



# Net Energy Metering in Virginia

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Presentation to the Commission on  
Energy and Environment

by

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# Net Metering – What is it?

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- Net energy metering allows a customer to net the energy produced by its generating facility against the energy received from the grid.
- The “netting period” is the 12 months following the date of final interconnection.
- During each month during this period, if the customer has produced more energy than it has consumed, it will be billed only for the monthly customer charge.
- If the customer’s generation has not met all of its energy needs, the customer will also be billed for the shortfall, or net energy supplied by its electric distribution company.



# Initial Enabling Legislation

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- Passed during the 1999 legislative session as part of the Virginia Electric Utility Restructuring Act
- Limited to solar, wind or hydro facilities
- Size of facility limited to 10 kW for residential and 25 kW for non-residential customers
- Set an aggregate limit for all net metering facilities at .01% of a utilities' adjusted peak load
- Required that the generator be owned by the customer
- At the end of the net metering period, excess generation was granted to the utility



# Amendments

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- 2004 – Increased the limit for non-residential customers from 25 kW to 500kW
- 2006 – Expanded the fuel types from solar, wind or hydro to all renewable energy as defined in Section 56-576; and allowed for third party ownership
- 2007 – Required that energy suppliers contract with customers for the purchase of excess generation (after the 12-month net metering period) at a rate determined by the Commission
- 2009 – Allowed utilities to elect a higher limit for non-residential customers; allowed net metering for time-of-use customers; allowed customers to sell the renewable energy credits to their host utility at a price determined by the Commission



# SCC Process for Adopting Rules

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- During the fall of 1999, the Commission Staff helped organize a workshop hosted by Old Dominion Electric Cooperative to consider the development of the rules
  - Participants included persons from municipalities, electric cooperatives, investor owned utilities (including gas and electric), other state agencies, and solar/renewable energy proponents
- Staff developed a set of proposed rules
- Commission put these rules out for comment
- Settlement meetings occurred
- Hearing resolved those issues that could not be settled



# Net Metering Rules Amendments

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- Staff developed rules to reflect year's amendments
- Staff informally asked for feedback when appropriate
- Commission noticed Staff's proposed rules after Staff incorporated feedback
  - Order for Notice and Comment
    - To those parties that participated in prior case
    - To existing net metering customers
  - Virginia Register
- Once all interested parties had a chance to comment, the Commission adopted final regulations



# Statute and Rules

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- Section 56-594. Net energy metering provisions.
  - Attached to this presentation
  - Net Metering Regulations as currently in place can be found at:  
<http://leg1.state.va.us/cgi-bin/legp504.exe?000+reg+20VAC5-315-10>
  - Attached to this presentation
  - Key provisions of the regulations:
    - Provide a notification process from customer to utility
    - Establish minimum requirements for interconnection of customer owned facility to the grid
    - Provide for the transfer of payments
    - Provide protection for the utility in the form of minimum insurance requirements



# Net Metering in Virginia

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- To date the Commission has received notification forms indicating that close to 2.2 MW of installed facilities are net metered
  - 1.3 MW in Virginia Power's service territory
  - Primarily solar installations





# CONTACT INFORMATION

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