

- k. A Subscriber owns the Renewable Energy Credits (RECs) associated with the electricity allocated to the Subscriber's Subscription, unless such RECs were explicitly contracted for through a separate transaction independent of any Net Metering or interconnection tariff or contract. For a Community Energy Generating Facility located behind the meter of a participating Subscriber, the host Subscriber owns the RECs associated with the electricity consumed on-site, unless the RECs were explicitly contracted for through a separate transaction independent of any Net Metering or interconnection tariff or contract.
- l. The dispute resolution procedures available to parties in the Electricity Provider's interconnection tariff shall be available for the purposes of resolving disputes between an Electricity Provider and Subscribers or their designated representatives involving the Electricity Provider's allocation of Net Metering credits to the Subscriber's electricity bill consistent with the allocations provided pursuant to Rule II.b. The Electricity Provider shall not be responsible for resolving disputes related to the agreements between a Subscriber, the owner of a Community Energy Generating Facility, and/or a Subscription Organization or any other party. This provision shall in no way limit any other rights the Subscriber may have related to an Electricity Provider's provision of electric service or other matters as provided by, but not limited to, tariff, decision of [responsible regulatory body or agency], or statute.

III. Net-Metering Provisions

- a. An Electricity Provider shall not limit the cumulative, aggregate generating capacity of Community Energy Generating Facilities.⁷
- b. For a Community Energy Generating Facility, the total amount of electricity expressed in kWh available for allocation to Subscribers, and the total amount of RECs generated by the Community Energy Generating Facility and allocated to Subscribers, shall be determined by a production meter installed and paid for by the owner(s) of the Community Energy Generating Facility. It shall be the Electricity Provider's responsibility to read the production meter.
- c. For a hosted Community Energy Generating Facility, the determination of the quantity of kWh credits available for Net Metering to Subscribers to that facility, including the host Subscriber, shall be based on any energy production of the Community Energy Generating Facility that exceeds the host Subscriber's instantaneous on-site consumption during the applicable billing period and the Subscribers' Subscriptions in that Community Energy Generating Facility.
- d. For a stand-alone Community Energy Generating Facility, the determination of the quantity of kWh credits available to each Subscriber to that Community Energy Generating Facility for Net Metering shall be based on the total exported generation of the Community Energy Generating Facility and each Subscriber's Subscription in that Community Energy Generating Facility.

⁷ This program rule is based upon IREC's Net Metering Model Rule (b)(2), which specifies that the cumulative, aggregate generating capacity Net Metered by on-site renewable generation facilities shall not be arbitrarily limited. Some states cap the total amount of aggregate Renewable Energy Generation that can be Net Metered for a particular Electricity Provider. Most commonly, aggregate enrollment caps are expressed as a percentage of an Electricity Provider's peak demand based on the aggregate of nameplate capacity of the generation systems (though it should be noted that capacity calculations are not standardized in their methodology across or even within states). Such percentages can vary from as low as 0.1% to as high as 20%. IREC believes aggregate caps arbitrarily and unnecessarily limit private investment in Renewable Energy Generation and needlessly curtail the flow of benefits that are associated with customer-side Renewable Energy Generation. For states that place an aggregate enrollment cap on Net Metered generation, that cap should be removed or expanded to ensure that community renewables programs do not undermine successful on-site programs.

- e. For Subscribers that host a Community Energy Generating Facility or where participating Subscribers are located on the same distribution feeder as the Community Energy Generating Facility, the value of the kWh credits for the host Subscriber and those Subscribers on the same distribution feeder shall be calculated by multiplying the Subscriber's share of the kWh electricity production from the Community Energy Generating Facility by the retail rate for the Subscriber. For Subscribers on tariffs that contain demand charges, the retail rate for the Subscriber shall be calculated as the Total Aggregate Retail Rate for the Subscriber.
- f. For all other Subscribers to a Community Energy Generating Facility, the value of the kWh credits allocated to each Subscriber shall be calculated by multiplying the Subscriber's share of the electricity production from the Community Energy Generating Facility by the retail rate as charged to the Subscriber, minus a reasonable charge as determined by the [responsible
- agency having regulatory oversight] to cover the Electricity Provider's costs of delivering the electricity generated by the community electricity generating facility to the Subscriber's premises after taking into account the Locational Benefits and other benefits⁸ provided by the Community Energy Generating Facility. The [responsible agency having regulatory oversight] shall ensure that this charge does not reflect costs that are already recovered by the Electricity Provider from the Subscriber through other charges. In no event, shall the charge, if assessed, be greater than the Subscriber's distribution service charge as determined on a per kWh basis.
- g. The Electricity Provider shall carry over any excess kWh credits earned by a Subscriber and not used in the current billing period to offset the Subscriber's consumption in subsequent billing periods until all credits are used. Any excess kWh credits shall not reduce any fixed monthly customer charges imposed by the Electricity Provider.

⁸ These benefits can often include capacity payments or energy market payments obtained by the Electricity Provider as provided for under the relevant independent system operator's tariff.

ABOUT THE AUTHOR



Joseph Wiedman is a partner with the law firm Keyes & Fox. Mr. Wiedman represents IREC in state-level rulemakings on many topic areas essential to building sustainable markets for renewable energy including net metering rules, interconnection standards, and community renewables. Mr. Wiedman is also involved in IREC's efforts to shape emerging program areas such as wholesale distributed generation market design, smart grid, and plug-in electric vehicles to ensure those programs support the continued growth of renewable energy markets.

Contact Joe at jwiedman@keyesandfox.com