

FINAL DRAFT

MODEL NET METERING STANDARDS FOR RENEWABLE ENERGY SYSTEMS

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NET METERING STANDARDS FOR RENEWABLE ENERGY SYSTEMS

1.0 Scope

This document sets forth net metering requirements that apply to electric power suppliers, basic generation service providers and electric distribution companies, as defined herein [and at State administrative code section defining terms], which have residential, commercial or industrial customers who generate less than two megawatts of electricity using renewable energy.

2.0 Definitions

The following words and terms, when used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Annualized period" means a period of 12 consecutive monthly billing periods. A customer-generator's first annualized period begins on the first day of the first full monthly billing period after which the customer-generator's facility is interconnected and is generating electricity.

"Avoided cost of wholesale power" means the average locational marginal price of energy in the applicable utility's transmission zone. This cost can be obtained through the website maintained by [insert].

"Basic generation service" means electric generation service that is provided to any customer that has not chosen an electric power supplier, as defined herein, whether or not the customer has received offers for competitive supply options; including, but not limited to, any customer that cannot obtain such service from an electric power supplier for any reason, including non-payment for services. Basic generation service is not a competitive service and shall be fully regulated by the PUC. An EDC, as defined herein, may provide basic generation service.

"Company" means an electric company operating a distribution system, also known as an "Electric Distribution Company."

"Customer" means any entity interconnected to the Utility Company system for the purpose of receiving [or exporting] electric power from [or to] the Utility Company system.

"Customer-generator" means a residential, commercial or industrial customer that generates electricity, on the customer's side of the meter.

"Customer-generator facility" means the equipment used by a customer-generator to generate, manage, and monitor electricity. A customer-generator facility typically includes an electric generator and/or an equipment package, as defined herein. Also referred to as the "generating facility" or "generator."

"Electric Distribution Company" or "EDC" means an electric public utility that transmits or distributes electricity to end users within [insert State]. An EDC cannot be an electric power supplier, but may provide basic generation service. The term public utility shall include [DEFINITION FROM STATE PUBLIC UTILITY STATUTE OR REGULATIONS]

"Electric power supplier" means a person or entity that is duly licensed by the PUC to offer and to assume the contractual and legal responsibility to provide electric generation service to retail customers. This term includes load serving entities, marketers and brokers that offer or provide electric generation service to retail customers. An electric power supplier may provide basic generation service, as defined herein. However, the term excludes an electric public utility that provides electric generation service only for the purpose of providing basic generation service, as defined herein.

"kW" means kilowatts, a unit of power representing 1,000 watts. A kW equals 1/1000 of a MW, as defined herein.

"MW" means megawatts, a unit of power representing 1,000,000 watts. A megawatt equals 1000 kW.

"Net metering" means a system of metering electricity in which the EDC or electric supplier/provider:

1. Credits a customer-generator at the full retail rate for each kilowatt-hour produced by a renewable energy system installed on the customer-generator's side of the electric revenue meter, up to the total amount of electricity used by that customer during an annualized period; and
2. Compensates the customer-generator at the end of the annualized period for any remaining credits, at a rate equal to the supplier/provider's avoided cost of wholesale power.

"PUC" means the state regulatory authority over electricity utilities or any successor agency."

"Renewable energy" means electric energy produced from solar technologies, photovoltaic technologies, wind energy, fuel cells powered by renewable fuels, geothermal electric technologies, wave or tidal action, and/or methane gas from landfills or a biomass facility, provided that the biomass is cultivated and harvested in a sustainable manner. Specific types of renewable energy generation methods that qualify for use in meeting the requirements of this subchapter are listed in [STATE STATUTE OR RULE SECTION DEFINING RENEWABLE ENERGY]

"Solar electric generation" means creation of electricity using a system that employs solar radiation to produce energy that powers an electric generator. Solar electric generation includes technologies that utilize the photovoltaic effect.

"Supplier/provider" means an electric power supplier of competitive electricity supply in a retail competition market.

