

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. R-31417

LOUISIANA PUBLIC SERVICE COMMISSION,
EX PARTE

LA PUBLIC SERVICE COMMISSION
2011 MAY -2 3:10

In re: Re-examination of the Commission's Net Energy Metering Rules found in General Order No. R-27558, dated November 30, 2005 (the "Net Metering Order")

**NOTICE OF PROPOSED CHANGES TO NET METERING RULES
AND REQUEST FOR EXPEDITED COMMENTS**

The Louisiana Public Service Commission Staff ("LPSC" or "Commission" "Staff") is requesting comments on its proposed changes to the Commission's Net Metering Rules, attached as Exhibit A to General Order No. R-27558, dated November 30, 2005 (the "Net Metering Order"). Attached hereto are both clean and red-lined versions of the proposed rules, which were amended after Staff's review of the comments in this proceeding. Staff is not proposing any changes to Appendices A and B, and therefore those are not attached. Staff anticipates the following timeline for resolution of this matter:

May 2, 2011 Proposed Changes to Net Metering Rules

May 9, 2011 Deadline for Comments to Staff's Proposed Changes

May 13, 2011 Final Recommendation

May 17, 2011 Possible Commission Vote

I. Background

This rulemaking was originally published on July 9, 2010, in the Commission's Official Bulletin No. 962 for a twenty-five (25) day intervention period. Nine (9) parties intervened timely, and five (5) were allowed to intervene out of time. After receiving an initial round of comments, the matter was brought before the Commission at its September 2010 B&E for resolution of a single issue. The Commission declined to vote at that time; however, and Staff thereafter sought specific and general comments. Staff received comments from the following parties: Alliance for Affordable Energy ("Alliance"), Association of Louisiana Electric Cooperatives ("ALEC"), Byrd Energy, Cleco Power LLC ("Cleco"), Entergy Gulf States Louisiana, L.L.C. ("EGSL") and Entergy Louisiana, LLC ("ELL") (collectively, "Entergy"),

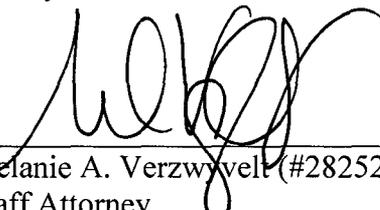
Gulf States Renewable Energy Industries Association ("GSREIA"), Louisiana Solar Corp., and Lite Solar Corp.

II. Proposed Changes

After reviewing all comments, surveying the net metering rules in other states, and having discussions with several parties, **Staff issues its proposed changes for comment by next Monday, May 9, 2011 (see attached).** Substantively, the changes increase the limit of generating capacity for commercial customers from 100kW to 300kW and allows for larger projects to be approved under certain circumstances, and with limitations defined in the rules. Staff declined to alter the Commission's master-metering rules as it is not aware of a reasonable justification to do so.

Once Staff has reviewed the comments to its changes, Staff will issue a final recommendation for a possible vote at the Commission's May 17, 2011 Business and Executive Session.

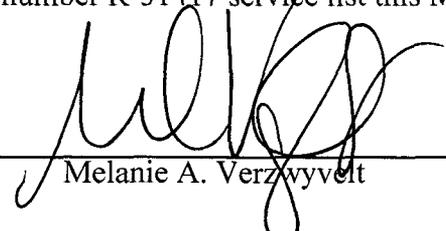
Baton Rouge, Louisiana, this 2nd day of May 2011.



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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent via email and/or U. S. Mail, to the docket number R-31417 service list this May 2, 2011.



Melanie A. Verzwylt

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DEFINITIONS

Avoided Costs

The incremental cost to an electric utility for energy or capacity or both which, but for the purchase from the net metering facility, the utility would generate itself or purchase from another source.

Billing period

The billing period for net metering will be the same as the billing period under the customer's applicable standard rate schedule.

Biomass

(A) Any organic matter that is available on a renewable or recurring basis (excluding old-growth timber), including dedicated energy crops and trees, agricultural food and feed crop residues, wood and wood wastes and residues, aquatic plants, grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.

(B) Biomass shall not include:

1. Wood contaminated with plastic or metals; exceptions such as construction debris may be allowed by the Commission after a docketed proceeding and only after the applicant has obtained any and all additional approval from other state and/or federal regulatory agencies.
2. Recyclable post-consumer waste paper; exceptions may be allowed on a case by case basis by the Commission after a docketed proceeding and only after the applicant has obtained any and all additional approval from other state and/or federal regulatory agencies.

