

Interest In Distributed Generation

Did you know that DCEC is one of the “greenest” electric utilities in the nation? Currently over 75% of the energy that DCEC delivers to members is generated at the Niagara Hydro Generation Station. The Delaware County (landfill) Waste-to-Energy Project and other renewable energy initiatives DCEC is investigating, will result in DCEC securing 100% of its membership needs from clean, environmental-friendly sources.

Despite the cooperatives low “carbon footprint” and low rates, many DCEC members have expressed interest in installing their own renewable generation at their residences. Unlike emergency generators that operate disconnected from the power grid, these units would be “interconnected” with DCEC’s electrical grid. This configuration is known as “grid paralleling”. These systems include photo-voltaic (solar), small wind turbines, manure digesters and, in unique circumstances, small hydro generator systems. Generators installed throughout a utilities electrical system is known as distributed generation (“D-G”).

D-G can be troublesome to utilities, since generation is unpredictable for most renewable energy sources. In addition, there are safety concerns to utility line-staff who may think power lines are de-energized but may not be due to a member’s generation. D-G presents other challenges as well. To serve loads, utilities must forecast system load and secure (purchase) wholesale power contracts to meet those loads. Particularly where the generation is variable, it is more difficult to minimize the costs of purchasing power with D-G. This may have the adverse effect of increasing DCEC’s purchase power costs.

Despite those challenges, DCEC does promote the development of renewable energy, including D-G. Members interested in renewable D-G can get information from DCEC which outlines the procedures and technical interconnection requirements for such installations. Further, DCEC has established a “net metering” policy for renewable D-G where members are credited for excess energy that is injected into the DCEC electrical system at the same rate at which they are charged for usage.

Residential renewable systems can be very expensive. The cost of a typical PV (solar) residential installation can exceed \$50,000 and, even with grants providing 50% funding, this investment is often difficult to economically justify given DCEC’s relatively low power rates. Individuals interested in installing such systems may qualify for various grants and certain tax incentives to reduce the net cost to the homeowner.

The New York State Energy Research & Development Authority (NYSERDA) offers incentive programs for these installations. However, since DCEC (as a non-profit entity) members do not pay a tax known as the “System Benefit Charge” (SBC), which funds those programs, DCEC members are typically not eligible to receive those benefits. DCEC is working on developing possible alternative funding sources that would be available to those members interested in such projects.