

Solar panels not paying off for harbor district

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The Crescent City Harbor District, which had hoped to save \$35,000 this year on its electricity payments, may not meet that goal.

In 2019, solar panels were installed on business rooftops and near the inner-boat basin at Crescent City Harbor. Florida-based Renewable Energy Capital is the company the Harbor District is currently contracted with under a 2017 purchase power agreement.

At its Sept. 21 meeting, the Board of Harbor Commissioners revisited previously expressed concerns that REC may not be upholding its terms of the power purchase agreement. The agreement called for the Harbor to always receive a minimum 15% savings compared to Pacific Power rates - which was the harbor's previous sole supplier. But issues stemming from unexpected rebates, as well as the harbor's strongest power-generating meter sitting dormant for several months, and the savings are not as stellar as the commissioners had hoped.

“So, when do we see real savings because all I see right now is \$7,942,” stated one of the commissioners. “We went through this whole thing for that?”

“The problem is that what we submitted on our net metering application and what we’ve actually done at the harbor are two different things,” responded Alex Lemus, CEO of REC. “Unfortunately for all of us, the most expensive and largest meter has changed dramatically, and that’s the number nine meter. So what it will take to straighten this out is to get that meter back to its previous levels.”

According to Lemus, the number nine meter includes refrigeration units along the seawall.

“Normally, where you have refrigeration, that’s where you’re going to have the most expensive meter because it has the highest demand charges,” added Lemus.

According to an analysis of potential usage and savings, Lemus said that one of the users on the solar grid - Albers Seafood - is billed at 17.5 to 18.5 cents per kilowatt-hour “because of all their cold storage.”

“So, if you can tell me when those will be turned back on to something close to their old levels, then I’ll tell you when you can use up all those credits that you have,” Lemus said. “In my mind, you’ve got another four to six months of credit.”

Semus further pointed out that the harbor has not needed to make a payment on its utility bill since February, that there are thousands of credits still available, and that when the refrigeration units go live - possibly as early as October - the credits used will reflect additional savings.

“It’s more of an accounting scheme,” Lemus explained. “It’s really debits and credits. The power is there and the utility company is using it. PPL (Pacific Power) still owns all of it. What you’re getting is credits on your bill, in return for doing the production.”

What about those rebates?

At a previous harbor commission meeting, CEO/Harbormaster Tim Petrick asked Lemus to explain differences between REC and Pacific Power with regard to electricity billing.

According to the commission’s agenda notes under unfinished business, REC was billing the Harbor for electricity at a uniform rate of 14.5 cents/kilowatt-hour for all meters, whereas Pacific Power was billing at a variable rate depending on the meter. Some meters were billed as low as 12.5 cents/kilowatt-hour, whereas others were billed at 17.5 cents/kilowatt-hour.

The notes further stated that Harbor Commission President Brian Stone asked Lemus to confirm REC was upholding the terms of the power purchase agreement to always receive a minimum 15% savings compared to Pacific Power rates. Lemus explained that the 12.5 cent rate Pacific Power was charging on one meter out of about a dozen total reflected temporary rebates that gave the appearance of a lower permanent rate. Lemus

did not elaborate on the reason for the rebates, but said they were unrelated to a solar licensing payment that the Harbor had been waiting to receive from its previous contractor - American Diversified Energy.

Lemus also compared Pacific Power rates across several meters. Pacific Power was allowed to charge different rates based on criteria such as the customer's time of electricity use and also "demand charges" that penalized for excessive peak electricity demand.

"After considering the average cost across all of the dozen or so harbor meters, the Harbor was still receiving a lower rate from REC as compared to Pacific Power," the documents stated.