



State of Utah  
DEPARTMENT OF COMMERCE  
Committee of Consumer Services

To: The Public Service Commission of Utah

From: The Committee of Consumer Services  
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Date: March 28, 2007

Subject: Utah Committee of Consumer Services' Comments on the Division of Public Utilities Recommendations Regarding E Pact 2005 Amendments to PURPA – Net Metering Standard – Docket No. 06-999-03.

1. Background

On March 1, 2007<sup>1</sup> the Division of Public Utilities (Division) submitted to the Public Service Commission (Commission) its recommendations regarding the Energy Policy Act 2005 (EPACT 2005) Amendments to PURPA, specifically the Net Metering Standard. This Standard states:

Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term "net metering service" means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.

On March 6, 2007, the Commission issued a request that parties submit comments by March 28, 2007, responding to the Division's recommendations. This is the Committee of Consumer Services' (Committee) response to the Division's recommendations.

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<sup>1</sup> The Division's memo is dated February 26, 2007.

## 2. Division Recommendations

The Division recommends that the Commission find that Utah Code, Title 54-15 is equivalent and satisfies the “grandfathered” provision of the PURPA law regarding consideration of a standard. Therefore, Utah meets the obligation regarding the Net Metering Standard under PURPA. The Division also recommends a review of Utah’s net metering program, citing the low participation rates and overall effectiveness of the program. On February 26, 2007, the Division issued a report to the Commission recommending that an investigative docket be opened to examine the costs and benefits of removing barriers to participation in the net metering program.<sup>2</sup> The Division’s memo supports that recommendation.

## 3. Committee Response

The Committee concurs with the Division that Utah has an equivalent Standard that satisfies the PURPA Net Metering obligation.<sup>3</sup>

It also appears appropriate to open a docket to determine if improvements can be made to the net metering program and if there are barriers to participation that should be removed.<sup>4</sup>

## 4. Recommendation

The Committee recommends that the Commission find that Utah Code, Title 54-15 is equivalent for the Net Metering Standard and meets the “grandfathered” provision of PURPA. The Committee also concurs that a docket should be opened to review the current net metering program.

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<sup>2</sup> “Utah’s Net Metering Program. Best Practices, Program Barriers, and Recommendation.” Utah Division of Public Utilities, February 2007.

<sup>3</sup> Prior state actions are grandfathered if (1) the state implemented the standard or comparable standard, (2) the state commission or utility has conducted a proceeding considering implementation of the standard or comparable standard, or (3) the state’s legislature voted on implementation of the standard or comparable standard (section 1251 (b)(3)(A) of EPAAct and section 112(d) of PURPA). If these conditions are met with respect to a standard the obligation to consider the standard is waived and no new consideration process is required.

<sup>4</sup> The Division’s report (see footnote 2 above) cites low electricity rates as a strong disincentive for participation, as well as the stringent system design, component and interconnection standards that the self-generation systems are required to meet.