

**NET ENERGY BILLING
DISCUSSION DOCUMENT
3rd Meeting on Renewable Energy Policies**

Information Request - Cross subsidy

- Net-energy bill results in a revenue lost to utilities.
 - CMP - \$425,000
 - BHE - \$65,000
 - MPS - \$47,000

- But because solar is coincident with peak demand and high supply cost on the spot or day-ahead market, is it an overall cost to ratepayers?
 - Vermont Study – specifically evaluated the cross-subsidy question
 - Other Studies

Information Request – Net billing and feed-in tariff

- Seven states in the US have a feed-in tariff
 - California, Hawaii, Oregon, Rhode Island, Vermont, Washington
 - See attached table

Policy Decisions

Goals

- Fairness

- In PUC 2008 report program described the scope of the program as, “the Commission adopted rules with the limited purpose of promoting generation to serve a customer’s own needs, rather than for use by numerous customers or for sale into the market.”

- PUC described a 100kW facility (with a 30% capacity factor) as producing approximately 35 times the average household usage, 15 times the average small commercial usage and would cover the usage of a medium commercial facility. “Thus, the current rule [100 kW limit] is adequate for residential customers, as well as retail outlets, office buildings, restaurants, municipal facilities, schools, hospitals, churches, medium-sized grocery stores and small manufacturers.”

- Current limit is 660kW – see attached graph for sizes of projects

- Does the committee want to change the scope from self-generation to generating for the purpose of selling into the market?
 - The answer to this question determines whether any aspects of the program should be changed – whether it be changing the capacity limits, the roll-over of credits, allowing third-party ownership or unlimited meters on one generator or the 1 – 2% peak capacity review requirement

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Generation Capacity Cap

Currently

- 100kW for COUs
- 660kW for IOUs

Proposals

- Increase to 800 kW for municipal or quasi-municipal facilities
- Increase to 1 MW
- Increase to 2 MW

Summary of other New England states

State	Capacity limit	Credit value
New Jersey	No limit; but designed for onsite use	Reconciled at avoided cost of wholesale power
Rhode Island	5 MW for onsite use	Can get credits for up to 25% more than consumption
Connecticut	2 MW	Some credits are carried forward; some are reconciled at avoided cost
Maine proposed	1MW or 2 MW	Credits carried forward indefinitely
New Hampshire	1 MW	Some credits are carried forward indefinitely; some are reconciled at avoided cost
Maine current	660 kW	Credits carried forward for one year, no compensation afterwards
Vermont	500kW (2.2MW for military)	Credits carried forward for one year, no compensation afterwards
Massachusetts	60 kW (10MW for gov't)	Credits are carried forward indefinitely
New York	25 kW res, 2MW comm	Some credits carried forward indefinitely; some reconciled at avoided cost

*Note – micro-CHP has lower limits in NY and VT, 10kW and 20kW, respectively

Credits

- Currently can be carried-over from month-to-month
- Proposals include no expiration, sell to others in same T&D territory

Ownership

- Currently shared ownership but limited to 10 meters
- Proposals to remove ownership requirement, remove meter limit