Biomass facility

A facility that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

Commercial customer

A customer served under a utility's standard rate schedule applicable to commercial service.

Commission

The Louisiana Public Service Commission.

Electric utility/Utility

A public or investor owned electric utility, an electric cooperative, or any private power supplier or marketer that engages in the business of supplying electric energy to the ultimate customer or any customer class within the state. The electric utility must fall under the jurisdiction of the Commission in order to be required to comply with the provisions set out herein.

Fuel cell facility

A facility that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

Geothermal facility

An electric generating facility in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

Hydroelectric facility

An electric generating facility in which the kinetic energy is derived from moving water. The facility must meet all local, state, and Federal regulations that govern or effect the construction and operation of a hydroelectric power plant and must protect all users of the resource, including the plant, fish, and animal communities that utilize the water. Local, state, and Federal legal restrictions on the development of the hydroelectric site and the use of the water must be complied with

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 net metering facility, to the extent the costs are in excess of the corresponding costs which the electric utility would have incurred if it had 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.

Micro turbine facility

A facility that uses a small combustion turbine to produce electricity.

Net metering

Measuring 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.

Net metering customer

Any customer who chooses to take electric service under the net metering tariff, as set out below. For commercial customers, this includes subsidiaries and affiliates.

Net metering facility

A facility for the production of electrical energy that:

- (A) Uses solar, wind, hydroelectric, geothermal, or biomass resources to generate electricity including, but not limited to, fuel cells and micro turbines that generate electricity if the fuel source is entirely derived from renewable resources; and,
- (B) Has a generating capacity of not more than twenty-five (25) kilowatts for residential or three hundred (300) kilowatts for commercial or agricultural use; and,
- (C) Is located in Louisiana; and,
- (D) Can operate in parallel with an electric utility's existing transmission and distribution facilities; and,
- (E) Is intended primarily to offset part or all of the net-metering customer requirements for electricity or,
- (F) Is designated by the Commission as eligible for net metering service pursuant to § 2.06 below, because it has applied for and is entitled to receive state or federal funding for all or part of the costs of its project, which the Commission finds to be in the public interest.

Parallel operation

The operation of on-site generation by a customer while the customer is connected to the utility's distribution system.

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.

Residential customer

A customer served under a utility's standard rate schedules applicable to residential service.

Solar facility

A facility in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

Wind facility

A facility in which an electric generator is powered by a wind-driven turbine.

SECTION 1. GENERAL PROVISIONS**1.01. Purpose**

The purpose of these Rules is to establish rules for net energy metering and interconnection.

1.02. Statutory Provisions

- A. Article IV, Section 21(B) of the Louisiana Constitution.
- B. Legislative Act No. 653, Regular Session 2003.
- C. Legislative Act No. 543, Regular Session 2008.

1.03. Other Provisions

- A. These Rules apply to all jurisdictional electric utilities, as defined in these Rules.
- B. The Net Metering Rules are not intended to, and do 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 these Rules.
- C. Net metering customers taking service under the provisions of the Net Metering Tariff may not simultaneously take service under the provisions of any other alternative source generation or cogeneration tariffs except as provided herein.

SECTION 2. NET METERING REQUIREMENTS**2.01. Electric Utility Requirements**

- A. An electric utility, subject to the jurisdiction of this Commission, that offers residential or commercial electrical service, or both, shall allow net metering 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 meter(s) which is capable of determining the net energy can be utilized, as well.

- B. If the meter that is currently installed on the net metering facility is incapable of registering the flow of electricity in two directions, an additional meter or meters to monitor the flow of electricity in each direction may be installed by the electric utility. The cost of the meter shall not be borne by the net metering customer, unless the additional meter(s) is not required by the electric utility, but instead requested by the net metering customer. A customer charge for the any installations where the meter will not register in both directions may be assessed by the utility in conformity with Section 2.02(A) below.
- C. If an additional meter or meters are installed, as described in 2.01(B) above, the net energy metering calculation shall yield the same result as when a single meter is used.

