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Analysis by Solar United Neighbors using Energy Toolbase modeling. Assumes $3/Watt install cost and 3% annual utility rate increases. Full methodology available on request.

CSU's proposed solar rates: what the analysis shows.

Colorado Springs Utilities (CSU) has proposed **two new rate structures** that would significantly impact the economics of rooftop solar. We'll call them the **Grid Access Rate** and the **Demand Charge Rate**. Solar United Neighbors (SUN) modeled both using industry-standard software Energy Toolbase, and found that under either rate, **rooftop solar stops making financial sense** for most families. Only the wealthiest customers who can pay cash would see it pay off within the system's lifespan.

A typical CSU customer uses about 10,886 kilowatt-hours (kWh) of electricity a year. (One kWh is the standard unit utilities use to measure electricity: a 1,000-watt appliance running for one hour uses one kWh.) At current rates, that customer pays roughly $1,638 a year. Going solar under today's rates brings the annual bill down to about $267. Those savings make solar worth the upfront investment, and **CSU's proposed rates would eliminate them.**

Payback periods lengthen dramatically under both the Grid Access Rate and the Demand Charge Rate. Most Coloradans finance their systems, so the loan figures are what most families will actually experience.

Purchase Option	Payback period under CSU's current rate	Payback period under CSU's proposed rates
Cash	12.5 years	21 years with Grid Access Rate 15 years with Demand Charge Rate
Loan	~23 years	**37 years. The system will never break even.***

** Individual solar owner assessment shows payback periods nearly **double** this rate.*

Bottom line: a financed system under CSU's new rates never pays for itself.

SUN Colorado

Media: for interviews with our Colorado state director or a local solar homeowner, contact press@solarunitedneighbors.org.

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Two rate options. Neither works out for solar.

The **Grid Access Rate** makes three changes to how solar owners are billed: it adds a $1-per-day charge just to stay connected to the grid, it changes the credit you get for solar power you send back (today that power earns a full 1:1 credit; under this rate it earns less) by switching to **time-of-use billing**, which CSU says will let customers save money by moving their electricity use to off-peak hours. **The math says otherwise.**

On-peak hours are the times when demand on the grid is highest, and when electricity therefore costs the most. For CSU, the window runs from 5 to 9 p.m. SUN's analysis found:

- **Only ~18%** of a typical customer's usage falls in the on-peak window. The other 82% is **already off-peak**.
- Even if a customer was able to shift half of their on-peak usage to off-peak, they would still **only save ~$129/year, or ~$10/month.**
- The rate structure asks customers to change their habits for **savings that barely register**.
- CSU also suggested customers could reorient their solar panels to produce more during on-peak hours. But this would cut total annual production by ~9%, **resulting in a net loss.**

The **Demand Charge Rate** works differently. In addition to billing you for how much electricity you use over the month, it also bills you on your single highest moment of usage: the one point when you're pulling the most power at once. Run your dryer, dishwasher, and A.C. together on a hot evening, and that spike sets the charge, no matter how little you use the rest of the month.

For our analysis, we assumed a customer who optimizes down to just 2kW, testing the rate under conditions generous to CSU. Even then, **a financed solar system shows no positive return**. CSU's own analysis uses a 6kW peak, which would make the outcome considerably worse.

SUN's analysis shows that CSU's proposed rates would ultimately greatly discourage solar energy adoption. Given this, **we recommend the continuation of the current rate** as the best option for solar customers.

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