LOUISIANA PUBLIC SERVICE COMMISSION

LOUISIANA PUBLIC SERVICE COMMISSION, EX PARTE

GENERAL ORDER 09-19-2019 (R-33929) CORRECTED[1]

Docket No. R-33929, In re: Review of Policies Related to Customer-Owned Solar Generation and Possible Modification of the Commission's Current Net Metering Rules.

(Decided at the September 11, 2019 Business and Executive Session.)

Background and Procedural History

At the December 2015 Business and Executive Session ("B&E"), the Louisiana Public Service Commission ("LPSC" or the "Commission") approved a proposal for Staff[2] to conduct a two-phase rulemaking designed to: 1) modify the Commission's then current net metering Rule in order to address how new solar customers should be compensated once a utility reaches the net metering cap found in §5.02 of the Rule (on an expedited basis); and 2) examine appropriate changes to solar policies in Louisiana on a longer-term comprehensive basis.

The rulemaking docket was published in the Commission's Official Bulletin dated December 29, 2015. Along with the Official Bulletin publication, Staff proposed Phase I modifications to the Commission's net metering Rule designed to address issues related to post-cap remuneration, and specifically recognizing the need and opportunity for further changes to the Commission's net metering Rule in Phase II. Interventions were received from: Association of Louisiana Electric Cooperatives ("ALEC"), the Louisiana Energy Users Group ("LEUG"), the NRG Companies ("NRG"), Cleco Power LLC ("Cleco Power"), Southwestern Electric Power Company ("SWEPCO"), Southwest Louisiana Electric Membership Corporation ("SLEMCO"), Marathon Petroleum Company, LP. ("Marathon"), Entergy Louisiana, LLC ("Entergy" or "ELL"), Gulf States Renewable Energy Industries Association ("GSREIA"), Alliance for Affordable Energy ("AAE"), PosiGen of Louisiana, LLC ("PosiGen"), Dixie Electric Membership Corporation ("DEMCO"), the Sierra Club ("Sierra Club"), South Coast Solar, LLC ("South Coast"), Wilhite Energy, LLC ("Wilhite"), and Energy Freedom Coalition of America, LLC. A late filed Motion for Intervention was filed by Walmart Louisiana LLC and Sam's East, Inc. (collectively "Walmart"), which was granted.

[1] It was discovered that Appendix C referenced in Section 7.2.1 of the attached Distributed Generation Rule was inadvertently omitted from General Order 9-19-19. This Order merely includes Appendix C; nothing else was revised.
[2] During the December 2015 B&E, the Commission also voted to retain Acadian Consulting Group to assist Staff in the two-phase rulemaking. Hereinafter, "Staff" will refer to in-house Staff, Acadian Consulting, as well as Stone Pigman Walther Wittmann L.L.C. after it was retained to provide legal assistance to the in-house legal Staff at the Commission's February 21, 2018 Business and Executive Session.

Upon consideration of the parties' comments to proposed Phase I rulemaking modifications, Staff filed its recommendation into the record on April 15, 2016. The Commission ultimately accepted Staff's proposed recommendation at its November 17, 2016 B&E, memorializing the Commission's decision in General Order dated December 8, 2016. At its December 21, 2016 B&E, the Commission directed Staff to move forward with Phase II of the rulemaking. At its January 18, 2017 B&E, the Commission issued a directive regarding the completion of a consultant's report and directed Staff to file a request for comments from interested parties. Staff filed its initial request for comments on January 20, 2017. In its request, Staff sought written comments to assist in its determination of whether a more effective approach to supporting existing and facilitating new behind-the-meter, or distributed generation, could be developed. Staff also allowed any party to provide additional comments that would assist the Commission in adopting rules that would be fair, reasonable, enforceable and not burdensome, and that could adapt to industry changes as necessary. Comments were filed by ELL, Sierra Club, ALEC, SWEPCO, GSREIA, Posigen, and AAE. On November 28, 2017, Staff issued a Phase II *Notice of Proposed Modified Rules and Request for Comments*. Comments were submitted on behalf of Wilhite, Cleco Power, Posigen, Walmart, ELL, ALEC, Sierra Club, AAE, and GSREIA. After review of all the comments filed, the *Notice of Staff Recommendation on Final Proposed Rule* was issued on January 8, 2019, which contained a thorough discussion of all comments received from Intervenors in Phase II, and an analysis in support of Staff's *Final Proposed Rule*. Subsequent to filing Staff's *Final Proposed Rule*, Staff filed a *Proposed Settlement* into the record on September 4, 2019, which is discussed more fully below, in an effort to resolve all issues in this docket.

Jurisdiction and Applicable Law

The Commission has been vested with plenary authority to regulate public utilities and common carriers and exercises jurisdiction in this proceeding pursuant to Article IV, Section 21(B) of the Louisiana Constitution of 1974, which provides in pertinent part:

> The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

Staff's Analysis and Recommendation

During the last several years that this proceeding has been ongoing, all interested parties and stakeholders were invited, and in fact encouraged to submit comments explaining their positions and help inform a proposed rule to be developed by the Staff. In all, and not considering the comments on the Staff's recent settlement proposal, almost 40 comments were received from industry stakeholders. The *Final Proposed Rule* recommended some changes to the existing Net-Metering rules. It recommended elimination of the 0.5% cap on solar users. It recommended two-channel metering and billing. It proposed the payment of avoided cost, based upon Locational Marginal Prices, for excess power produced and sold to the utility, except that it recommended a five-year grandfathering provision, under which any entity with a solar facility installed prior to issuance of the order would be paid full retail rates for excess power sold to the utility under two–channel metering. In addition, the *Final Proposed Rule* would not allow the grandfathering to continue if ownership of the property is transferred, would allow Renewable Energy Credits ("RECs") to be eligible for use only in Louisiana, would cap the maximum size of a commercial solar facility at 300 kW, and it did not provide for a reevaluation by the Commission at the end of the five-year grandfathering period.

The Commission has an overriding obligation, stemming from its Constitutional authority, to ensure that all Louisiana ratepayers receive safe, reliable service at the lowest reasonable cost. In fulfillment of that obligation, the Commission must ensure that electric service providers, both investor-owned utilities and distribution cooperatives, find and utilize the lowest cost sources of electricity to satisfy their public utility obligation to serve their loads. This term, by definition, is known as Avoided Cost and the markets of the Midcontinent Independent System Operator or the Southwest Power Pool set that avoided cost in a completely transparent manner. To the extent that the solar customers are paid any more than avoided costs for the energy they produce and sell to the utility, all of the non-solar customers must make up the difference. For example, last year avoided cost on the ELL system was about 3.5¢/kWh and the full retail rate on average was about 9.3¢/kWh. The approximate 6.0¢/kWh above avoided cost paid to solar customers had to be paid by the rest of ELL's ratepayers who do not have solar. That subsidy results in approximately $2,000,000 annually for all Louisiana electric utilities combined. To the extent that the Commission grandfathers existing rates for solar customers, this subsidy will continue until the end of the grandfathering period.

