

MEMORANDUM

January 5, 1999

To: Arlen Bolstad and Rob Omberg

From: Carlo La Porta
Executive Director, MDV-SEIA

Subject: Suggested Language for Virginia Net Metering

I am writing on behalf of the Maryland-D.C.-Virginia Solar Energy Industries Association regarding net metering provisions in your draft legislation on utility restructuring, which we wholeheartedly welcome. As you know, we believe having a legislative mandate for net metering is essential to avoid possible future legal conflicts with federal authority under the Public Utility Regulatory Policies Act of 1978. Further, it is a strong message from the Virginia Assembly that it is important to diversify the energy resource mix in Virginia and increase reliance on renewable energy resources.

In reviewing the two paragraphs in section 56-590.1, we would like to see the legislative language include more detail about the net metering provisions to make it absolutely clear to the Virginia Corporation Commission the intent of the Assembly. In Maryland we established that net metering applied to residential systems on a first come first served basis. The latter was included because the legislation established a cap of total net metered capacity equal to 0.2 % of total utility peak load forecast for 1998. If Virginia decides to establish a cap, then you will need to require electric service providers to keep track and report on the total amount of net metered capacity on their systems so that the State and consumers will know when the cap limit is reached and net metering will cease. We also established a maximum system size of 80 kilowatts. We think these details are needed in the legislation to ensure that the Assembly provides adequate instructions to the State Corporation Commission.

The following is suggested text to add to the paragraph B in Section 56-590.1.

A net energy metering installation shall require no more than a single meter capable of registering the flow of electricity in two directions. With the consent of the customer-generator, the electric service provider can install an additional meter, at the service provider's expense, to monitor the flow of electricity in each direction. Such additional metering shall be used only to provide information necessary to bill or credit accurately the customer-generator under of the net metering tariff in force or to collect solar electric generating system performance information for research purposes. If an additional meter is installed, it shall record results identical to that of a single meter.

"Eligible customer-generator" means a residential customer of an electric utility, including specified entities, who owns and operates a solar electrical generating facility with a capacity of not more than 70 kilowatts that is located on the customer's premises, operates in parallel with the utility's transmission and distribution facilities, and is

intended primarily to offset part or all of the customer's own electrical requirements.

An eligible customer-generator who already owns an existing solar electrical generating facility is eligible to receive net energy metering service in accordance with this section.

This bill would require every electric service provider, as defined, to develop a standard contract and make the contract available to customer-generators, as prescribed. The bill would modify the definitions of net energy metering and eligible customer-generator, and would define ratemaking authority to be an electrical corporation or an electrical cooperative as defined by the Commission, and for a local publicly owned electric utility, the local elected body responsible for regulating the rates of the utility.

Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the same customer would be assigned if such customer was not an eligible customer-generator. The charges for all retail rate components for eligible customer-generators shall be based exclusively on the customer-generator's net kilowatthour consumption over a 12-month period, without regard to the customer-generator's choice of electric service provider.

An eligible customer-generator's solar electrical generating system shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Commission regarding safety and reliability. A customer-generator whose solar meets those standards and rules shall not be required to install additional controls, perform or pay for additional tests, or purchase additional liability insurance.

With regard to establishment of a cap on the total capacity of net metering installations, on an annual basis, beginning in 2000, every electric service provider shall make available to the ratemaking authority information on the total rated generating capacity used by eligible customer-generators that are customers of that provider in the provider's service area. Those electric service providers shall make available to the ratemaking authority the information required by this paragraph for each eligible customer-generator that is their customer for each service area of an electric corporation, local publicly owned electric utility, or electrical cooperative, in which the customer has net energy metering. The ratemaking authority shall develop a process for making the information required by this paragraph available to energy service providers, and for using that information to determine when, pursuant to paragraph ____, a service provider is not obligated to provide net energy metering to additional customer-generators in its service area.

Notwithstanding paragraph (__), an electric service provider is not obligated to provide net energy metering to additional customer-generators in its service area when the combined total peak demand of all customer-generators served by all the electric service providers in that service area furnishing net energy metering to eligible customer-

generators equals _____ percent of the aggregate customer peak demand of those electric service providers.

If you have any questions, please contact me at 301 229-0671. My email address is capsun@digizen.net.

We greatly appreciate the initiative taken to enact net metering in Virginia. We would also like to work with the committee and the Commission on establishment of a basic or standard service charge, and a portfolio standard for renewable resource contributions to Virginia's energy mix.

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