2.02. Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity applied by the electric utility to each net-metering customer and also to accurately measure the electricity generated by each net-metering customer that is fed back to the electric utility over the applicable billing period. Notwithstanding the provisions of Section 3.01 below, the cost of the meter is the responsibility of the electric utility, but the utility will be allowed to assess a one-time customer charge to cover the installation costs. The utility may also assess a customer charge for any additional meter installations if the additional installations are requested by the net metering customer.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be defined in Appendix B. A test to determine compliance with this accuracy requirement shall be made by the electric utility either before or at the time the net metering facility is placed in operation in accordance with these Rules. The costs associated with the test may be included in the customer charge, as set out in Section 2.02(A) or it may be a separate customer charge, to be assessed to the net metering customer. The customer charge for testing may be assessed when the customer's meter is first tested, and the same fee may be charged by the utility each time the customer requests additional meter tests to be performed unless the test demonstrates that the meter does not comply with the accuracy requirements. If the meter is found to not comply with the accuracy requirements, then the net metering customer shall not be charged for the testing.

To the extent that a faulty meter has resulted in a net metering customer receiving insufficient credits or payments, pursuant to Section 2.04 (B) and (C) below, the utility shall make the appropriate credits or payments in the next billing cycle. If the faulty meter has resulted in the net metering customer receiving excess credits or payments, pursuant to Section 2.04 (B) and (C) below, then the utility shall reduce any future credits or payments by the excess amount in the next billing

cycle. Nothing in this section shall supercede the provisions of the Commission's General Order dated April 21, 1993, in re: Computer glitches and billing errors.

2.03. New or Additional Charges

- A. Any new or additional charge that would increase a net metering customer's costs beyond those of other customers in the rate class shall be filed by the electric utility with the Commission for approval. The filing shall be supported by cost/benefit analyses.
- B. Following notice and opportunity for public comment, the Commission may authorize an electric utility to assess a net metering customer a greater fee or customer charge, of any type, if the electric utility's direct costs of interconnection and administration of net-metering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the electric utility's entire customer base.
- C. Net metering customers shall be obligated to pay any interconnection costs, as defined above. These costs shall be assessed on a nondiscriminatory basis with respect to other customers with similar load characteristics.

Electric utilities shall be reimbursed by the net metering customer for interconnection costs at the time the costs are incurred. Upon petition by any party involved and for good cause shown, the Commission may allow for reimbursement of the interconnection costs over a reasonable period of time and upon such conditions as the Commission may determine; provided, however, that no other customers of the utility shall bear any of the costs of interconnection.

2.04. Billing for Net Metering

- A. On a monthly basis, the net metering customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under net metering, only the kilowatt-hour (kWh) units of a customer's bill are affected.
- B. If the kWhs supplied by the electric utility exceeds the kWhs generated by the net metering facility and are fed back to the electric utility during the billing period, the net metering customer shall be billed for the net kWhs supplied by the electric utility in accordance with the rates and charges under the customer's standard rate schedule.
- C. Where the electricity generated by the net metering customer exceeds the electricity supplied by the electric utility, the net metering customer shall be credited, during the next billing period, for the excess kilowatt hours generated in the same manner as Section 2.04(B) above. For the final month in which the net metering customer takes service from the electric utility, the electric utility shall

issue a check to the net metering customer for the balance of any credit due in excess of amounts owed by the customer to the electric utility. The payment for any remaining credits shall be at the electric utility's avoided cost. That avoided cost shall be clearly identified in the electric utility's net metering tariff, as set out below in Section 5.01.

2.05. Renewable Energy Credits

This section is not needed at this time due to the fact that no Renewable Energy Credit ("REC") program has been established. The Commission reserves the right to revisit this section if a REC program is established.

2.06. Large Net Metering Projects

- A. The Commission may allow projects greater than 300kW for a commercial net metering customer, if the customer's project is found to be in the public interest.
- B. In no event shall a single project approved under this section exceed 2 MW. Nor shall a net metering customer, inclusive of subsidiaries and affiliates, be allowed to complete more than one project pursuant to this Section.
- C. The total of all projects under this section may not exceed 10MW per utility.
- D. Projects approved under this section shall meet all of the requirements of this rule, including the limitations set forth in paragraphs A,C,D, and E, found in the definition of net metering customer herein.
- E. Large net metering customers shall reimburse the utility for any needed engineering analyses and/or studies that would have to be performed prior to project approval.
- F. Large net metering customers shall compensate the utility for necessary upstream and/or downstream system infrastructure improvements triggered by the net metering project.

