

## DELAWARE. SMALL IN SIZE, BIG IN CONNECTING TO THE GRID

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By Jane Pulaski  
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It may be the second-smallest state in the United States (after Rhode Island), but it was the first state to ratify the U.S. Constitution, identifying Delaware forever as *The First State*.

It may also be the first state with both net metering rules and interconnection procedures that are among the best in the U.S.

"By aligning its incentive programs, net metering rules, and interconnection procedures, Delaware is poised to significantly expand the number of participating customers and renewable capacity in the state," said Joseph Wiedman, Partner with Keyes & Fox, LLP.

The Delaware Public Service Commission recently adopted [new interconnection standards](#) that apply to all types of distributed generation systems less than 10 MW in capacity that are sited in Delmarva's service territory. Why is this such big news?

I asked Joe about how Delaware positioned itself as a leader in connecting to the grid. Here's that conversation.

*IREC: This sounds like some big news from such a teeny state. Does it surprise you?*

JW: Delaware's road to best practices began in 1999 with the passage of limited net metering as part of Delaware's electric restructuring. Since then, however, the Legislature has actively pursued best practices in the state's net metering policy as we've learned more about what makes those programs a success. Among the actions the Legislature has taken are: (1) expanding the availability of net metering to all customer classes; (2) increasing the individual system size limit to 2 MW; (3) and increasing the program capacity limit to 5% of utility peak demand. At each move through the years, Delaware has taken steps to adopt best practices in net metering with the end result being Delaware has scored an "A" in Freeing the Grid since 2009.

*IREC: That's impressive news for net metering, but that's just one part of the recipe. What about Delaware's interconnection procedures?*

JW: You're right. Strong net metering rules are only one component of a comprehensive renewable energy policy. Robust interconnection procedures, utility rate policies, and incentives are also necessary to have a renewables program that clears the way for customer investment in renewable energy. Unfortunately, while Delaware's RPS program provides solid incentives for renewable DG, including net-metered systems, the state's interconnection procedures have historically fallen far short of best practices. In fact, Delaware's interconnection procedures scored an "F" in 2010 edition of Freeing the Grid. Intriguingly, this situation occurred despite legislation in 2005 requiring interconnection procedures to be modeled after IREC's model interconnection procedures and best practices promulgated by the U.S. Department of Energy.

*IREC: Ouch. What made them do a 180?*

JW: Enactment of S.B. 267 (in July 2010). This legislation expanded the state's already solid net metering program to allow for aggregate net metering and community renewables. As part of the development of rules to implement these new policies, staff at the Public Service Commission committed to taking a hard look at the state's interconnection procedures to bring them into compliance with the 2005 legislation. The results of this effort are outstanding. As of mid-2011, Delaware is poised to adopt interconnection standards that are among the best in the country and score the highest "A" in Freeing the Grid 2011. In addition, the adoption of rules for aggregate metering and community renewables will greatly expand opportunities for investment in renewable energy among customer groups who previously would have been unable to fully utilize the state's solid net metering program. Most importantly, Delaware's renewable energy policies are finally aligned to bring significant investment in renewable energy to the state.

*IREC: Guess it helped that the PSC staff was open, maybe even eager, to raise their rankings in FTG. Are Delaware's interconnection procedures based on the IREC model? Give us a few highlights of the new rules—what's included?*

JW: During workshops, all stakeholders, including staff, were keen to take the steps necessary to insure Delaware's renewable energy policies were in alignment. That made the process much easier than what we encounter in most of the states we work in. As part of Delaware's revamp of its interconnection procedures, IREC's model was extensively discussed. Here are the highlights:

- Simplified interconnection procedures set up a review process based on the complexity of the system under consideration which will now generally allow smaller systems to receive a fast track through the process using simplified, objective screening.
- High system size limits allow non-residential customers to install systems capable of meeting their entire energy needs if they choose to do so. This results in systems with a lower cost per kW installed and allows these systems to contribute to meeting the state's RPS goals.
- Aggregate net metering allows customers who may have more than one meter on their property (i.e., farmers or universities) to use net metering credits generated by a renewable energy system on one meter to offset consumption at multiple meters.
- Community renewables programs allow customers to receive net metering credits from a renewable energy system located off-site.
- Third party ownership allows customers to avoid the large upfront costs of purchasing a system and allows customers to make the most efficient use of available incentives.

*IREC: For such a small state, Delaware has laid down some big tracks. Good work, Joe, and thanks for the update.*