

# NET ENERGY METERING (NEM)

- Rate principles must include making sure that rates reflect the true cost of service
- Under most NEM Tariffs, customers receive the full retail rate credit for the power they generate
  - The NEM credit includes not only generation charges but also all delivery charges which are made up of transmission & distribution grid system operations, maintenance & upgrades, and a variety of fixed costs that do not decrease when the customer is generating
- As a result, NEM customers are being over-compensated for the power they generate
- SCE estimates the 2012 NEM over-compensation was about \$90 million, which are costs that were shifted to non-solar customers
- There is a fairness issue
  - Customers that cannot afford solar are pay for the ones that can
- Multiple Tariffs

# Arizona (APS)

- Arizona Commission Imposes Net Metering Charge
  - In a three-to-two vote, the Arizona Corporation Commission (ACC) has approved the Arizona Public Service Co. (APS) request for a charge on future rooftop solar panel installations connected to the grid under the state's net energy metering (NEM) program. The charge, amounting to \$0.70/kW, will be effective Jan. 1, 2014
  - According to APS, the charge will collect \$4.90 per month from a typical future rooftop solar customer. The utility says the charge is needed to defray the cost of the solar customer's access to the electricity grid. The new policy will be in effect until the next APS rate case, which the ACC has directed the company to file in 2015
  - Current solar customers and those who submit an application and a signed contract with a solar installer to APS by Dec. 31 are not subject to the new fixed charge

# Arizona (TEP)

## ATTACHMENT A (DISCLAIMER)

### POSSIBLE FUTURE RULES and/or RATE CHANGES AFFECTING YOUR PHOTOVOLTAIC (PV) SYSTEM

The following is a supplement to the Grid-Tied Residential Solar Electric PV Application you signed with Tucson Electric Power Company (TEP).

1. Your PV system is subject to the current rates, rules and regulations established by the Arizona Corporation Commission (Commission). The Commission may alter its rules and regulations and/or change rates in the future. If this occurs, your PV system is subject to those changes and you will be responsible for paying any future increases to electricity rates, charges or service fees from TEP.
2. TEP's electricity rates, charges and service fees are determined by the Commission and are subject to change based upon the decision of the Commission. These future adjustments may positively or negatively impact any potential savings or the value of your PV system.
3. Any future electricity rate projections which may be presented to you are not produced, analyzed or approved by TEP or the Commission. They are based on projections formulated by external third parties not affiliated with TEP or the Commission.

By signing below, you acknowledge that you have read and understand the above disclaimer. Please return to TEP.

\_\_\_\_\_  
Customer's Printed Name      Customer's Signature

\_\_\_\_\_  
Installation Address

\_\_\_\_\_  
Date      Project Number

# AB 2649, Net Energy Metering: Military Bases

- An eligible customer-generator is defined as meaning a residential customer, small commercial customer, or commercial, industrial, or agricultural customer of an electric utility, who uses a renewable electrical generation facility, or a combination of those facilities, with a total capacity of not more than one megawatt, that is located on the customer's owned, leased, or rented premises, and is interconnected and operates in parallel with the electrical grid, and is intended primarily to offset part or all of the customer's own electrical requirements.
- This bill would authorize a United States military installation to exceed the one megawatt capacity limitation if the total capacity of all renewable electrical generation facilities on the military installation does not exceed 50% of the highest daily peak demand for electricity at that military installation over the course of the preceding calendar year. The bill would provide that each physically separate and distinct building within privatized residential housing communities on contiguous military properties is a separate premise for purposes of the one megawatt capacity limitation, in a manner identical to how it would be treated if located in an equivalent civilian community.
- Military facilities or privatized housing on military bases with on-site generation no greater than their average minimum daytime load would not be required to enter into an interconnection agreement with utilities. If a facility requests to enter into an interconnection agreement, utilities would have to process that request in 30 working days. Utilities would be prohibited from instituting interconnection fees, such as for telemetry or reliability studies.
- Through an advice letter by April 1, 2015, the CPUC would require a utility to calculate various charges, such as (1) competition transition charge, (2) power charge indifference adjustment, (3) nuclear decommission charge, (4) charges for the support of public interest programs and the SGIP, etc. Would also require IOUs to establish a standby charge for each military facility based on the facility's standby demand, which may be adjusted every 12 months.
- Subsection (d) specifies that any energy efficiency or on-site generation shall not subject a military facility to increased costs, this could mean departing loads charges or other additional fees.