

# DOCKET NO. R-31417

# NET METERING

May 31, 2011  
Technical Conference

# GENERALLY

- Net metering policy allows customers to produce on site electricity and sell excess generation to the utility at a set price.
- By allowing home energy producers to sell surplus energy back to the grid, states can promote energy generation and lower energy consumption.

# HOW DOES IT WORK?

- Net metering is the difference between electricity supplied by an electric utility and the electricity generated by a net metering customer and fed back to the electric utility over the applicable billing period.
- *Metering equipment shall be installed to both accurately measure the electricity [supplied by the utility and generated by the customer and fed back to the utility over the billing period] (Net Metering Rules§2.02)*
- See example in slide 4 – the net meter records on two channels (inbound and outbound) and the customer receives a bill that shows kWh for both and is billed on the net kWh after incorporating any carryover kWh balance from the prior month.



NET METER

ENERGY 7733832

CL. 200 120/480V 3W 7500

BEFORE THIS METER IS REMOVED FROM THE  
MOUNTING ASSEMBLY IS THE METER. OTHER  
PARTS WILL BE SUBJECT TO INVESTIGATION  
AND CHARGES. THE METERING SHALL  
BE THE PROPERTY OF THE METERING  
AGENCY. IF THIS METER IS  
REMOVED, THE METERING AGENCY  
MAY BE SUBJECT TO INVESTIGATION  
AND CHARGES.

# PROS/CONS

## PROS

- Promotes energy generation and lower energy consumption
- Can lower carbon footprint
- Can assist in meeting generation needs, esp during peaking summer months
- Promotes robust clean energy industry

## CONS

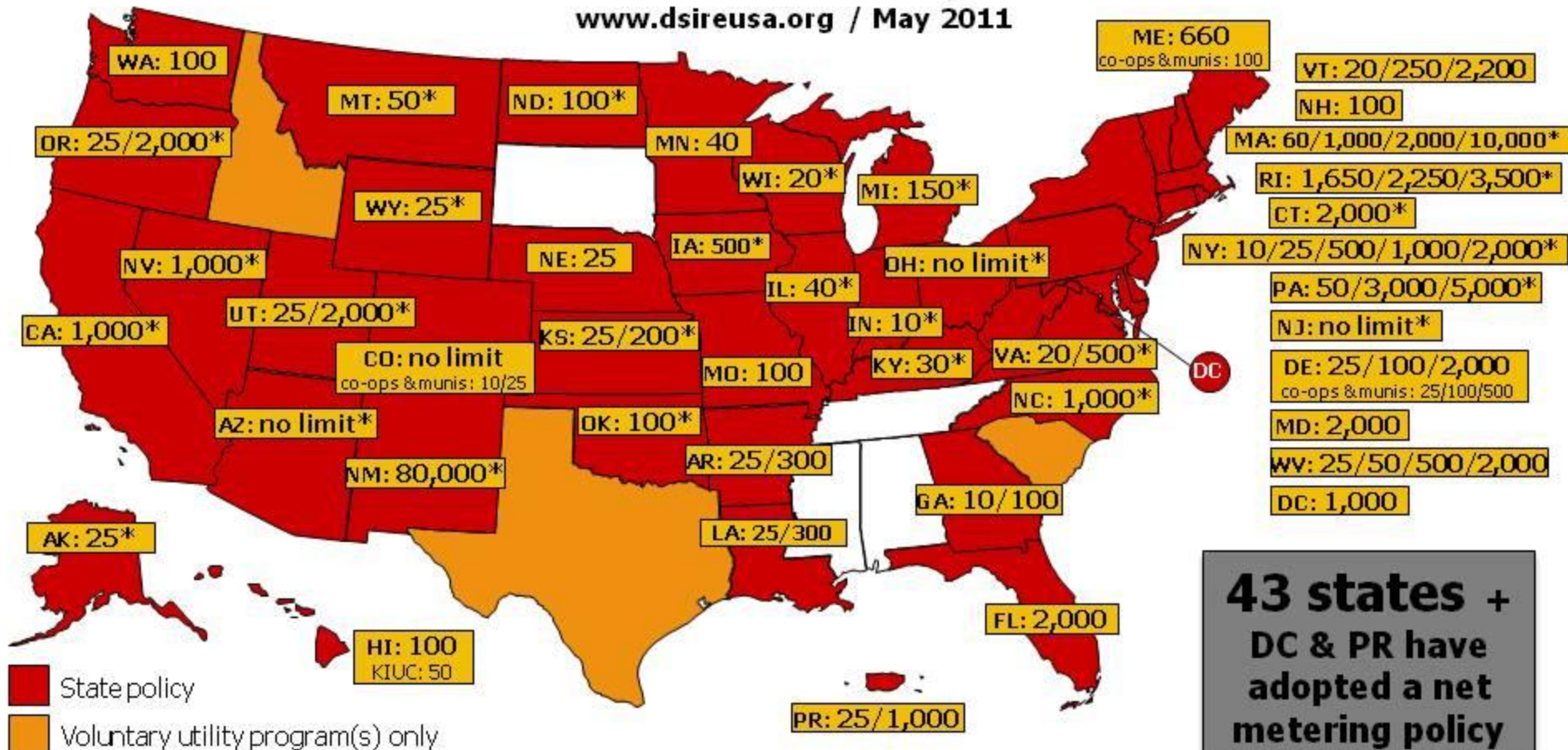
- Net metering requires a subsidy from other customers
- participating customers are paid a retail rate for the power they sell to the electric company
- This power displaces power that the electric company buys at a wholesale rate
- Subsidy tends to be regressive, since the customers who install renewable energy systems and benefit from net metering are usually better off than the average electric company customer.

