











SAM International Case Studies: DPV Analysis in Mexico

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Agenda

- SAM Mexico Case Studies
 - Customer impacts from changes to net metering and billing agreements
 - Potential benefits of PV for a) customers b) the
 Mexican Treasury and c) the environment
- Overview of International Utility Rate Database (I-URDB)
- International SAM next steps

Mexico Background

- In 2015, Mexico passed the Energy Transition Law (LTE) that required the energy regulator, CRE, to develop a fair compensation mechanism for distributed generation (DG)
- The LTE also required SENER, the Ministry of Energy, to examine the customer benefits of DG
- CRE reached out to NREL to look at impact of different compensation mechanisms on DPV customers
- In Mexico, there are different electricity tariff classes (1-1F)
 with tiered rates for electricity use
- There is a limit to electricity usage and if a customer goes over that usage in a 12 month rolling average, the customer is bumped into a high rate tariff class (DAC)
- The Mexican Treasury (Hacienda) subsidizes tariffs 1-1F to keep electricity rates low

Compensation Mechanism Analysis

- Based on three compensation schemes, determine the payback period for PV systems in 5 different locations
- Locations: Tijuana, Monterrey, Guadalajara, Merida, and Mexico City
- Mexico currently has Net Energy Metering (CM #1)

	M&B	Sell Rate	Retail Rate			
CM #1	Net Energy Metering (NEM)	No compensation for net excess generation	Low Consumption Customers:			
CM #2	Net Billing (NB)	Real-time location marginal pricing (LMP) for all grid injections	Tariff 1 or 1C High Consumption			
CM #3	Buy-all, Sell-all (BASA)	Real-time LMP for all production	Customers: Tariff DAC			

Source: NREL, forthcoming

SAM Modelling

- SAM Inputs
 - Mexico electricity tariffs
 - PV system costs
 - Customer consumption data
 - System size (sized to displace 100% of customer's load)

Compensation Mechanisms in SAM – 'Electricity Rates'

- Monthly total excess rolled over to next month bill in kWh
- Monthly total excess credited to next month bill in \$ at sell rate(s)
- Ocumulative hourly (subhourly) excess credited to current month bill in \$ at sell rate(s)
- Cumulative hourly (subhourly) excess credited to next month bill in \$ at sell rate(s)
- All generation sold at sell rate(s) and all load purchased at buy rate(s)

Results – Payback Period (years)

	T	ariff 1/	1C	DAC				
	#1 NEM	#2 NB	#3 BASA	#1 NEM	#2 NB	#3 BASA		
TIJ	14	19	27	10	13	27		
MON	16	20	24	14	16	24		
GUAD	13	15	17	9	10	17		
MER	16	17	18	14	15	18		
MEX	13	16	19	11	12	19		

Source: NREL, forthcoming

Multi-Perspective DPV Benefits Analysis

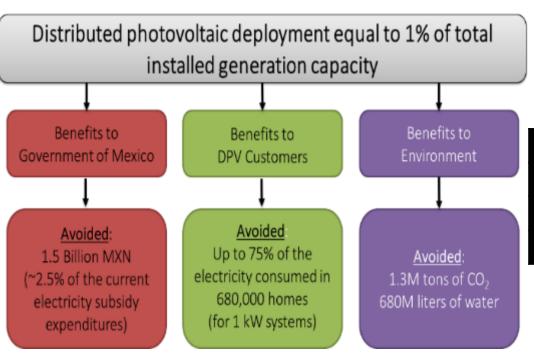
- SENER reached out to NREL to examine DG benefit's to:
 - Solar customers annual customer bill savings and payback period
 - Mexican Government (Treasury) avoided subsidy payments and decreased tax collection per kW DG
 - Environment avoided CO₂, NOx, and SO₂ emissions per kW and avoided water withdrawal
- Analysis looked at 8 tariff classes (1 -1F and DAC) for each of the 16 tariff divisions in Mexico

SAM Modelling

SAM Inputs

- Entered electricity tariffs (1-1F) and all 16 DAC regional tariffs into I-URDB
- Confidential Treasury subsidization rates
- Customer load data, by tariff class
- PV system costs (\$35 MXN/W)
- Average Mexican generation fleet (for environmental)
 - Assumed a 1:1 ratio for DG offset average generation
- System size (sized to displace 100% of customer's load)
- Calculated generation in each tariff division's three largest cities and averaged for yearly PV generation

Benefits Analysis Results



Payback period (years) per tariff class

	1	1a	1b	1c	1d	1e	1f	DAC
Min	21	17	18	16	16	16	15	4.5
Avg.	22	22	21	19	20	18	16	5.1
Max	26	27	26	22	27	21	17	6.0

- Analysis found that subsidized customers were unlikely to install PV (~20 year payback period)
- However, these customers would have the highest benefit to Treasury
- Policy intervention is likely needed to address these benefit differences

Source: <a href="https://www.gob.mx/sener/documentos/beneficios-de-la-generacion-limpia-distribuida-y-la-eficiencia-energetica-energ

International Utility Rate Database (I-URDB)

- Developed by NREL for compiling different utility rates
- SAM can pull in rates automatically from website
- All relevant rate information (fixed charge, demand charge, electricity prices, tiers, etc.) is uploaded to the database and organized by utility
- Currently, rates for Mexico, Belize and a few Canadian utilities are available
- Rates can be added as needed and can occur for countries where NREL performs analyses
- Found at https://openei.org/apps/IURDB/

I-URDB: Tariff 1C

Period	Tier	Max Usage ?	Max Usage Units ?	Rate \$/kWh	Adjustments \$/kWh ? §
1	1	75	kWh	0.793	
	2	175	kWh	0.956	
	3		kWh	2.802	
2	1	150	kWh	0.697	
	2	300	kWh	0.822	
	3	450	kWh	1.05	
	4		kWh	2.802	

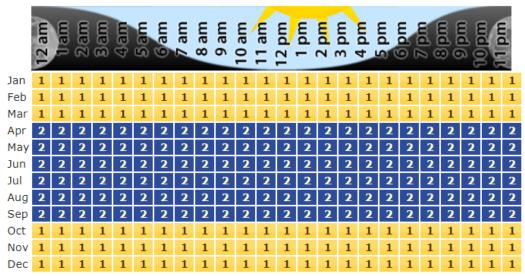
Allows for tiered electricity rates

Fuel Adjustments Monthly (\$/kWh)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

No fuel adjustments used in Mexico analysis

Weekday Schedule



Seasonality and weekend/weekday rate entry available

Next Steps – International SAM

- Creation of a SAM International website to provide information on past analyses
- Creation of SAM Mexico Example file with standard data values in SAM
- DPV Analysis in Peru
 - Customer benefit analysis
 - Displaced diesel generation analysis

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www.nrel.gov



Sources

- https://sam.nrel.gov/
- https://openei.org/apps/IURDB/
- http://www.dof.gob.mx/nota_detalle.php?codigo=54 63923&fecha=02/12/2016
- https://www.gob.mx/tramites/ficha/interconexionde-centrales-electricas-con-capacidad-menor-a-0-5mw/CFE3143
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