



To: The Public Service Commission of Utah

From: Utah Clean Energy
Sarah Wright
sarah@utahcleanenergy.org
(801) 363-4046
and
Intermountain Combined Heat and Power (CHP) Application Center
Patti Case
plcase@etcgrp.com
(801) 278-1927

Date: March 28, 2007

Subject: Comments from Utah Clean Energy and Intermountain CHP Application Center on the Division of Public Utilities' Working Recommendations Regarding EAct 2005 Amendments to PURPA – Net Metering Standard – Docket No. 06-999-03.

Thank you for the opportunity to provide comments on the Division of Public Utilities' Recommendations Regarding EAct 2005 Amendments to PURPA – Net Metering Standard –Docket No. 06-999-03. Please contact Sarah Wright, Director of Utah Clean Energy @ (801) 363-4046 and/or Patti Case, Intermountain CHP Application Center @ (801) 278-1927 with any questions.

1. Analysis: Net Metering Standard

Utah Clean Energy and the Intermountain CHP Application Center appreciate the analysis undertaken by the Division to determine if the Net Metering Standard of the EAct 2005 should be implemented by the Commission. The PURPA Net Metering Standard reads as follows:

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.

1.1 Division Recommendations

The Division of Public Utilities (DPU) recommends that the Utah Public Service Commission (PSC) 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.

However, the DPU also recommends review of Utah's net metering program. Currently, at Rocky Mountain Power, participation is relatively low and questions remain about the effectiveness of the program. On February 26, 2007, the DPU issued a report to the Utah PSC that looks at Utah's net metering program. The report discusses best practices, program

barriers and makes recommendations for the PSC to consider in making improvements to the program.¹ One of the recommendations is to open an investigative docket to look at costs and benefits of removing barriers to participation. We echo that proposal as part of our recommendation regarding the PURPA standard consideration.

1.2 Utah Clean Energy and Intermountain CHP Application Center Response & Recommendation

Utah Clean Energy and the Intermountain CHP Application Center support the Division's recommendation to accept the current Net Metering Code, Title 54-15, "Net Metering of Electricity", as an equivalent standard; we consider this a first step in helping Utah realize the benefits of net metering. However, Utah Clean Energy and the Intermountain CHP Application Center strongly support the Division's recommendation to open an investigative docket to determine how Utah's net metering provisions can be improved and examine the costs and benefits of removing barriers to participation in net metering; we would like to see this docket also include an examination of interconnection and smart metering as well.

Through our work with renewable/distributed energy businesses and residential customers investing in renewable energy systems, it has come to our attention that improvements to Utah's net metering and interconnection standards could be made. With demand for renewable energy increasing, other Western States have recently increased their net metering caps (Oregon has increased to 1 MW, and New Mexico has increased to 80 MW), yet Utah's net metering cap remains at 25 kW. Additionally, the monthly true-up of electricity generated by net metered customers presents a barrier to resources with seasonal variations, such as solar. Lastly, renewable energy developers have voiced concern over Utah's existing interconnection procedures. As such, we recommend that any net metering and interconnection docket include consideration of the following issues:

- Comparison of Utah code and practices with model codes, such as the *Interstate Renewable Energy Council "Model Net Metering Rules,"* and practices in other states.
- What barriers to interconnection exist for small, medium, and large distributed renewable generation projects?
- What are the "current best practices of interconnection for distributed generation?"
- Examination of required equipment for interconnection as compared with available renewable energy technology interconnection equipment (i.e. switchgear, inverters, etc.)
- What is the value of distributed renewable generation to the system and ratepayers?
- What are the market possibilities for small, medium, and large distributed renewable generation projects?
- Why have so few customers signed up for net metering?
- Exploration of the development of an interconnection standard for small distributed renewable energy projects less than 10 MW.

Sincerely,

Sarah Wright
Director, Utah Clean Energy

¹ "Utah's Net Metering Program. Best Practices, Program Barriers, and Recommendation." Utah Division of Public Utilities, February 2007.