The evidence and analysis contained in Staff's *Final Proposed Rule*, issued and filed in the record on January 8, 2019, fully supports Staff's original recommendation of a 5-year grandfathering, effective upon issuance of a Commission Order in this Docket, with no transferability of the grandfathering if the house or business is sold. Subsidization would have continued for an additional 5 years and the buyer of a home or business with existing solar had no expectation that payment at full retail rates would continue.

Staff's Proposed Stipulated Settlement

After issuing the *Final Proposed Rule*, Staff met and spoke with individual stakeholders on several occasions and received feedback to that Proposed Rule. On August 14, 2019, Staff issued a *Notice of Settlement Conference* to all Intervenors in this docket. That Settlement Conference was established to discuss potential alternatives to the *Final Proposed Rule*. Prior to that Settlement Conference, Staff circulated to all Intervenors a confidential proposal to resolve all of the issues in this docket, and it provided a dial-in for those Intervenors that were not able to attend the Settlement Conference in person. That settlement proposal included a potential extension of the grandfathering period to fifteen years. The Settlement Conference was held on August 21, 2019. Discussions were held regarding the Staff settlement proposal, and feedback was received from the parties in attendance. At the end of that Settlement Conference, there was no agreement reached to consensually resolve the issues in this docket. Instead, it was agreed that any Intervenor was invited to comment on Staff's proposal in writing or offer alternative proposals in writing by the close of business on August 28, 2019. Comments were submitted by Cleco Power, SWEPCO, ELL, ALEC, AAE and Sierra Club (jointly), Posigen, and GSREIA. Those comments contained a wide variety of views on the Staff's proposal as well as a number of requests for clarification.

Notwithstanding the evidence supporting the *Final Proposed Rule*, both Staff and the Commission carefully considered the arguments made by the Intervenors, which resulted in Staff proposing a modified proposal to: extend the grandfathering from 5 to 15 years; permit purchasers of homes and businesses with grandfathered facilities to take advantage of the remaining grandfathered period; permit the solar owners to retain ownership of their renewable energy credits; and establish an "Avoided Cost" only once a year and have that avoided cost publicly and transparently posted on both the Electric Utility and Commission websites. These proposed changes are fair, and even generous, to solar customers and will ensure that existing solar customers have an opportunity to recover their investment in solar, while establishing an end date to the subsidization by non-solar customers.

While issuing the proposed settlement, Staff maintained the reasonableness of the *Final Proposed Rule* issued on January 8, 2019, including that the *Final Proposed Rule* was drafted in a manner designed to appropriately balance the costs and benefits associated with solar production by electric ratepayers; protects the interests of both solar and non-solar customers; ensures that safe, reliable electric service continues to be delivered to all Louisiana ratepayers at the lowest reasonable cost; and is in the public interest. However, after review and due consideration of the comments and settlement proposals received, and in an effort to resolve all issues in this docket, Staff recommended that the *Final Proposed Rule* be adopted by the Commission, except as modified by the following terms:

1) The 0.5% cap on solar users shall be eliminated;

2) All customers who have both submitted a complete interconnection request and completed installation of a Distributed Generation Facility by 12/31/19 shall pay the full retail rate for all the energy purchased from the utility, shall pay a zero rate for all energy self-generated and consumed, and shall be credited at full retail rates for the energy sold back to the utility through 12/31/2034 (i.e., a 15–year grandfathered period). This includes all current solar customers who presently do not receive full retail rates for energy sold back to the utility due to the now repealed 0.5% cap. After 12/31/2034, these grandfathered customers shall pay the full retail rate for all the energy purchased from the utility shall pay a zero rate for all energy self-generated and consumed, and be credited at avoided cost for all energy sold back to the utility.

3) All customers who submit an interconnection request and/or install a Distributed Generation Facility after 12/31/19 shall pay the full retail rate for all the energy purchased from the utility, shall pay a zero rate for all energy self-generated and consumed, and be credited at Avoided Cost for the energy sold back to the utility.

4) "Avoided Cost" shall be calculated as the 12–month average Locational Marginal Price for each LPSC-jurisdictional Electric Utility. The Avoided Cost rate will be updated annually by each LPSC-jurisdictional Electric Utility in their annual filing pursuant to Section 7.2 of the Distributed Generation Rule, and the calculation of Avoided Cost will be the 12-month average for the prior calendar year of the Locational Marginal Price associated with the LPSC-jurisdictional Electric Utility's load zone in the applicable Independent System Operator market: the Midcontinent Independent System Operator or the Southwest Power Pool

5) At the end of the Billing Period, if the value of the electricity generated by the Distributed Generation Facility exceeds the cost of the electricity supplied by the Electric Utility to the Distributed Generation Customer, subject to the applicable rate schedule, the Distributed Generation Customer's monthly bill shall be credited, on the next Billing Period, for the monetary value of the excess distributed generation as defined in Section 4.1.2 of the Rule.

6) The avoided cost rate for each LPSC-jurisdictional Electric Utility shall be posted on the Electric Utility's website and the Avoided Cost rates for all LPSC-jurisdictional Electric Utilities shall be posted on the LPSC's website.

7) If a solar facility is subject to grandfathering, that grandfathering continues through 12/31/2034 even if the property is sold.

8) Louisiana Electric Utilities will be required to consider developing tariffs for community distributed generation, subject to LPSC approval.

9) There will be a 30–day review period for residential Distributed Generation applications and a 45–day review period for commercial or community Distributed Generation applications. However, utilities will utilize their best efforts to complete the review of residential distributed generation applications within 14 days.

10) The owners of the solar facilities retain ownership of the Renewable Energy Credits, and will have the option to retain or transfer those credits upon the sale of the property housing the solar facilities. However, a utility may in a Distributed Generation tariff filing, subject to the approval of the Commission, request the opportunity to offer to purchase RECs from REC owners interested in relinquishing their REC ownership.

11) Requests for approval of multiple systems greater than 300 kW in a single filing will be permitted.

12) Section 4.1.3.1 as contained in the Staff's proposed tariff will be amended as follows: "If the Distributed Generation Customer has multiple service accounts with the Electric Utility, the Distributed Generation Customer may elect, after notifying the Electric Utility and subject to Commission review if disputed by the Electric Utility, to apply credits pursuant to Section 4.1.3 to any other eligible meter at the same physical location, provided that the conditions identified in Section 4.5 are not applicable."

13) There will be an automatic re-evaluation of the Rule at the end of the grandfathering period or earlier if directed by the Commission.