# WHAT ARE OTHER STATES DOING?

- 43 states have net metering (see map next slide)  
Roughly 19 states have equal to or less than LA limits  
Source: DSIRE USA (Project of Interstate Renewable Energy Council funded by USDOE and managed by the North Carolina Solar Center) [www.dsireusa.org](http://www.dsireusa.org).
- 2009 NREL study – 14 states either increased or in process of increasing limits  
No cost studies as of time of 2009 report  
Source: *Net Metering Policy Development in Minnesota: Overview of Trends in Nationwide Policy Development and Implications of Increasing the Eligible System Size Cap*  
<http://www.nrel.gov/docs/fy10osti/46670.pdf>
- Additional information can be found at the above links as well as the website of the Interstate Renewable Energy Council, which has a detailed table of state policies at the following link: <http://irecusa.org/irec-programs/connecting-to-the-grid/net-metering/>

## Net Metering

www.dsireusa.org / May 2011



**43 states + DC & PR have adopted a net metering policy**

Note: Numbers indicate individual system capacity limit in kW. Some limits vary by customer type, technology and/or application. Other limits might also apply. This map generally does not address statutory changes until administrative rules have been adopted to implement such changes.

# NET METERING IN LOUISIANA

2003 to Present



# 2003 LEGISLATION

- CHAPTER 50. LOUISIANA RENEWABLE ENERGY DEVELOPMENT ACT
- §3061. Legislative findings
- The legislature hereby finds and declares that:
  - (1) Net energy metering encourages the use of renewable energy resources and renewable energy technologies. Increasing the consumption of renewable energy resources promotes the wise use of Louisiana's natural energy resources to meet a growing energy demand, increases Louisiana's use of indigenous energy fuels and fosters investment in emerging renewable technologies to stimulate economic development and job creation in the state.
  - (2) Louisiana should actively encourage the manufacture of new technologies through promotion of emerging energy technologies. Net energy metering could help to further attract energy technology manufacturers, providing a foothold for these technologies in the Louisiana economy, and easier customer access to these technologies.
- Acts 2003, No. 653, §1, eff. Oct. 1, 2003.

# LPSC DOCKET NO. R-27558

- Published September 26, 2003
- Order issued November 30, 2005
- Enacted original Net Metering Rules for LPSC-jurisdictional utilities
  - 25kW limit for residential customer
  - 100kW limit for commercial customer
  - No aggregate limit
  - No sub-metering allowed

# 2008 LEGISLATION

- Act 543 of the 2008 Legislature defined a net metering facility as “ a facility for the production of electric energy that has a generating capacity of not more than twenty-five kilowatts for residential use or **three hundred kilowatts** for commercial or agricultural use.”
- The City Council of New Orleans adopted the increase by resolution dated September 17, 2009.

