

April 2026 Solar Customer Focus Group Summary

1. Executive Summary

The purpose of this focus group was to gain insight into solar customers' perceptions of cost shift and rate modernization, rate structure solutions, implementation strategies, rollout and battery storage. This summary is intended to represent themes and perceptions observed during the focus group.

Overall Impressions:

- Solar customers view themselves as meaningful contributors to Colorado Springs Utilities' generation portfolio and believe their investments strengthen system performance.
- While nearly half of respondents on the solar survey indicated market-based rates were generally acceptable, focus group participants felt this rate structure would discourage solar adoption. A grid access fee was the preferred approach for its predictability and stability and was favored over other options proposed.
- Solar customers placed high importance on the production they contribute back to the system.
- Solar was broadly associated with high reliability, but the distinction between generation and transmission was not made.

2. Introduction

It is important that the future of residential solar generation is sustainable through responsible cost management and aligned with the needs and priorities of the community. Changes to net metering affect both solar and non-solar customers. Customer Insights & Programs (CIP) conducted in-person focus groups to provide additional customer input into the project evaluating our solar rate program.

3. Methodology and Participant Profile

3.1 Instrument Development

CIP and core members of the project team generated questions and exercises about the concepts of cost shift and rate modernization, rate structure solutions and implementation strategies and battery storage.

3.2 Site

Focus groups were conducted at the Colorado Springs Utilities Conservation & Environmental Center.

3.3 Participant Selection

Invitations to participate in the focus group were sent to customers who completed the Solar Survey in January of this year. 14 solar customers agreed to participate and 12 attended.

An attempt was made to obtain representation in each group on the following characteristics:

- Gender
- Home ownership
- Generation
- Education
- Income
- Length of time as a Colorado Springs Utilities customer
- Engagement in net meter discussion

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3.4 Focus Group

The solar focus group was conducted on April 1, 2026. The session was scheduled from 9:00 to 10:30 am. An electronic code redeemable for \$50 at a choice of retailers was sent to participants following completion of the focus groups.

4. Demographics And Participant Profiles

Gender	Home Ownership	Generation	Education	Income	Length of Time as a Customer	Engagement
Male	Homeowner	1997 or later	Completed some college	\$75,000 to \$99,999 per year	One to less than five years	Heard a little bit on social media
Female	Homeowner	1982 to 1996	College degree	Less than \$24,000 per year	More than 15 years	Fully engaged
Female	Homeowner	1982 to 1996	College degree	More than \$150,000 per year	10 to less than 15 years	Following the topic but not engaged
Male	Homeowner	1966 to 1981	College degree	More than \$150,000 per year	More than 15 years	Following the topic but not engaged
Male	Homeowner	1966 to 1981	Master's degree or greater	\$24,000 to \$49,999 per year	More than 15 years	Researched on own and followed since beginning
Male	Homeowner	1966 to 1981	Master's degree or greater	More than \$150,000 per year	10 to less than 15 years	Fully engaged
Male	Homeowner	1966 to 1981	Master's degree or greater	\$50,000 to \$74,999 per year	10 to less than 15 years	Heard a little bit on social media
Female	Homeowner	1947 to 1965	College degree	\$75,000 to \$99,999 per year	More than 15 years	Heard a little bit on social media
Female	Homeowner	1947 to 1965	College degree	\$100,000 to \$149,999 per year	More than 15 years	Following the topic but not engaged
Female	Homeowner	1947 to 1965	Master's degree or greater	\$50,000 to \$74,999 per year	Five to less than 10 years	Researched on own and followed since beginning
Female	Homeowner	Before 1947	Completed some college	\$24,000 to \$49,999 per year	More than 15 years	Fully engaged
Male	Renter	Prefer not to answer	Prefer not to answer	Prefer not to answer	Five to less than 10 years	Did not hear anything

5. Discussion Results

5.1 Understanding Cost Shift and Rate Modernization

The facilitators led a discussion to clarify the concept of “cost shift” and its implications for rate modernization, explaining cost shift refers to non-solar customers paying a portion of the costs associated with solar customers due to changes in grid usage and rate structures as solar adoption increases.

Participants were divided into groups to review and critique three definitions of cost shift:

Statement A: Cost shift refers to a limitation of existing rate structures that treat all kilowatt-hours as equal, even though the cost of producing electricity varies by time of day, season, and system conditions.

Statement B: Cost shift occurs when some customers pay less than the cost required to serve them because of how rates are structured, and the remaining revenue needed to operate the system is collected from other customers.

Statement C: Cost shift describes a mismatch between when solar customers generate electricity and when they consume it. Under current rates, electricity produced during lower-cost daytime hours is credited at the same value as electricity used during higher-cost evening hours, requiring the utility to recover the cost difference elsewhere in the rate structure.

Participants were split between favoring Statement A for its concise explanation and Statement C for its detail although verbose. They felt Statement B was antagonistic and sounded like some customers were benefiting at the expense of others. They noted the importance of clarity and neutrality in communications.

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5.2 Exploration of Rate Structure Solutions

Three potential rate structure solutions were presented — Demand Charge, Net Billing/Energy Wise and Grid Access Fee — to address cost shift, with participants discussing their understanding, preferences, and concerns about each model, including the impact on investment returns and equitability. The definitions for each potential rate structure solution are included in the Appendix.