14) The Settlement Terms and Proposed Rules shall be applied on a prospective basis only, without any true-up of net meter customers that were credited/compensated for excess net metered energy at the Electric Utility's avoided cost rate during the interim period from when the utility met the 0.5% cap pursuant to Section 5.02 of the Commission's current net metering rules (Attachment "A" to LPSC General Order No. 12-8-2016 (R-33929)) to the effective date of the Rules.

15) All amounts credited/compensated to customers for excess net metered energy exported to the electric utility, whether at Avoided Cost or full retail rates, shall continue to be eligible for recovery by the utility pursuant to Commission General Order No. U-21497 (11-6-1997), which governs the types of costs that may be recovered through a utility's monthly Fuel Adjustment Clause (see Section 6.2.1.4 of the Proposed Rules).

Existing solar customers receive a total benefit of about $819 per year by receiving full retail rates both for the energy they produce and consume and for the energy they sell to the utility. This is approximately $15,000,000 in total savings *per year* for existing solar customers. This will continue until January 1, 2035. Solar customers who install and/or interconnect after December 31, 2019 will still receive full retail credit for the energy they produce and consume, which, on average, is 80% of all energy produced by solar customers. It is only the remaining 20% produced by these new customers and sold to the utilities that will be priced at avoided cost. On average, new solar customers will receive benefits of about $700 per year. Adoption of Staff's recommendation, as modified by the Proposed Settlement filed September 4, 2019, results in a fair and appropriate balancing of interests, gives solar customers significant benefits, and provides certainty going forward.

Commission Consideration

This matter was considered at the Commission's September 11, 2019 Business and Executive Session. After discussion and hearing from numerous individuals, Commissioner Boissiere made a motion, seconded by Vice Chairman Campbell, to maintain Staff's recommendation except to remove 2-Channel Billing and to extend the deadline for grandfathering eligibility to December 31, 2020. This motion was opposed by Chairman Francis, Commissioner Skrmetta, and Commissioner Greene. The motion failed 3:2. Chairman Francis then made the following motion:

> I want to thank all who provided comments today. After months of constituent and stakeholder meetings as well as discussions with Staff on what is a reasonable balance between solar customers and non-solar customers and the costs and benefits associated with solar production by electric ratepayers, I believe the Staff's Settlement Proposal strikes that reasonable balance. Solar customers will continue to enjoy full retail price benefits for all solar energy they consume. All solar customers with solar facilities completed and a complete interconnection request submitted by December 31, 2019 will be paid full retail price for all energy in excess of that consumed that is sold back to the utility until December 31, 2034. This includes all customers who had facilities installed after the .5 percent cap under the current rules was reached. Therefore, all of those solar customers will have at least 15 years, and most will have more than 15 years to help recover their investment in their solar arrays. Those customers who install solar after the grandfather deadline, and all customers after December 31, 2034, will enjoy full retail price benefits for solar energy they consume, and will be paid the utility's avoided cost, which is the wholesale value, of that excess production. This will provide a fair but limited fixed period and a fixed number of solar customers that will require subsidies for excess energy sold back to the grid. Therefore, I move that we accept Staff's recommendation to adopt Staff's Settlement Proposal filed into the record on September 4, 2019.

Commissioner Greene seconded the motion, with Commissioner Skrmetta concurring, and Vice Chairman Campbell and Commissioner Boissiere opposing, the motion passed.

IT IS THEREFORE ORDERED THAT:

1) Staff's Recommendation filed into the record September 4, 2019 is hereby adopted with the modifications described in this order, including the revised rules attached hereto as Exhibit A.

2) This Order is effective immediately.

BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
November 27, 2019

/S/ MIKE FRANCIS
DISTRICT IV
CHAIRMAN MIKE FRANCIS

OPPOSED
DISTRICT V
VICE CHAIRMAN FOSTER L. CAMPBELL

OPPOSED
DISTRICT III
COMMISSIONER LAMBERT C. BOISSIERE, III

/S/ ERIC F. SKRMETTA
DISTRICT I
COMMISSIONER ERIC F. SKRMETTA

BRANDON M. FREY
EXECUTIVE SECRETARY

/S/ CRAIG GREENE
DISTRICT II
COMMISSIONER CRAIG GREENE

LOUISIANA PUBLIC SERVICE COMMISSION

LOUISIANA PUBLIC SERVICE COMMISSION, EX PARTE

GENERAL ORDER

Docket No. R-33929, In re: Review of Policies Related to Customer-Owned Solar Generation and Possible Modification of the Commission's Current Net Metering Rules.

EXHIBIT A

Distributed Generation Rule

RULE FOR DISTRIBUTION-LEVEL CUSTOMER ENERGY GENERATION

Section I: Purpose and Definitions.

1.1. **Purpose:** The purpose of this Rule is to define the terms and conditions under which electric and/or combined electric and gas utilities will provide service to behind-the-meter, distribution-level generation.

1.1.1. Utilities will be required to provide fair, open and non-discriminatory access to all forms of distributed generation that are eligible and in compliance with this Rule.

1.1.2. Utilities will facilitate the safe interconnection of qualifying customer-owned distributed generation.

1.1.3. Distributed generation of all types will be reimbursed for any on-site generation electricity that is put to the distribution grid at rates that are cost-based as provided by Section 1.2.1 and 6.2.

1.1.4. All distributed generation-related costs will be recovered through distributed generation-related rate riders. The costs of distributed generation will not be subsidized by, nor socialized across, other customer classes.

1.1.5. Utilities will be responsible for monitoring existing distributed generation installations.

1.1.6. Utilities will be expected to account for distributed generation resources in their future resource planning processes.

1.1.7. The 0.5% cap in Section 5.02 of the Net Metering Rules adopted in General Order dated December 8, 2016 is eliminated.

1.2. **Definitions:** For the purposes of this Rule, the following terms will have the following meanings:

1.2.1. Avoided Costs: The incremental cost to an electric utility for energy or capacity or both which, but for the purchase from the distributed generation facility, the utility would generate itself or purchase from the market and will be calculated based upon the definitions included in this Rule (Section 6.2).

1.2.2. Billing Period: The billing period for a distributed generation facility will be the same as the billing period under the Distributed Generation Customer's applicable standard rate rider.

1.2.3. Commission: The Louisiana Public Service Commission.

1.2.4. Commercial Customer: A customer served under a utility's standard rate schedules applicable to commercial service.

1.2.5. Community Distributed Generation Facility: A facility for the production of electric energy that:

1.2.5.1. Has a generating capacity of not more than three hundred (300) kilowatts; and,

1.2.5.2. Is owned, as defined by LA Civil Code Article 477, by a community distributed generation organization; and,

1.2.5.3. Is located in the same electric service territory as all member Distributed Generation Customers; and,

1.2.5.4. Can operate in parallel with an electric utility's existing transmission and distribution facilities; and,

1.2.5.5. Is a separate facility with its own electric meter from any of the Distributed Generation Customers comprising the members of the community distributed generation organization; and,

1.2.5.6. Operates exclusively to offset part or all of the member Distributed Generation Customers' requirements for electricity.

