stated that under the Non-Utility Generation (NUG) Policy, that the customer's energy use and production is assessed "on a net annual basis". (Transcript page 2640, lines 18 – 25)

In addition, upon further review of the transcript, there is no clarity in terms of how customers with solar PV systems, or other NUG systems, are credited for the excess energy generated each month. As such, Manitoba Hydro is providing this written clarification to ensure that the record correctly reflects this treatment.

Under Manitoba Hydro's billing system, customers with NUG Systems do not bank energy credits for use in later periods. Energy bills are reconciled monthly. Any energy generated by the customer in excess of their site load at any time is considered excess energy. A participant in the Solar Energy Program Pilot will have a bi-directional meter installed. The meter will record the amount of energy supplied by Manitoba Hydro each month. The billing system will charge for this monthly consumption including the applicable taxes. The meter will also record the amount of excess energy put on the grid and a separate line item reflecting the corresponding value is applied to the monthly bill. Any site load that is being supplied by the solar PV system (concurrent customer load with solar generation) is not measured by the meter. Concurrent solar generation effectively reduces the volume of energy purchased (at the customer's billed rate) from Manitoba Hydro resulting in a lower energy bill for the customer.

It should be noted that the Solar Energy Program Pilot was approved as an energy efficiency/load displacement program. The primary intent of the program is not for customers to be generating excess energy to sell back to Manitoba Hydro but rather to save on their own consumption through solar generation.

Given this, under the pilot program, customers are provided a maximum system size that would be eligible for the incentive. In order to provide this information to customers, the previous two years of energy consumption is analyzed and a system size that could serve the annual load is provided to the customer and, in some cases, their contractor, as the maximum system size for eligibility for the incentive. This analysis does not take into account the customer's load shape (e.g. did they use more electricity in the winter or summer or was the usage consistent throughout the year) and the appropriate system design to account for usage patterns is left to the customer's solar PV system designers/installers.