Demand Charge: Demand charge was presented as a fee based on peak electricity usage, typically used for businesses, and discussed its applicability to solar customers, noting differences in demand curves and concerns about retroactive changes affecting investment returns.

Net Billing and Time of Day: Net billing reimburses customers at market rates for energy supplied to the grid and charges at market rates for usage, with participants expressing concerns about unfavorable rate differences and the potential to disincentivize solar adoption.

Grid Access Fee: The grid access fee charges all customers for access to utility services, with discussion on whether solar customers should pay a different fee due to their unique grid interactions. Participants generally favored this model for its simplicity and fairness but noted the need for transparency and tolerance for fee increases.

The preferred approach was a grid access fee, which they saw as being predictable and consistent. Preference for a grid access fee was different than the results of the Solar Survey, where 47% showed a preference for market-based pricing.

5.3 Change Management and Rollout Strategies

Three breakout groups were organized to develop strategies for rolling out rate changes to solar customers over one, three, and five years, with participants recommending incremental implementation, transparency, personalized communication, and consideration of investment fairness in rollout.

One-Year Rollout Plan: The group suggested a minimal, incremental approach to avoid disruption, emphasizing predictability and clear projections for new customers to understand their return on investment.

Three-Year Rollout Plan: Recommendations included transparency, open houses, and personalized letters detailing individual power profiles and anticipated bill changes, with new customers starting on the new rate immediately and existing customers transitioning over three years.

Five-Year Rollout Plan: The five-year group prioritized transparency and acknowledged the significant investments made by solar customers, stressing the need for rate changes to be fair and considerate of prior commitments.

For rollout strategies and investment fairness, participants consistently advocated for grandfathering existing solar customers and ensuring rate changes do not undermine their investments. They felt strongly that their personal investment in the system should be considered and expressed a preference for applying changes to new customers first. They also believed solar adoption would continue to increase in the future.

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5.4 Battery Storage and Grid Resiliency

The group had a discussion on battery storage, with participants sharing their experiences, motivations, and suggestions for grid-level solutions, including the importance of energy security, cost barriers, and the potential for utility-vetted installation companies.

Personal Battery Storage Use: Participants described using battery storage to maximize self-sufficiency and resilience during peak hours and blackouts, with energy security cited as the primary motivation.

Barriers to Adoption: Cost and battery degradation were identified as major obstacles to wider adoption, with participants suggesting that incentives or warranties could encourage more customers to invest in battery systems.

Grid-Level Storage Solutions: Some participants advocated for grid-level battery storage to address demand charges and market dynamics.

Policy, Incentives, and Future Solar Adoption: Participants raised questions about city and state policies for solar adoption in new residential areas, with clarification being provided for current practices, building codes, and the role of builders and state-level mandates, highlighting the need for incentives and normalization of solar installations.

Utilities' Role in Battery Storage: Participants expressed interest in Colorado Springs Utilities providing storage solutions at both individual and grid levels.

5.5 Final Thoughts and Recommendations

Participants were invited to share their final thoughts, which emphasized the need for motivation and incentives for solar adoption, recognition of investments, transparency in communication, and fair — not necessarily equal — rate structures, with recommendations for improved billing clarity and accessible information channels. One homeowner offered that he sought out a home with solar when he was in the home-buying process.

Motivation and Incentives: Participants called for more incentives to encourage solar adoption and retention, noting that perceived value and monetary benefits are important for customer satisfaction.

Recognition of Investments: Several participants stressed the importance of acknowledging the significant investments made by solar customers in any future rate structure, advocating for fairness over strict equality.

Transparency and Communication: Transparency was highlighted as a key factor, with suggestions for more detailed billing information, accessible newsletters, and personalized communication to help customers understand changes and their impact.

Accessible Information Channels: Participants were encouraged to sign up for the new solar customer newsletter, which aims to provide timely updates and share experiences, responding to previous feedback for improved communication.

Utility-Vetted Installation Companies: Participants requested a list of vetted installation companies from Colorado Springs Utilities to ensure quality and reliability, noting that poor installation experiences can hinder solar and battery adoption.

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6. Conclusion And Recommendations

When considering the rollout of new solar rates:

- Ongoing education is needed to support both prospective and current solar customers as technology and rates continue to evolve.
- Communication about rate changes, cost shifts, and solar adoption must be clear, transparent, and easy for customers to understand.
- It is important to acknowledge the investment solar customers have made.

7. Appendix

The following definitions were used for potential rate solutions:

Demand Charge: A demand charge is based on the highest amount of electricity used during a short period of time, usually during peak hours.

Market Based / Time-of-Day Rates (Energy Wise): Under net billing, electricity produced by solar panels is credited based on when it is generated, rather than at the full retail rate.

Time-of-day rates mean the price of electricity changes depending on when it is used.

Access Fee / Grid Access Fee (Solar Specific): A grid access fee is a monthly charge that helps cover the cost of keeping the electric grid available for customers with solar.

The following information was used in the focus group to describe Cost to Serve.

“Cost To Serve” rate model inputs:

- Maintenance of utility systems
- Electric grid upgrades
- Consumption/usage
- Electric generation
- Electric service line and meters
- Labor cost
- Market cost adjustments for electric
- Inflation
- Power lines
- Government regulations
- Transformers
- Construction of new developments
- Substations
- Billing systems
- Days in billing cycle