1.2.6. Community Distributed Generation Organization: An organization of member Distributed Generation Customers that owns, as defined by LA Civil Code Article 477, and operates a community distributed generation facility.

1.2.7. Distributed Generation Customers: Any customer who chooses to take electric service under a distributed generation rate rider, as set out below. For commercial customers, this includes subsidiaries and affiliates.

1.2.8. Distributed Generation Facility: A facility for the production of electrical energy that:

1.2.8.1. Has a generating capacity of not more than twenty-five (25) kilowatts for residential or three hundred (300) kilowatts for commercial or agricultural use.

1.2.8.2. Can operate in parallel with an electric utility's existing transmission and distribution facilities.

1.2.8.3. Is intended primarily to offset part or all of the Distributed Generation Customer's requirements for electricity as outlined in Section 4.3.

1.2.8.4. Is designated by the Commission as eligible for distributed generation service pursuant to Section 4.5.

1.2.9. Electric Utility/Utility: An investor-owned electric utility, an electric cooperative, or any other entity meeting the definition of a "public utility" as used in La R.S. 45:1161.

1.2.10. Effective Date: January 1, 2020.

1.2.11. Interconnection Costs: The reasonable costs of connection, switching, metering, transmission, distribution, safety provisions and administrative costs incurred by the electric utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a distributed generation facility, to the extent the costs are in excess of the corresponding costs which the electric utility would have incurred had it not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs do not include any costs included in the calculation of avoided costs.

1.2.12. Parallel Operation: The operation of on-site generation by a Distributed Generation Customer while the Distributed Generation Customer is connected to the utility's distribution system.

1.2.13. Renewable Energy Credit: The environmental, economic, and social attributes of a unit of electricity, such as a megawatt hour, generated from renewable fuels that can be sold or traded separately.

1.2.14. Residential Customer: A customer served under a utility's standard residential rate schedules.

Section II: Scope.

2.1. Applicability:

2.1.1. This Rule applies to the regulation of distributed generation service for jurisdictional Electric Utilities.

2.1.2. Distributed Generation Customers taking service under the provisions of a Utility's distributed generation rate rider may not simultaneously take service under the provisions of any other alternative source generation or cogeneration rate schedule or rider except as provided herein.

2.2. **General Condition:** The Distribution-Level Customer Energy Generation Rule is not intended to, and does not affect or replace any Commission approved general service regulation, policy, procedure, rule or service application of any utility which address items other than those covered in this Rule.

Section III: Distributed Generation Requirements.

3.1. **Electric Utility Requirements:**

3.1.1. A jurisdictional Electric Utility that offers residential or commercial electrical service, or both, shall allow Distributed Generation Facilities or Community Distributed Generation Facilities to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions. A two-channel meter or other type of meter which is capable of determining the net energy from the Distributed Generation Facility can be utilized.

3.1.2. If the meter that is currently installed on the Distributed Generation Facility is incapable of registering the flow of electricity in two directions, an appropriate meter or meters to measure the flow of electricity in each direction shall be installed by the Electric Utility.

3.1.3. If an additional meter or meters are installed, the Distributed Generation Facility's metering calculation shall yield the same result as when a single meter is used.

3.2. **Metering Requirements:**

3.2.1. Metering equipment shall be installed to both accurately measure the electricity supplied by the Electric Utility to each Distributed Generation Customer or Community Distributed Generation Organization and also to accurately measure the electricity generated by each Distributed Generation Customer or Community Distributed Generation Organization that is fed back to the Electric Utility over the applicable Billing Period.

3.2.2. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be defined in Appendix B.

3.3. **Faulty meter operations or billing:**

3.3.1. To the extent a faulty meter or other billing error has resulted in a Distributed Generation Customer or Community Distributed Generation Organization receiving insufficient credits or payments, the Utility shall make the appropriate credits or payments in the next Billing Period.

3.3.2. To the extent a faulty meter or other billing error has resulted in the Distributed Generation Customer or Community Distributed Generation Organization receiving excess credits or payments, then the Utility shall reduce future credits or payments by the excess amount in the next available Billing Period.

3.3.3. Nothing in this section is intended to supersede the provisions of the Commission's General Order dated April 21, 1993, regarding computer glitches and billing errors.

3.4. **Meters and meter installation charges:**

3.4.1. Except as set forth in 3.4.2 and 3.4.3 below, the cost of replaced metering equipment to allow for distributed generation pursuant to 3.1.2 shall be the responsibility of the Electric Utility and shall not be assessed on the Distributed Generation Customer.

3.4.2. The Electric Utility may assess a one-time charge to recover costs associated with new additional metering equipment, if an additional meter or meters is requested by the Distributed Generation Customer.

3.4.3. The Electric Utility may assess a one-time charge to the Distributed Generation Customer to cover the incremental costs of meter installation. This charge shall be clearly identified in the Utility's Rate Rider and shall be cost-based. To the extent such a rider is not already on file with the Commission, any new filings will be subject to the Commission's rules as established in General Order dated July 1, 2019 (Docket No. R-34738).

Section IV: Distributed Generation Operations.

4.1. Billing for distributed generation facilities:

4.1.1. On a monthly basis, the Distributed Generation Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules for the energy delivered by the Utility.

4.1.2. Electricity generated and fed to the Electric Utility by the Distributed Generation Facility shall be valued by the Electric Utility, for bill crediting purposes, as the product of the kWh exported to the Electric Utility and the Utility's applicable Avoided Cost rate (as defined in Section 6.2).

4.1.2.1. The Electric Utility's applicable Avoided Cost rate shall be clearly identified on the Distributed Generation Customer's monthly bill.

4.1.2.2. Each Electric Utility shall post its Avoided Cost rate on its website and the Commission shall post all of the Electric Utilities' Avoided Cost rates on its website.

4.1.2.3. Section 4.1.2. shall not apply in instances where conditions identified in Section 7.1 ("Facilities installed prior to the Effective Date") are applicable.

4.1.3. At the end of the Billing Period, if the value of the electricity generated by the Distributed Generation Facility exceeds the cost of the electricity supplied by the Electric Utility to the Distributed Generation Customer, subject to the applicable rate schedule, the Distributed Generation Customer's monthly bill shall be credited, on the next Billing Period, for the monetary value of the excess distributed generation as defined in Section 4.1.2.

4.1.3.1. If the Distributed Generation Customer has multiple service accounts with the Electric Utility, the Distributed Generation Customer may elect, after notifying the Electric Utility and subject to Commission review if disputed by the Electric Utility, to apply credits pursuant to Section 4.1.3. to any other eligible meter at the same physical location, provided that the conditions identified in Section 4.5 are not applicable.