SECTION 3. INTERCONNECTION OF NET METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS

3.01 Requirements for Initial Interconnection of Net Metering Facility

- A. A net metering customer shall execute a Standard Interconnection Agreement for Net Metering Facilities (please see Appendix A) prior to interconnection with the utility's facilities. The Standard Interconnection Agreement shall set forth the expenses for which the net metering customer shall be responsible.

- B. A net metering facility shall be capable of safely operating in parallel prior to commencing the delivery of power into the utility system at a single point of interconnection. A net metering facility 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.
- C. The customer shall submit a Standard Interconnection Agreement to the electric utility at least forty-five (45) days prior to the date of the customer intends to interconnect the net metering facilities 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 will 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.
- D. Following notification by the customer as specified in Section 3.01.C, the electric utility shall review the plans of the facility and provide the results of its review to the customer within 45 calendar days from the date of notification. Any items that would prevent parallel operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modification necessary to remedy the violations.
- E. The net metering facility, at the net metering customer's expense, shall 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).
- F. The net metering facility, at the net metering customer's expense, shall meet all reasonable safety and performance standards adopted by the utility and filed with and approved by the Commission pursuant to these rules that are necessary to assure safe and reliable operation of the net metering facility when connected to the utility's system.
- G. If the electric utility's existing facilities are not adequate to interconnect with the net metering facility, any changes will be performed in accordance with the electric utility's Extension of Facilities Tariff.

Rule 3.02. Requirements for Modification or Changes to a Net Metering Facility

Modifications or changes made to a net metering facility shall be evaluated by the electric utility prior to being made. The net metering customer shall provide detailed information

describing the modifications or changes to the electric utility in writing prior to making the modifications to the net metering facility. The electric utility shall review the proposed changes to the facility and provide the results to its evaluation to the customer within forty-five (45) 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 4. STANDARD INTERCONNECTION AGREEMENT FOR NET METERING FACILITIES.

4.01. Standard Interconnection Agreement.

Each electric utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Net Metering Facilities (please see Appendix A). The electric utility may submit a Standard Interconnection Agreement with proposed modifications, however, the proposed modifications will only become effective upon approval by the Commission or its Staff. The Standard Interconnection Agreement shall describe any and all interconnection expenses, and other customer charges in conformity with Sections 2.02 and 2.03 above, for which the net metering customer shall be responsible.

SECTION 5. STANDARD NET METERING TARIFF FOR NET METERING FACILITIES.

5.01 Net Metering Tariff.

Each electric utility shall update its tariff on file with the Commission within thirty (30) days from the effective date of these rules. The Net Metering Tariff shall be filed with and maintained by the Commission. The tariff shall specify standard rates for purchases from net metering facilities with a design capacity of 300 kilowatts or less. The Net Metering Tariff must comply with the Section 204 (a)(c) and (e), regarding standard rates for purchases at avoided costs, of the Commission's General Order dated February 27, 1998. Electric utilities may include seasonally differentiated avoided cost rates for purchases from net metering customers, to the extent that avoided costs vary by season. The net metering tariff may include customer charges or interconnection charges as set forth in Sections 2.02, 2.03, and 2.06 above.

5.02 Periods during which purchases not required.

- A. Any electric utility will not be required to purchase electric energy or capacity during any period during which, due to operational circumstances, purchases from net metering customer will result in costs greater than those which the utility would incur if it did not make the purchases, but instead generated an equivalent amount of energy itself.

- B. No electric utility will be required to purchase additional electric energy or capacity during any annual period in which net metering purchases exceed .5% of the utility's LPSC-jurisdictional retail peak load.
- C. Any electric utility seeking to invoke paragraph A or B of Section 5.02 of this rule must notify each affected net metering customer within a reasonable amount of time to allow the customer to cease the delivery of energy or capacity to the electric utility. A claim by an electric utility that such a period has occurred or will occur is subject to verification by the Commission.

5.03 Filing and Reporting Requirements.

Each electric utility shall file an initial report within sixty (60) days of a Commission Order approving these rules, and an annual report no later than March 1 of each year thereafter, listing all existing net metering facilities and the generator rating and, where applicable, the inverter power rating of each net metering facility as of the end of the previous calendar year. When the filing is made, the title of the filing shall reference Docket Number R-31417.

