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PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED RULEMAKINGRECEIVED *AK*
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DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSIONFORMAL 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) and 34-1518 of the District of Columbia Official Code,¹ of its intent to adopt the following amendments to Chapter 9 of Title 15 of the District of Columbia Municipal Regulations ("DCMR"), not less than thirty (30) days after publication of this notice in the *D.C. Register*. The proposed rules amend the provisions governing net energy metering in the District of Columbia to comport with the "Clean and Affordable Energy Act of 2008"² and the Commission's Interconnection Rules.³ This Notice of Proposed Rulemaking ("NOPR") replaces the prior NOPR for the proposed rules, which were published in the *D.C. Register* on April 3, 2009.⁴

Proposed Amendment: The present Chapter 9 is repealed in its entirety and is substituted by the following Chapter 9.

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, and the Clean and Affordable Energy Act of 2008.
- 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

¹ D.C. Official Code §§ 2-505 (a) (2001 Ed.) and 34-1518 (2006 Repl.).

² The Clean and Affordable Energy Emergency Act of 2008 ("CAEA") was enacted October 1, 2008. See *D.C. Act 17-508*. The permanent version of the CAEA became law on October 22, 2008. See *D.C. Law 17-250*.

³ *Formal Case No. 1050, In the Matter of the Investigation of Implementation of Interconnection Standards in the District of Columbia ("F.C. 1050")*, 56 *D.C. Reg.* 001415-001487 (February 13, 2009).

⁴ *Formal Case No. 945, In The Matter of the Investigation into Electric Service Market Competition and Regulatory Practices, ("F.C. 945")*, 56 *D.C. Reg.* 2596-2599 (April 3, 2009).

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.

902 NET ENERGY BILLING AND CREDITING FOR CUSTOMERS OF COMPETITIVE ENERGY SUPPLIERS

- 902.1 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. In such circumstances, the net inflow or outflow of electricity supplied to or by the customer-generator will be billed or credited at the Competitive Electricity Supplier's energy rate specified in the agreement between the customer-generator and the Competitive Electricity Supplier. The Competitive Electricity Supplier shall be responsible for calculating the net energy bill (or credit) amount for each billing period.
- 902.2 For customer-generators purchasing generation and transmission service from a Competitive Electricity Supplier, if the customer-generator's kilowatt-hour usage during the billing period exceeds the kilowatt-hours generated by the customer-generator during that period, the customer-generator will be billed for the net energy delivered by the Electric Company at the full retail distribution rate for distribution service. In no event shall distribution-related usage charges be applied to the kilowatt-hours generated by the customer's net metering facility.
- 902.3 For a customer-generator with an electric generating facility that has a capacity of not more than 100 kilowatts, if the electricity generated during the billing period by the customer-generator's facility exceeds the customer-generator's kWh usage during the billing period (excess generation), the customer-generator's next bill will be credited by the Electric Company for the excess generation at the full retail distribution rate. 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 applies only 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 and/or demand charges, as applicable.
- 903 NET ENERGY BILLING AND CREDITING FOR SOS CUSTOMERS**
- 903.1 This section governs the billing practices applicable to participating net energy billing customers receiving SOS generation service during a billing period. In no event shall transmission or distribution-related usage charges be applied to the kilowatt-hours generated by the customer's net metering facility.
- 903.2 If the value of the generation (generation value) used to supply the customer's usage exceeds the generation value of the electricity generated by the customer's net metering facility during the billing period, the customer-generator will be billed for the difference in generation value of the energy consumed versus the energy supplied.
- 903.3 If the generation value of the electricity generated by the customer's net metering facility exceeds the generation value of the electricity used to supply the customer's usage during the billing period, the customer-generator's next bill will be credited for the difference in generation value of the energy supplied versus the energy consumed. If the full credit 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.
- 903.4 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 transmission and distribution related usage charges on the net energy supplied to the customer during the billing period.
- 903.5 For a customer-generator with an electric generating facility that has a capacity of not more than 100 kilowatts, if the electricity generated during the billing period by the customer-generator's facility exceeds the customer-generator's kWh usage during the billing period (excess generation), the customer-generator's next bill will also be credited for the excess generation at the retail rate for transmission and distribution service applicable during the billing period in which the excess generation occurred. If the sum of the full transmission and distribution credit for excess generation and the generation value credit 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.
- 903.6 Net energy billing applies only 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.

904 NET METERING-RELATED EQUIPMENT

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

904.2 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. However, 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.

905 STANDARD CONTRACT

905.1 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 and the Commission's NOFR in Formal Case No. 1050, published in the D.C. Register on February 13, 2009.⁵

906 WAIVER

906.1 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.

999 DEFINITIONS

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

“Capacity” means the maximum output, expressed in kilowatts, of an electric generator under specific conditions designated by the manufacturer, as indicated on a nameplate physically attached to the generator.

“Commission” means the Public Service Commission of the District of Columbia.

“Competitive Electricity Supplier” means a person, including an

⁵ Energy Policy Act of 2005, Pub.L. 109-58, 119 Stat. 594 (2005); *F.C. 1050, 56 D.C. Reg.* 001415-001487 (February 13, 2009).

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 (or leases or contracts) and operates an electric generating facility that: (a) has a capacity of not more than 1000 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.

“Generation value” means the product of the applicable SOS kilowatt-hour usage charge(s) times the number of kilowatt-hours consumed and/or supplied, during the time period(s) associated with such generation usage and/or generation supply.

“Net energy metering” 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.

2. All persons interested in commenting on the subject matter of this proposed rulemaking action may submit written comments and reply comments not later than thirty (30) and forty-five (45) days respectively, after publication of this notice in the *D.C. Register* with 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. If interested parties wish to have their previously filed comments considered by the Commission as applicable to this rulemaking, they should file a statement accordingly. Copies of the proposed rules may be obtained, at cost, by writing the Commission Secretary at the above address.