4.1.3.2. For the final month in which the Distributed Generation Customer takes service from the Electric Utility, the Electric Utility shall issue a check within sixty (60) days to the Distributed Generation Customer for the balance of any credit due in excess of the amounts owed by the Distributed Generation Customer to the Electric Utility.

4.1.3.3. Section 4.1.3. shall not apply in instances where the conditions identified in Section 7.1 are applicable.

4.2. Billing for Community Distributed Generation Facilities:

4.2.1. On a monthly basis, the Electric Utility shall determine the total electrical energy generated by the Community Distributed Generation Facility and fed back to the Electric Utility expressed in kWh.

4.2.2. The value of the electrical energy fed to the Electric Utility by the Community Distributed Generation Facility shall be determined as the product of the Community Distributed Generation Facility's generation expressed in kWh and the Utility's Avoided Cost rate.

4.2.3. For each Distributed Generation Customer, who is a member of a Community Distributed Generation Organization, the Electric Utility's Avoided Cost rate shall be clearly identified on that customer's monthly bill.

4.2.4. Credit calculated pursuant to Section 4.2.2. shall be credited to each Community Distributed Generation Organization member's next bill for electric service.

4.2.5. Allocation of bill credits shall be determined by the Community Distributed Generation Organization, and subject to approval by the Commission.

4.3. Sizing of distributed generation facilities:

4.3.1. Distributed Generation Facilities that begin operation, or are modified and continue operations after the Effective Date, shall be designed to produce no more than 100 percent of the Distributed Generation Customer's expected aggregate electric consumption, calculated as the average of the two previous 12-month periods of actual electric usage at the time of installation of the Distributed Generation Facility.

4.3.2. If two previous 12-month periods of actual electric usage are not available, electric consumption will be estimated based on the usage of other similarly-situated customers.

4.4. Additional charges for distributed generation facilities:

4.4.1. All Distributed Generation Customers and Community Distributed Generation Organizations shall be required to reimburse the Electric Utility for all Interconnection Costs.

4.4.2. Electric Utility shall calculate Interconnection Costs for each request on a nondiscriminatory basis with respect to distribution level customers with similar load characteristics.

4.5. Large distributed generation projects:

4.5.1. The Commission may allow distributed generation projects greater than 300kW for a Commercial Distributed Generation Customer, if the customer's project is found to be in the public interest.

4.5.1.1. All large distributed generation project interconnection requests shall be docketed and published in the Commission's official bulletin prior to Commission approval. Requests for approval of multiple systems by the same Commercial Distributed Generation Customer greater than 300 kW will be permitted as a single filing.

4.5.1.2. Expedited treatment may be allowed by the Commission upon a showing of good cause by the applicant.

4.5.2. Large Distributed Generation Customers shall reimburse the Electric Utility for the costs of all reasonable and necessary engineering analyses and/or studies performed by the Electric Utility to facilitate the project's interconnection and grid operation.

4.5.3. Large Distributed Generation Customers shall compensate the Electric Utility for necessary modifications to the Electric Utility's system necessary to interconnect the large distributed generation project.

4.5.4. The Commission reserves its rights to determine, on an individual application basis, the appropriate bill credit granted to large distributed generation projects for the electricity put to the Utility distribution grid and whether or not any modifications to the terms and conditions for distributed generation reimbursements defined in Section 4.5 of this Rule apply.

4.5.5. All large distributed generation projects are bound by all existing rules and procedures regarding interconnection.

4.6. <u>Renewable energy credits ("RECs"):</u>

4.6.1. The Commission has the sole right to determine the eligibility and applicability of RECs, including solar RECs ("SRECs"), associated with all types of distribution level interconnected renewable distributed generation as it applies to Commission policymaking. As necessary, the Commission will develop rules for the creation, trade, monitoring and verification of RECs for application to Commission policymaking at such time that it is in the public interest to develop such rules.

4.6.2. To the extent not restricted by future Commission policymaking, the Distributed Generation Customer or Community Distributed Generation Organization shall retain ownership of all RECs associated with electric energy produced from the Distributed Generation Facility or Community Distributed Generation Facility, unless the Distributed Generation Customer or Community Distributed Generation Organization has relinquished such ownership by contractual agreement with a third party. A Distributed Generation Customer will have to option to retain or transfer RECs associated with electric energy already produced upon the sale of the property housing the solar facilities.

4.6.3. A utility, as part of a Distributed Generation tariff filing subject to the approval of the Commission, may request the opportunity to offer to purchase RECs from REC owners interested in relinquishing their REC ownership.

Section V: Interconnection of Distributed Generation Facilities to Existing Electric Power Systems.

5.1. <u>Standard Interconnection Agreement:</u>

5.1.1. Each Electric Utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Distributed Generation Facilities (please see Appendix A as an illustrative example of a Standard Interconnection Agreement for Distributed Generation Facilities). If an Electric Utility has a standard Interconnection Agreement, it may use its own Agreement.

5.1.2. An Electric Utility may request a modification to its Standard Interconnection Agreement but no proposed changes or modifications will be allowed without prior Commission approval.

5.1.3. The Standard Interconnection Agreement shall describe any and all Interconnection Costs, and other customer charges for which the Distributed Generation Customer or Community Distributed Generation Organization shall be responsible.

5.1.4. The Standard Interconnection Agreement shall include provisions that explicitly allow the Utility to periodically inspect Distributed Generation and Community Distributed Generation Facilities. Utilities will be responsible for auditing Distributed Generation and Community Distributed Generation Facility installations to ensure their continued compliance with the Standard Interconnection Agreement and that any system modifications that have been made after the original interconnect have been reported to the Utility and are in compliance with this Rule.

5.1.5. Utilities will be responsible for ensuring that Distributed Generation and Community Distributed Generation Facilities are in compliance with the original or modified terms of their Standard Interconnection Agreement. Utilities shall recover the costs of ensuring this compliance from customers taking service under their respective Distributed Generation or Community Distributed Generation tariffs and not from other ratepayer classes.

5.2. Requirements for Initial Interconnection of Distributed Generation Facilities:

5.2.1. A Distributed Generation Customer or Community Distributed Generation Organization shall execute a Standard Interconnection Agreement for Distributed Generation Facilities (see Appendix A as an illustrative example of a Standard Interconnection Agreement for Distributed Generation Facilities) prior to interconnection with the Utility's distribution facilities. The Standard Interconnection Agreement shall set forth the expenses for which the Distributed Generation Customer or Community Distributed Generation Organization shall be responsible.

5.2.2. A Distributed Generation Facility or Community Distributed Generation Facility shall be capable of safe parallel operations prior to commencing the delivery of power into the Utility system at a single point of interconnection.

5.2.3. Interconnected facilities shall have a visibly open, lockable, manual disconnection switch that is accessible by the Electric Utility and clearly labeled, unless this requirement is waived by the Electric Utility pursuant to Section 4 of the Standard Interconnection Agreement.