# OTHER LOUISIANA INITIATIVES

## EmPower Louisiana

According to its website ([www.empowerlouisiana.org](http://www.empowerlouisiana.org)), *The Louisiana Department of Natural Resources (DNR) created EmPower Louisiana Renewable Energy Program to distribute funding received from the U.S. Department of Energy (U.S. DOE), under the State Energy Program, or SEP. The purpose of the EmPower Louisiana Renewable Energy Program is to encourage the development, implementation and deployment of cost-effective renewable energy technologies in Louisiana, to support the creation of additional employment opportunities and to stimulate market demand for other emerging renewable energy systems that meet certain eligibility requirements.*

# LOUISIANA TAX INCENTIVES

- Credit of 50% up to \$25,000 for cost of PV system
- Property tax exemption
- For additional information:

[http://dnr.louisiana.gov/assets/TAD/programs/solicitations/state\\_incentives\\_2009.pdf](http://dnr.louisiana.gov/assets/TAD/programs/solicitations/state_incentives_2009.pdf)

# CURRENT LA INVESTOR OWNED UTILITY PARTICIPATION

- Entergy
  - Approximately 250 installations
    - No commercial or agricultural customer has filed an application for an installation over 100kW
- Swepco
  - Approximately 172 installations
    - 6 commercial, 61.4 total kW
    - 166 residential, 629 total kW
- Cleco
  - Approximately 165 total installations
    - 6 commercial
    - 159 residential

# LPSC DOCKET NO. R-31417

- AT ITS JUNE 2010 B&E THE COMMISSION DIRECTED STAFF TO REVIEW THE COMMISSION'S NET METERING RULES (PREVIOUSLY ENACTED IN DOCKET NO. R-27558)
- PURSUANT TO THIS DIRECTIVE, DOCKET NO. R-31417 WAS PUBLISHED JULY 9, 2010 WITH A 25-DAY INTERVENTION PERIOD
- 3 ROUNDS OF COMMENTS TO DATE
- STAFF PROPOSED RULES FOR A VOTE AT THE COMMISSION'S MAY 2011 B&E

# STAFF PROPOSED CHANGES TO LPSC NET METERING RULES

- 1) 100-300kW – approved by Commission
- 2) § 2.06 Large Net Metering Projects
  - LIMITED TO 2 MW/PROJECT; TOTAL OF 10 MW INSTALLED NAMEPLATE CAPACITY
  - MUST MEET OTHER REQUIREMENTS OF ORDER (INTERCONNECTION, ETC.)
  - MUST REIMBURSE THE UTILITY FOR REASONABLE AND NECESSARY ENGINEERING ANALYSES AND/OR STUDIES PERFORMED PRIOR TO PROJECT APPROVAL
  - MUST COMPENSATE THE UTILITY FOR NECESSARY UPSTREAM AND/OR DOWNSTREAM SYSTEM INFRASTRUCTURE IMPROVEMENTS TRIGGERED BY THE NET METERING PROJECT
  - MUST BE DOCKETED AND PUBLISHED FOR INTERVENTION AND COMMENT



# ADDITIONAL ISSUES RAISED BY PARTIES

- SUB-METERING
- MULTI-TENANT PROPERTY
- LOST CONTRIBUTION TO UTILITY'S FIXED COSTS
- SECURITIZATION NON-BYPASSABILITY
- PRICING OF EXCESS GENERATION
- OTHERS?

# CONSIDERATIONS

- Is increased capacity needed? Consistent with purpose of net metering?
- Potential administrative burden?
- Potential reliability effects on other customers?

# POTENTIAL NEXT STEPS

- Presentation will be available on website and filed in docket.
- Next Steps in R-31417
  - 2-3 page follow-up comments due by Monday June 6
  - Staff Recommendation Friday June 10
  - June 22, 2011 B&E
- Comprehensive study of impacts (cost or otherwise)?
  - Is there any additional work you'd like to see by the Commission?
  - What sort of technical analysis would be helpful in further studying net metering?
  - Evaluation of impact of current cap?
  - Program's associated ratepayer and grid impacts?
  - Please include suggestions in your comments

# ADDITIONAL QUESTIONS/COMMENTS?

Please also see the Commission's Rules of Practice and Procedure

[www.lpsc.org](http://www.lpsc.org)

[Melanie.V@la.gov](mailto:Melanie.V@la.gov)

[Tulin.Koray@la.gov](mailto:Tulin.Koray@la.gov)