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PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., 2ND Floor West Tower
WASHINGTON, D.C. 20005

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DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSION**NOTICE OF FINAL RULEMAKING****FORMAL CASE NO. 945 IN THE MATTER OF THE INVESTIGATION INTO
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY
PRACTICES**

1. The Public Service Commission of the District of Columbia ("Commission") hereby gives notice, pursuant to Sections 2-505 (a), 34-302, and 34-1518 of the District of Columbia Official Code,¹ of its final rulemaking action taken on June 25, 2008, in Order No. 14840. The Commission repeals the present Chapter 9 in its entirety and adopts the following provisions for Chapter 9 of Title 15 DCMR governing Net Energy Metering in the District of Columbia.

2. The Commission published a NOPR on February 8, 2008, at 55 *D.C. Reg.* 1327-1331 (2008). Comments were filed by the Office of the People's Counsel and the Potomac Electric Power Company ("Pepco") and reply comments from Pepco on the NOPR.² On June 25, 2008, Order No. 14840 was issued addressing the comments and adopting the final regulations. The Commission made clarifying revisions to the regulations that did not change the intent, meaning, application, or exceed the scope of the rules published in the NOPR. The final rules will become effective upon the publication of this Notice of Final Rulemaking ("NOFR") in the *D.C. Register*.

¹ D.C. Official Code §§ 2-505 (a), 34-302, and 34-1518 (2001).

² *Formal Case No. 945, In the Matter of the Investigation into Electric Services Market Competition and Regulatory Practices*, Comments of the Office of the People's Counsel on January 25 Corrected Proposed Amendment Changes to Rule 902.3, Chapter 9 Net Energy Metering Rules ("OPC Comments"), filed Feb. 12, 2008; Comments of the Potomac Electric Power Company, filed Feb. 11, 2008; Reply Comments of Potomac Electric Power Company, filed March 6, 2008.

CHAPTER 9 NET ENERGY METERING**900 GENERAL PROVISIONS**

- 900.1 The purpose of this chapter is to set forth the policies and procedures for implementation of the net energy metering provisions of the "Retail Electric Competition and Consumer Protection Act of 1999," as amended.
- 900.2 This chapter establishes the Public Service Commission of the District of Columbia Rules and Regulations Governing Net Energy Metering, including eligibility for participating in net energy metering, a bill crediting mechanism, net energy billing requirements for participants, net metering-related equipment requirements, a standard contract requirement, and safety and performance standards. This chapter shall be cited as the "District of Columbia Net Energy Metering Rules."
- 900.3 The provisions of this chapter are promulgated pursuant to the authority set forth in Section 34-1518 of the D.C. Official Code.

901 ELIGIBLE CUSTOMER-GENERATORS

- 901.1 Eligible customer-generators utilizing renewable resources, cogeneration, fuel cells, or microturbines may elect and shall be afforded the opportunity to participate in net energy metering. An eligible customer-generator's facility shall meet all applicable safety and performance standards established by the National Electrical Code ("NEC"), National Electrical Safety Code ("NESC"), the Institute of Electrical and Electronics Engineers ("IEEE"), Underwriters Laboratories ("UL") and any other relevant standards specified by the Commission.
- 901.2 A customer that has elected net energy billing may obtain generation service from any Competitive Electricity Supplier that agrees to provide service on a net energy basis. If the customer obtains generation service from the Standard Offer Service ("SOS") Provider, the SOS Provider shall provide such service on a net energy basis.

902 NET ENERGY BILLING AND CREDITING

- 902.1 This section governs the billing practices applicable to participating net energy billing customers during a billing period.
- 902.2 If the customer's kWh usage exceeds the electricity generated by the customer's net metering facility during the billing period, the customer-generator will be billed for the net energy supplied at the Full Retail Rate for electricity service. In no event shall transmission- or distribution-

related usage charges be applied to the kilowatt-hours generated by the customer's net metering facility.

902.3 If the electricity generated during the billing period by the customer's facility exceeds the customer's kWh usage during the billing period, (excess generation), the customer-generator's next bill will be credited for the excess generation at the Full Retail Rate applicable during the billing period in which the excess generation occurred. If the full credit for excess generation is not exhausted during the next billing period, the remaining credit shall be carried over until such time as the full credit has been exhausted.

902.4 Net energy billing only applies to kilowatt-hour usage charges. Net energy billing customers are responsible for all other charges applicable to the customer's rate class and recovered through fixed amounts or over units other than kilowatt-hours, including customer, demand and/or minimum charges, as applicable.

903 NET METERING-RELATED EQUIPMENT

903.1 The metering equipment installed for net energy metering shall be capable of measuring the flow of electricity in two directions.

903.2 Nothing in this section shall prohibit the Electric Company from installing additional meters to separately record electricity supplied to an eligible customer-generator from the electric grid and the electricity generated and supplied to the electric grid by the eligible customer-generator, provided, however, that no customer-generator that elects to be billed on a net energy basis shall be charged directly for the cost of the additional meters or other necessary equipment.

904 STANDARD CONTRACT

904.1 The Electric Company shall develop a standard contract, which shall be subject to the review and approval of the Commission. Such standard contract shall be consistent with the provisions of this chapter as well as with the Energy Policy Act of 2005.³

905 WAIVER

905.1 Upon request of any person subject to this chapter or upon its own motion, the Commission may, for good cause, waive any requirement of this chapter that is not required by statute or inconsistent with the purposes of this chapter.

³ Energy Policy Act of 2005, Pub.L. 109-58, 119 Stat. 594 (2005).

DEFINITIONS

When used in this chapter, the following terms and phrases shall have the following meaning:

"Commission" means the Public Service Commission of the District of Columbia.

"Competitive Electricity Supplier" means a person, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or markets electricity for sale or retail customers. The term excludes the following: (A) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to occupants of the building for use by the occupants; (B)(1) Any person who purchases electricity for its own use or for the use of its subsidiaries or affiliates; or (2) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, or who does not: (a) Take title to the electricity; (b) Market electric services to the individually-metered tenants of his or her building; or (c) Engage in the resale of electric service to others; (C) Property owners who supply small amounts of power, at cost, as accommodation to lessors or licensees of the property; and (D) A consolidator.

"Customer-generator" means a residential or commercial customer that owns and operates an electric generating facility that: (a) has a capacity or not more than 100 kilowatts; (b) uses renewable resources, cogeneration, fuel cells, or microturbines; (c) is located on the customer's premises; (d) is interconnected with the Electric Company's transmission and distribution facilities; and (e) is intended primarily to offset all or part of the customer's own electricity requirements.

"Electric Company" means the company that provides distribution service.

"Eligible customer-generator" means a customer-generator whose net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines meets all applicable safety and performance standards.

"Full Retail Rate" means the generation, transmission and distribution charges applicable to the net energy billing customer during the billing period.

"Net energy" means the difference between the kilowatt-hours consumed by a customer-generator and the kilowatt-hours generated by the customer-generator's facility over any time period determined as if

measured by a single meter capable of registering the flow of electricity in two directions.

“Net energy billing” means a billing and metering practice under which a customer-generator is billed on the basis of net energy over the billing period.

“Standard Offer Service Provider” means a provider of standard offer service chosen pursuant to Chapter 29 of the Commission’s rules.

3. Additional copies of the Final rules may be obtained by writing Dorothy Wideman, Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., 2nd Floor West Tower, Washington, D.C. 20005.