5.2.4. The Residential Distributed Generation Customer shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) business days prior to the date the customer intends to interconnect the Distributed Generation Facility to the Utility's facilities and there shall be a thirty-day review period for Residential Distributed Generation applications. However, utilities will utilize their best efforts to complete the review of Residential Distributed Generation applications within fourteen (14) days. Community or Commercial Distributed Generation Facilities shall submit a Standard Interconnection Agreement to the Electric Utility at least forty-five (45) business days prior to the date the customer intends to interconnect the Distributed Generation Facility to the Utility's facilities and there shall be a forty-five (45) day review period for Community or Commercial Distributed Generation applications.

5.2.4.1. The Distributed Generation Customer or Community Distributed Generation Organization will be required to provide documentation indicating the date upon which the notification was physically or electronically provided to the Electric Utility.

5.2.4.2. Part I, Standard information, Sections 1 through 4 of the Standard Interconnection Agreement, or applicable information contained within approved Standard Interconnection Agreements, must be completed for the notification to be valid.

5.2.4.3. The Distributed Generation Customer or Community Distributed Generation Organization shall have all equipment necessary to complete the interconnection prior to such notification.

5.2.4.4. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement.

5.2.4.5. The Electric Utility shall provide a copy of the Standard Interconnection Agreement upon request.

5.2.5. The Distributed Generation Facility or Community Distributed Generation Facility shall, at the Distributed Generation Customer or Community Distributed Generation Organization's expense, meet all safety and performance standards established by local and national electric codes including the National Electric Code ("NEC"), the Institute of Electrical and Electronics Engineers ("IEEE"), the National Electrical Safety Code ("NESC"), and Underwriters Laboratories ("UL").

5.2.6. The Distributed Generation Facility or Community Distributed Generation Facility shall, at the Distributed Generation Customer or Community Distributed Generation Organization's expense, meet all reasonable safety and performance standards adopted by the Utility, and approved by the Commission, to assure safe and reliable operation of the facility and the Utility's distribution grid.

5.2.7. If the Electric Utility's existing facilities are not adequate to interconnect with the Distributed Generation Facility or Community Distributed Generation Facility, any changes will be performed in accordance with the Electric Utility's Standard Interconnection Agreement for Distributed Generation Facilities as well as separate policies regarding extension of facilities.

5.3. **<u>Modifications or changes to a distributed generation facility:</u>**

5.3.1. All Distributed Generation Facilities and Community Distributed Generation Facilities will be required to provide Utility access to their systems, on a periodic basis, to assure compliance with the terms and representations of the characteristics of their systems in their original interconnection applications.

5.3.2. All Distributed Generation Facilities and Community Distributed Generation Facilities shall be required to notify the Electric Utility, in writing, of any material system or interconnection modifications to their systems that include, but are not limited to increases in the generation capacities of these systems.

5.3.3. Distributed Generation and Community Distributed Generation Facilities will allow Utilities to inspect all modifications to their systems for continued compliance with the safety provisions in Section 4.3.

5.3.4. Utilities that find material modifications or changes made to a Distributed Generation Facility or Community Distributed Generation Facility that would render the facility in violation of the safety provisions of Section 4.3. shall report such violations to the Commission for further action.

5.3.5. After notice, the Commission may require Utilities to disconnect Distributed Generation Facilities and Community Distributed Generation Facilities that are found to be out of compliance with this Rule. To the extent that it is impractical to provide notice due to emergency conditions or threat to grid reliability, the Commission may allow an immediate disconnection. Nothing herein should be interpreted to alter the rights of the Utilities or customers provided in the Utilities' Terms of Service.

5.4. **<u>Transferability:</u>** Valid interconnection agreements shall be transferable to the purchaser of the property on which the facility is located upon transfer or activation of electric service provided that such Distributed Generation or Community Distributed Generation Facilities are in compliance with this Rule at the time of the transfer.

Section VI: Distributed Generation Rate Rider.

6.1. **<u>Distributed generation Rate Rider:</u>** Each Electric Utility shall update its tariff on file with the Commission within 30 days from the effective date of these Rules to provide a Rate Rider in accordance with these Rules. The distributed generation Rate Rider shall be filed with and maintained by the Commission.

6.2. **Avoided Costs:** Distributed generation Rate Riders shall include an Avoided Cost rate for the crediting of any electricity from Distributed Generation Facilities and Community Distributed Generation Facilities with a design capacity of 300kW or less.

6.2.1. Avoided Costs shall be calculated as the 12-month average Locational Marginal Price for each LPSC-jurisdictional Electric Utility. The Avoided Cost rate will be updated annually by each LPSC-jurisdictional Electric Utility in their annual filing pursuant to Section 7.2 of these Rules, and the calculation of Avoided Cost will be the 12-month average for the prior calendar year of the Locational Marginal Price associated with the LPSC-jurisdictional Electric Utility's load zone in the applicable Independent System Operator market: the Midwest Independent System Operator or the Southwest Power Pool.

6.2.2. All amounts credited/compensated to customers for excess net metered energy exported to the electric utility, whether at avoided cost of full retail rates, shall continue to be eligible for recovery by the utility pursuant to Commission General Order dated November 6, 1997 (Order No. U-21497), which governs the types of costs that may be recovered through a utility's monthly Fuel Adjustment Clause.

6.3. **Distributed generation charges:**

6.3.1. Following notice and opportunity for public comment within the context of a general rate case or a formula rate plan request, the Commission may authorize an Electric Utility to assess a greater fee or customer charge, of any type, to Distributed Generation Customers.

6.3.2. Requests for additional charges for Distributed Generation Customers shall be accompanied by supporting evidence, including, but not necessarily limited to, cost/benefit analyses and studies.

6.4. **Restricted service:** Distributed generation Rate Riders shall not be made available to customers taking temporary service.

Section VII: Other Provisions.

7.1. **Facilities installed prior to the Effective Date (Grandfathering Provision):**

7.1.1. For Distributed Generation Facilities, except large distributed generation projects pursuant to Section 4.5., who have submitted a completed Standard Interconnection Agreement request and completed installation of a Distributed Generation Facility prior to the Effective Date, the Distributed Generation Customer associated with the facility shall pay the full retail rate for all energy purchased from the utility, shall pay a zero rate for all energy self-generated and consumed and shall be credited at full retail rates for energy sold back to the utility through December 31, 2034 (i.e., a 15-year grandfathered period). This includes all current Distributed Generation Customers who presently do not receive full retail for energy sold back to the utility due to the now repealed 0.5 % cap. After December 31, 2034, these grandfathered customers shall pay the full retail for all the energy purchased from the utility, shall pay a zero rate for all energy self-generated and consumed, and shall be credited at avoided cost for all energy sold back to the Utility.