3.0 Net metering general provisions

(a) All Electric Distribution Companies (EDC) and electric supplier/providers shall offer net metering to their residential, commercial and industrial customers that generate electricity, on

the customer's side of the meter, using renewable energy sources, provided that the generating capacity of the customer-generator's facility does not exceed two megawatts, and does not exceed the customer's peak electric needs.

(b) The EDC shall develop a tariff providing for net metering. Each supplier/provider and EDC shall make net metering available to eligible customer-generators on a first come, first-served basis.

(c) When the amount of electricity delivered by the customer-generator plus any kilowatt hour credits held over from previous monthly billing periods exceed the electricity supplied by the supplier/provider and/or EDC, the supplier/provider and/or EDC shall credit the customer-generator for the excess kilowatt hours.

1. The customer-generator will be compensated, unless otherwise agreed upon between the customer-generator and the supplier/provider and/or EDC, at the end of the annualized period for any remaining credits at a rate equal to the supplier's avoided cost of wholesale power.
2. Upon agreement between the customer-generator and the supplier/provider and/or EDC, the customer-generator may roll over credits from a previous annualized period and be compensated at the end of any future annualized period for any remaining credits at a rate equal to the supplier's avoided cost of wholesale power.

(d) If a customer-generator switches electric suppliers or otherwise formally terminates net-metering, the electric power supplier or basic generation service provider with whom service is terminating shall treat the end of the service period as if it were the end of the annualized period and compensate customer-generator according to 3(c)(1).

(e) Each supplier/provider or EDC shall submit an annual net metering report to the PUC. The report shall be submitted by [insert date] of each year, and shall include the following information for the one-year period ending [insert date] of that year:

1. The total number of customer-generator facilities;
2. The total estimated rated generating capacity of its net metering customer-generators;
3. The total estimated net kilowatt-hours received from customer-generators; and
4. The total estimated amount of energy produced by the customer-generators, which shall be calculated using protocols approved by the PUC.

(f) A customer-generator that is eligible for net metering owns the renewable attributes of the electricity it generates on or after [insert date], unless there is a contract with an express provision that assigns ownership of the renewable attributes.

(g) A supplier/provider or EDC shall provide net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that a customer-generator would be charged if not a customer-generator. A supplier/provider or EDC may use a special load profile for the customer-generator, which incorporates the customer-generator's real time generation, provided the special load profile is approved by the PUC.

(h) A supplier/provider or EDC shall not charge a customer-generator any fee or charge; or require additional equipment, insurance or any other requirement, unless the fee, charge, or other requirement is specifically authorized under this subchapter, or the fee would apply to other customers that are not customer-generators.

(i) Nothing in this subchapter shall abrogate any person's obligation to comply with all applicable Federal or State laws and codes.

4.0 Meters and metering

(a) A customer-generator facility used for net metering shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate, typically through use of a single bi-directional meter.

(b) A customer-generator may choose to use an existing electric revenue meter if the following criteria are met:

1. The meter is capable of measuring the flow of electricity both into and out of the customer-generator's facility at the same rate; and
2. The meter is accurate to within plus or minus 5 percent when measuring electricity flowing from the customer-generator facility to the electric distribution system.

(c) If the customer-generator's existing electric revenue meter is not capable of measuring the bi-directional flow of electricity within the tolerances specified in (b), the EDC shall install a new revenue meter for the customer-generator, at the company's expense. Any subsequent revenue meter change necessitated by the customer-generator, whether because of a decision to stop net metering or for any other reason, shall be paid for by the customer-generator.

(d) The EDC shall not require more than one meter per customer-generator. Two meters may be used where one meter is not capable of working properly or meeting the requirements in (b), and the reconciliation with two meters is identical to if one bi-directional meter were used. The EDC shall be responsible for the installation of a second meter, at the company's expense.

(e) An additional meter may be installed under either of the following circumstances:

1. The EDC may install an additional meter at its own expense if the customer-generator consents; or
2. The customer-generator may request that the EDC install an additional meter at the customer-generator's expense. The cost for such a meter shall be limited to the actual cost of the meter and its installation.