LOUISIANA NET METERING RULES

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- 5.02 PERIODS DURING WHICH PURCHASES NOT REQUIRED
- 5.03 FILING AND REPORTING REQUIREMENTS

Appendix A

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DEFINITIONS

Avoided Costs

The incremental costs to an electric utility of ~~electric~~ energy or capacity or both which, but for the purchase from the net metering facility, ~~such~~ the utility would generate itself or purchase from another source.

Billing period

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(A) Any organic matter that is available on a renewable or recurring basis (excluding old-growth timber), including dedicated energy crops and trees, agricultural food and feed crop residues, wood and wood wastes and residues, aquatic plants, grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.

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A facility that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

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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 net metering facility, to the extent the costs are in excess of the corresponding costs which the electric utility would have incurred if it had 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.

Micro turbine facility

A facility that uses a small combustion turbine to produce electricity.

Net metering

Measuring 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.

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- (A) Uses solar, wind, hydroelectric, geothermal, or biomass resources to generate electricity including, but not limited to, fuel cells and micro turbines that generate electricity if the fuel source is entirely derived from renewable resources; and,
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- (C) Is located in Louisiana; and,
- (D) Can operate in parallel with an electric utility's existing transmission and distribution facilities; and,
- (E) Is intended primarily to offset part or all of the net-metering customer requirements for electricity or,
- ~~(E)~~(F) Is designated by the Commission as eligible for net metering service pursuant to § 2.06 below, because it has applied for and is entitled to receive state or federal funding for all or part of the costs of its project, which the Commission finds to be in the public interest.

Parallel operation

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Renewable energy credit

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Solar facility

A facility in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

Wind facility

A facility in which an electric generator is powered by a wind-driven turbine.

SECTION 1. GENERAL PROVISIONS

1.01. Purpose

The purpose of these Rules is to establish rules for net energy metering and interconnection.

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1.02. Statutory Provisions

~~A. The Commission exercises jurisdiction over motor carriers and public utilities pursuant to Article IV, Section 21(B) of the Louisiana Constitution.~~

B. Legislative Act No. 653, Regular Session 2003.

C. Legislative Act No. 543, Regular Session 2008.

1.03. Other Provisions

A. These Rules apply to all jurisdictional electric utilities, as defined in these Rules, ~~that are jurisdictional to the Commission.~~

B. The Net Metering Rules are not intended to, and do 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 these Rules.

C. Net metering customers taking service under the provisions of the Net Metering Tariff may not simultaneously take service under the provisions of any other alternative source generation or cogeneration tariffs except as provided herein.

SECTION 2. NET METERING REQUIREMENTS

2.01. Electric Utility Requirements

- A. An electric utility, subject to the jurisdiction of this Commission, that offers residential or commercial electrical service, or both, shall allow net metering 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 meter(s) which is capable of determining the net energy can be utilized, as well.
- B. If the meter that is currently installed on the net metering facility is incapable of registering the flow of electricity in two directions, an additional meter or meters to monitor the flow of electricity in each direction may be installed by the electric utility. The cost of the meter shall not be borne by the net metering customer, unless the additional meter(s) is not required by the electric utility, but instead requested by the net metering customer. A customer charge for the any installations where the meter will not register in both directions may be assessed by the utility in conformity with Section 2.02(A) below.
- C. If an additional meter or meters are installed, as described in 2.01(B) above, the net energy metering calculation shall yield the same result as when a single meter is used.

2.02. Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity applied by the electric utility to each net-metering customer and also to accurately measure the electricity generated by each net-metering customer that is fed back to the electric utility over the applicable billing period. Notwithstanding the provisions of Section 3.01 below, the cost of the meter is the responsibility of the electric utility, but the utility will be allowed to assess a one-time customer charge to cover the installation costs. The utility may also assess a customer charge for any additional meter installations if the additional installations are requested by the net metering customer.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be defined in Appendix B. A test to determine compliance with this accuracy requirement shall be made by the electric utility either before or at the time the net metering facility is placed in operation in accordance with these Rules. The costs associated with the test may be included in the customer charge, as set out in Section 2.02(A) or it may be a separate customer charge, to be assessed to the net metering customer. The customer charge for testing may be assessed when the customer's meter is first tested, and the same fee may be charged by the utility each time the customer requests additional meter tests to be performed unless the test demonstrates that the meter does not comply with the accuracy requirements. If the meter is found to not comply with the accuracy requirements, then the net metering customer shall not be charged for the testing.