7.1.2. All customers who submit Standard Interconnection Agreement request and/or install a Distributed Generation Facility on or after the Effective Date shall pay the full retail rate for all energy purchased from the utility, shall pay a zero rate for all energy self-generated and consumed and be credited at avoided costs for the energy sold back to the utility, consistent with Section 4.1.

7.1.3. If the Distributed Generation Facility makes a material change or modification to a Distributed Generation Facility installed prior to the Effective Date requiring the submission of a new interconnection request, the Distributed Generation Facility shall be credited consistent with Section 4.1.

7.1.4. If the Distributed Generation Facility is transferred to another owner other than the owner on the Effective Date, Section 7.1 (Grandfathering Provision) will apply for the new owner until December 31, 2034.

7.2. **Filing and reporting requirements:** Each Electric Utility shall file a distributed generation annual report no later than March 1 of each year, covering the prior calendar year.

7.2.1. Distributed generation annual reports shall be in Excel format, and consistent with the form provided in Appendix C.

7.3. **Integrated resource plan:** Electric Utilities that file an Integrated Resource Plan or comparable electric system planning with the Commission shall include an analysis of distributed generation subject to this Rule as part of the Electric Utility's Integrated Resource Plan or comparable electric system planning document. Such analysis shall include:

7.3.1. Documentation on the current level of distributed generation (in capacity and installation terms) within the Electric Utility's service territory as well as for the prior five (5) calendar years.

7.3.2. A discussion and analysis of the impact that distributed generation installations are having on the Electric Utility's system resource requirements.

7.3.3. A forecast of future distributed generation (in terms of installations and capacity) for at least a five-year period.

7.3.4. Electric Utilities are encouraged to provide as part of its IRP or comparable analysis, documentation on the monetary value of the avoided energy and capacity requirements distributed generation has provided to the Utility's system historically, and forecasts of the expected monetary benefits associated with avoided energy and capacity requirements due to distributed generation.

7.4. **Prospective Basis:** These Rules shall be applied on a prospective basis only, without any true-up of net metered customers that were credited/compensated for excess net metered energy at the Electric Utility's avoided cost rate during the interim period from when the Utility met the 0.5% cap pursuant to Section 5.02 of the Net Metering Rules adopted in General Order dated December 8, 2016.

7.5. **Commission Review:** There will be an automatic re-evaluation of the Rule at the end of the grandfathering period or earlier if directed by the Commission.

APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR DISTRIBUTED GENERATION FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name:____

Mailing Address:____

City:____________________ State:____________________ Zip Code:____________________

Facility Location (if different from above):____________________________________

Daytime Phone: Evening Phone:____

Utility Customer Account (from electric bill):___________________________________

Section 2. Generation Facility Information

Generator Rating **(kW):** AC or DC (circle one)
Describe Location of Accessible and Lockable Disconnect:____________________________

Inverter Manufacturer: Inverter Model:____

Inverter Location: Inverter Power Rating:_______________________________________

Section 3. Installation Information

Attach a detailed electrical diagram of the distributed generation facility.
Installed by:__________________________Qualifications/Credentials:____________________

Mailing Address:____

City:____________________ State:____________________ Zip Code:____________________

Daytime Phone:________________________Installation Date:__________________________

Section 4. Certification

1. The system has been installed in compliance with the local Building/Electrical Code of (City/Parish)

____

Signed (Inspector):______________________________________Date:____________________

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

2. The system has been installed to my satisfaction and I have been given system warranty information
and an operation manual, and have been instructed in the operation of the system.
Signed (Owner):____Date:____________________

Section 5. Utility Verification and Approval

1. Facility Interconnection Approved:_________________ Date:_________________________

______

Metering Facility Verification by:____________________Verification Date:________________

______

2. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS

This Interconnection Agreement for Distributed Generation Facilities ("Agreement") is made and entered into this _____ day of ____________, 20__, by _____________________("Utility") and _______________("Customer"), a ________________ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Distributed Generation Facility

The Distributed Generation Facility meets the requirements of "Distributed Generation Facility", as defined in the Louisiana Rule for distribution-level customer energy generation ("Distributed Generation Rules").

Section 2. Governing Provisions

The terms of this agreement shall be interpreted under and subject to Louisiana Law. The parties shall be subject to the provisions of Act No. 653 of the 2003 Regular Session, the terms and conditions as set forth in this Agreement, the Distributed Generation Rules, and the Utility's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Utility shall have the right to disconnect and lock out the Customer's facility from the Utility's electric system. The Customer's facility shall remain disconnected until such time as the Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

Section 4. Interconnection

Customer shall deliver the as-available energy to the Utility at the Utility's meter.

Utility shall furnish and install a standard kilowatt-hour meter. Customer shall provide and install a meter socket for the Utility's meter and any related interconnection equipment per the Utility's technical requirements, including safety and performance standards. Customer shall be responsible for all costs associated with installation of the standard kilowatt-hour meter and testing in conformity with Section 3.2. of the Distributed Generation Rules.

The customer, if receiving service from the Utility under a residential service tariff, shall submit a Standard Interconnection Agreement to the electric utility at least thirty (30) business days prior to the date the customer intends to interconnect the distributed generation facility to the utility's facilities. If the customer receives service from the Utility under a commercial service tariff or the proposed distributed generation facility is organized as a Community Distributed Generation Facility, the customer shall submit a Standard Interconnection Agreement to the electric utility at least forty-five (45) business days prior to the date the customer intends to interconnect the distributed generation facility to the utility's facilities. Part I, Standard Information Sections 1 through 4 of the Standard Interconnection Agreement must be completed for the notification to be valid. The customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection agreement. The net metering customer shall be required to provide documentation indicating the date upon which the notification was mailed to the electric utility. The electric utility shall provide a copy of the Standard Interconnection Agreement to the customer upon request.

Following notification by the customer, the utility shall review the plans of the facility and provide the results of its review to the customer. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations. If the customer receives service from the Utility under a residential service tariff, the Utility shall utilize its best efforts to complete and provide the results of its review outlined in this paragraph within fourteen (14) days.

To prevent a distributed generation customer from back-feeding a de-energized line, the customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours. This requirement for a manual disconnect switch may be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by utility personnel. The decision to grant the waiver will be at the Utility's discretion, however, any decision will be subject to review by the Commission.

Customer, at his own expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at his own expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission pursuant to Section 5.2.6. of the Distributed Generation Rules that are necessary to assure safe and reliable operation of the net metering facility to the utility's system.

Customer shall not commence parallel operation of the distributed generation facility until the distributed generation facility has been inspected and approved by the Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Utility's approval to operate the Customer's distributed generation facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's net metering facility.