To the extent that a faulty meter has resulted in a net metering customer receiving insufficient credits or payments, pursuant to Section 2.04 (B) and (C) below, the utility shall make the appropriate credits or payments in the next billing cycle. If the faulty meter has resulted in the net metering customer receiving excess credits or payments, pursuant to Section 2.04 (B) and (C) below, then the utility shall reduce any future credits or payments by the excess amount in the next billing cycle. Nothing in this section shall supercede the provisions of the Commission's General Order dated April 21, 1993, in re: Computer glitches and billing errors.

2.03. New or Additional Charges

- A. Any new or additional charge that would increase a net metering customer's costs beyond those of other customers in the rate class shall be filed by the electric utility with the Commission for approval. The filing shall be supported by cost/benefit analyses.
- B. Following notice and opportunity for public comment, the Commission may authorize an electric utility to assess a net metering customer a greater fee or customer charge, of any type, if the electric utility's direct costs of interconnection and administration of net-metering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the electric utility's entire customer base.

- C. Net metering customers shall be obligated to pay any interconnection costs, as defined above. These costs shall be assessed on a nondiscriminatory basis with respect to other customers with similar load characteristics.

Electric utilities shall be reimbursed by the net metering customer for interconnection costs at the time the costs are incurred. Upon petition by any party involved and for good cause shown, the Commission may allow for reimbursement of the interconnection costs over a reasonable period of time and upon such conditions as the Commission may determine; provided, however, that no other customers of the utility shall bear any of the costs of interconnection.

2.04. Billing for Net Metering

- A. On a monthly basis, the net metering customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under net metering, only the kilowatt-hour (kWh) units of a customer's bill are affected.
- B. If the kWhs supplied by the electric utility exceeds the kWhs generated by the net metering facility and are fed back to the electric utility during the billing period, the net metering customer shall be billed for the net kWhs supplied by the electric utility in accordance with the rates and charges under the customer's standard rate schedule.
- C. Where the electricity generated by the net metering customer exceeds the electricity supplied by the electric utility, the net metering customer shall be credited, during the next billing period, for the excess kilowatt hours generated in the same manner as Section 2.04(B) above. For the final month in which the net metering customer takes service from the electric utility, the electric utility shall issue a check to the net metering customer for the balance of any credit due in excess of amounts owed by the customer to the electric utility. The payment for any remaining credits shall be at the electric utility's avoided cost. That avoided cost shall be clearly identified in the electric utility's net metering tariff, as set out below in Section 5.01.

2.05. Renewable Energy Credits

This section is not needed at this time due to the fact that ~~there is no renewable portfolio standard requirement ("RPS") for LPSC jurisdictional electric utilities~~ no Renewable Energy Credit ("REC") program has been established. The Commission reserves the right to revisit this section if a ~~RPS requirement is ultimately required~~ Renewable Energy Credit REC program is established.

2.06. Large Net Metering Projects

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A. The Commission may allow projects greater than 300kW for a commercial net-metering customer, if the customer's project is found to be in the public interest.

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B. In no event shall a single project approved under this section exceed 2 MW. Nor shall a net metering customer, inclusive of subsidiaries and affiliates, be allowed to complete more than one project pursuant to this Section.

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C. The total of all projects under this section may not exceed 10MW per utility.

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D. Projects approved under this section shall meet all of the requirements of this rule, including the limitations set forth in paragraphs A,C,D, and E, found in the definition of net metering customer herein.

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E. Large net metering customers shall reimburse the utility for any needed engineering analyses and/or studies that would have to be performed prior to project approval.

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F. Large net metering customers shall compensate the utility for necessary upstream and/or downstream system infrastructure improvements triggered by the net metering project.