Proposed modifications or changes to a distributed generation facility shall be evaluated by the Utility prior to being made. The Customer shall provide detailed information describing the modifications or changes to the Utility in writing prior to making the modifications to the distributed generation facility. The Utility shall review the proposed changes to the facility and provide the results of its evaluation to the Customer within fourteen (14) business days of receipt of the Customer's proposal. Any items that would prevent parallel operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

Section 5. Maintenance and Permits

The customer shall obtain any governmental authorizations and permits required for the construction and operation of the net metering facility and interconnection facilities. The Customer shall maintain the distributed generation facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

Section 6. Access to Premises

The Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Utility may disconnect the interconnection facilities without notice if the Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

Section 7. Indemnity and Liability

Each party shall indemnify the other party, its directors, officers, agents, and employees against all loss, damages expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering design, construction ownership or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity. It is the intent of the parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that party's negligence.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a party to this Agreement. Neither the Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design construction, ownership, maintenance or operation of, or making replacements, additions or betterment to, the Customer's facilities by the Customer or any other person or entity.

Section 8. Notices

All written notices shall be directed as follows:

Attention:
[Utility Agent or Representative]

[Utility Name and Address]

Attention:
[Customer]
Name:__________________
Address:________________
City:____________________

Customer notices to Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

Section 9. Term of Agreement

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

Section 10. Assignment

This Agreement and all provisions hereof shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. The Customer shall not assign this Agreement or any part hereof without the prior written consent of the Utility, and such unauthorized assignment may result in termination of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this _________ day of ___________, 20__.

Customer:	Utility:
______________________________	______________________________
By:___________________________	By:___________________________
Title:_________________________	Title:_________________________
Mailing Address:	Mailing Address:
______________________________	________________________
______________________________	________________________

APPENDIX B

Accuracy Requirements for Service Watt-Hour Meters, Demand Meters, and Pulse Recorders:

A. Initial and Test Adjustments:

(1) No watt-hour meter that has an incorrect register constant, test constant, gear ratio or dial train, or that registers upon no load ("creeps"), shall be placed in service or allowed to remain in service without adjustment and correction. An in-service meter "creeps" when, with potential applied to all stators and with all load wires disconnected, the moving element makes one complete rotation in 10 minutes or less.

(2) No watt-hour meter that has an error in registration of more than the limits allowed in Rule 7.05.B. (1) shall be placed in service or be allowed to remain in service without adjustment. When meter error is found to exceed any one of the test limits in Rule 7.05.B.(1), it must be adjusted and a correction made to the customer's bill.

(3) Meters must be adjusted as closely as practicable to the condition of zero error by no greater than +/- 0.5 percent.

B. Acceptable Performance

(1) Watt-Hour Meter Accuracy

The average error of the watt-hour meter shall not exceed +/- 2 percent.

	Test Current	Power Factor	Accuracy
Heavy Load	100% Test Amperes	1.0	+/- 2%
	100% Test Amperes	0.5	+/- 2%
Light Load	10% Test Amperes	1.0	+/- 2%

(2) Demand Meter Accuracy

The error of the demand register shall not exceed +/- 4% of the full-scale value when tested between 25 percent and 100 percent of full-scale value.

(3) Pulse Recorders

Pulse recorders shall not differ by more than +/- 2 percent from the corresponding kilowatt hour meter registration. The timing error shall not exceed +/- 2 minutes per day.

(4) Time of Use Meters

The timing element of time of use meters shall not be in error with central standard/daylight savings time by more than +/- 15 minutes.

C. Average Error

(1) The average error of a service watt-hour meter shall be determined as follows:

$$WA = LL + 4HL / 5$$

Where:	WA	=	weighted average error of a service watt-hour meter
	LL	=	error at light load for 100 percent power factor
	HL	=	error at heavy load for 100 percent power factor

(2) The average error of the watt-hour portion of a demand meter shall be determined as follows:

WA = LL + 4HL + 2HHL / 7

Where:	WA	=	weighted average of error of the watt-hour portion of a demand meter.
	LL	=	error at light load of 100 percent power factor
	HL	=	error at heavy load for 100 percent power factor
	HHL	=	error at heavy load with 50 percent lagging power factor.

Appendix C-LPSC Net Metering Annual Report

Utility Name: ____________________

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Residential													
1 Number of Solar Unit Installations													
2 Solar Generation Capacity, kW (DC)													
3 Solar Inverter Capacity, kW (AC)													
4 Number of Wind Unit Installations													
5 Wind Generation Capacity, kW (DC)													
6 Wind Inverter Capacity, kW (AC)													
7 Number of Biomass Unit Installations													
8 Biomass Generation Capacity, kW (DC)													
9 Biomass Inverter Capacity, kW (AC)													
10 Number of Other Unit Installations (Microturbine, Fuel Cell)													
11 Other Generation Capacity, kW (DC)													
12 Other Inverter Capacity, kW (AC)													
13 Total Number of Installations													
14 Total Generation Capacity, kW (DC)													
15 Total Inverter Capacity, kW (AC)													
Commercial													
16 Number of Solar Unit Installations													
17 Solar Generation Capacity, kW (DC)													
18 Solar Inverter Capacity, kW (AC)													
19 Number of Wind Unit Installations													
20 Wind Generation Capacity, kW (DC)													
21 Wind Inverter Capacity, kW (AC)													
22 Number of Biomass Unit Installations													
23 Biomass Generation Capacity, kW (DC)													
24 Biomass Inverter Capacity, kW (AC)													
25 Number of Other Unit Installations (Microturbine, Fuel Cell)													
26 Other Generation Capacity, kW (DC)													
27 Other Inverter Capacity, kW (AC)													
28 Total Number of Installations													
29 Total Generation Capacity, kW (DC)													
30 Total Inverter Capacity, kW (AC)													
Total													
31 Number of Solar Unit Installations													
32 Solar Generation Capacity, kW (DC)													
33 Solar Inverter Capacity, kW (AC)													
34 Number of Wind Unit Installations													
35 Wind Generation Capacity, kW (DC)													
36 Wind Inverter Capacity, kW (AC)													
37 Number of Biomass Unit Installations													
38 Biomass Generation Capacity, kW (DC)													
39 Biomass Inverter Capacity, kW (AC)													
40 Number of Other Unit Installations (Microturbine, Fuel Cell)													
41 Other Generation Capacity, kW (DC)													
42 Other Inverter Capacity, kW (AC)													
43 Total Number of Installations													
44 Total Generation Capacity, kW (DC)													
45 Total Inverter Capacity, kW (AC)													
Utility													
46 Utility Peak Load (MW)													
47 Retail Portion													
48 Percent of System Peak ((line 44/1,000)/line 47)													
49 Energy Purchased from Net Metered Customers (kWh)													
50 Average Rate Paid for Energy Purchased from Net Metered Customers ($/kWh)													
51 Cost of Energy Purchased from Net Metered Customers ($)													
52 Utility Avoided Cost Rate ($/kWh)													
53 Utility Fuel Clause Rate ($/kWh)													