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**SECTION 3. INTERCONNECTION OF NET METERING FACILITIES TO
EXISTING ELECTRIC POWER SYSTEMS**

3.01 Requirements for Initial Interconnection of Net Metering Facility

- A. A net metering customer shall execute a Standard Interconnection Agreement for Net Metering Facilities (please see Appendix A) prior to interconnection with the utility's facilities. The Standard Interconnection Agreement shall set forth the expenses for which the net metering customer shall be responsible.
- B. A net metering facility shall be capable of safely operating in parallel prior to commencing the delivery of power into the utility system at a single point of interconnection. A net metering facility 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.
- C. The customer shall submit a Standard Interconnection Agreement to the electric utility at least forty-five (45) days prior to the date of the customer intends to interconnect the net metering facilities 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 will 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.
- D. Following notification by the customer as specified in Section 3.01.C, the electric utility shall review the plans of the facility and provide the results of its review to the customer within 45 calendar days from the date of notification. Any items that would prevent parallel operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modification necessary to remedy the violations.
- E. The net metering facility, at the net metering customer's expense, shall 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).
- F. The net metering facility, at the net metering customer's expense, shall meet all reasonable safety and performance standards adopted by the utility and filed with

and approved by the Commission pursuant to these rules that are necessary to assure safe and reliable operation of the net metering facility when connected to the utility's system.

- G. If the electric utility's existing facilities are not adequate to interconnect with the net metering facility, any changes will be performed in accordance with the electric utility's Extension of Facilities Tariff.

Rule 3.02. Requirements for Modification or Changes to a Net Metering Facility

Modifications or changes made to a net metering facility shall be evaluated by the electric utility prior to being made. The net metering customer shall provide detailed information describing the modifications or changes to the electric utility in writing prior to making the modifications to the net metering facility. The electric utility shall review the proposed changes to the facility and provide the results to its evaluation to the customer within forty-five (45) 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 4. STANDARD INTERCONNECTION AGREEMENT FOR NET
METERING FACILITIES.**

4.01. Standard Interconnection Agreement.

Each electric utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Net Metering Facilities (please see Appendix A). The electric utility may submit a Standard Interconnection Agreement with proposed modifications, however, the proposed modifications will only become effective upon approval by the Commission or its Staff. The Standard Interconnection Agreement shall describe any and all interconnection expenses, and other customer charges in conformity with Sections 2.02 and 2.03 above, for which the net metering customer shall be responsible.

SECTION 5. STANDARD NET METERING TARIFF FOR NET METERING FACILITIES.

5.01 Net Metering Tariff.

Each electric utility shall file, ~~for approval by~~ update its tariff on file with the Commission, a Net Metering Tariff in standard tariff format within ~~90~~ thirty (30) days from the effective date of these rules. The Net Metering Tariff shall be filed with and maintained by the Commission. The tariff shall specify standard rates for purchases from net metering facilities with a design capacity of ~~1300~~ kilowatts or less. The Net Metering Tariff must comply with the Section 204 (a)(c) and (e), regarding standard rates for purchases at avoided costs, of the Commission's General Order dated February 27, 1998. Electric utilities may include seasonally differentiated avoided cost rates for purchases from net metering customers, to the extent that avoided costs vary by season. The net metering tariff may include customer charges or interconnection charges as set forth in Sections 2.02, ~~and 2.03,~~ and 2.06 above.

5.02 Periods during which purchases not required.

A. Any electric utility will not be required to purchase electric energy or capacity during any period during which, due to operational circumstances, purchases from net metering customer will result in costs greater than those which the utility would incur if it did not make the purchases, but instead generated an equivalent amount of energy itself.

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B. No electric utility will be required to purchase additional electric energy or capacity during any annual period in which net metering purchases exceed .5% of the utility's LPSC-jurisdictional retail peak load.

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~~C. ; provided, however, that a~~ Any electric utility seeking to invoke paragraph A or B of Section 5.02 of this rule must notify each affected net metering customer within a reasonable amount of time to allow the customer to cease the delivery of energy or capacity to the electric utility. A claim by an electric utility that such a period has occurred or will occur is subject to verification by the Commission.

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5.03 Filing and Reporting Requirements.

Each electric utility shall file an initial report within sixty (60) days of a Commission Order approving these rules, and an annual report no later than March 1 of each year thereafter, listing all existing net metering facilities and the generator rating and, where applicable, the inverter power rating of each net metering facility as of the end of the previous calendar year. When the filing is made, the title of the filing shall reference Docket Number, R-3141727558.

Service List for R-31417
as of 5/2/2011

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James "Jimmy" Field, Commissioner
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