

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

Notice of Proposed Rulemaking

IURC RM #09-10
LSA #10-662

The Indiana Utility Regulatory Commission (the "Commission"), pursuant to IC 8-1-1-3(g), hereby proposes to amend 170 IAC 4-4.2 regarding net metering. The Commission shall hear public comments on the attached proposed rule at a date and time to be determined, in Suite 220, of the National City Center, 101 W. Washington Street, Indianapolis, Indiana.


The Secretary of the Commission is hereby directed to maintain five (5) copies of the proposed rule continuously on file in the Commission Offices for public inspection, and forward copies of the attached proposed rule to the Indiana Legislative Services Agency for publication in the Indiana Register.

IT IS SO ORDERED.

ATTERHOLT, MAYS, AND ZIEGNER CONCUR; LANDIS ABSENT:

APPROVED: DEC 29 2010

I hereby certify that the above is a true and correct copy of the Rule as approved.


Brenda A. Howe
Secretary to the Commission

TITLE 170 INDIANA UTILITY REGULATORY COMMISSION

Proposed Rule

LSA Document #10-662xxx

DIGEST

Amends 170 IAC 4-4.2 regarding net metering of electricity. Effective 30 days after filing with the Publisher.

170 IAC 4-4.2

Section 1. 170 IAC 4-4.2-1 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-1 Definitions

Authority: IC 8-1-1-3

Affected: IC 8-1-2-1

Sec. 1. (a) The definitions in this section apply throughout this rule.

(b) "Commission" means the Indiana utility regulatory commission.

(c) "Customer" means ~~any~~ a person, firm, corporation, municipality, or other government agency that has agreed, orally or otherwise, to pay for electric service received from an investor-owned electric utility.

(d) "~~Eligible~~ Net metering customer" means a customer in good standing that owns and operates a solar, wind, or hydroelectrical generating **an eligible net-metering energy resource** facility that:

(1) has a nameplate capacity less than or equal to ~~ten (10) kilowatts (kW)~~ **one (1) megawatt (MW), or more at the investor-owned electric utility's sole discretion;**

(2) is located on the eligible net metering customer's premises; and

(3) is used primarily to offset all or part of the eligible net metering customer's own **annual** electricity requirements.

(e) "**Eligible net-metering energy resource**" means the following:

(1) A renewable energy resource as defined in IC 8-1-8.8-10.

(2) Other emerging renewable energy technologies the commission determines appropriate.

(f) "In good standing" means a customer whose account is not more than thirty (30) days in arrears and who does not have ~~any~~ legal orders outstanding pertaining to his or her investor-owned electric utility.

(g) "Interconnection" or "interconnected" means the physical, parallel connection of a net metering facility with a distribution facility of an investor-owned electric utility.

~~(g)~~**(h)** "Investor-owned electric utility" ~~or "utility"~~ means a utility that is financed by the sale of securities and whose business operations are overseen by a board representing their shareholders.

~~(h)~~**(i)** "Name plate capacity" means the full-load continuous rating of a generator under specified conditions as designated by the manufacturer.

~~(j)~~(j) "Net metering" means measurement of the difference between the electricity that is supplied by the investor-owned electric utility to an eligible net metering customer and the electricity that is supplied back to the investor-owned electric utility by an eligible net metering customer.

~~(k)~~(k) "Net metering facility" means an arrangement of equipment for the production of electricity from ~~the movement of water or wind, or by photoelectric transformation~~ an eligible net-metering energy resource, that is owned and operated by an eligible net metering customer.

~~(l)~~(l) "Parallel" means the designed operation of the net metering facility, interconnection equipment, and the investor-owned electric utility's system where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the net metering facility and the investor-owned electrical utility's distribution system.

~~(m)~~(m) "System emergency" means a condition on an investor-owned electric utility's system reasonably likely to result in any at least one of the following:

- (1) A significant disruption of service to a customer.
- (2) A substantial deviation from a normal service standard.
- (3) An endangerment to life or property.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-1; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786)

Section 2. 170 IAC 4-4.2-2 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-2 Applicability

Authority: IC 8-1-1-3

Affected: IC 8-1-2

Sec. 2. These rules shall apply to any an investor-owned electric utility, subject to the jurisdiction of the commission, that may now or hereafter be engaged in the production, transmission, sale, or distribution of electric service and all net metering facilities as defined in section 1 of this rule that are interconnected with such the investor-owned electric utilities. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-2; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786)*

Section 3. 170 IAC 4-4.2-3 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-3 Exemption

Authority: IC 8-1-1-3

Affected: IC 8-1-2

Sec. 3. Net metering facilities shall be exempt from revenue requirement and associated regulation under IC 8-1-2 as administered by the commission, but the commission shall have authority over rates charged by electric utilities to net metering facilities. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-3; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786)*

Section 4. 170 IAC 4-4.2-4 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-4 Availability

Authority: IC 8-1-1-3

Affected: IC 8-1-2-34.5

Sec. 4. An investor-owned electric utility shall offer net metering to residential customers and K-12 schools a **customer** that install **installs** a net metering facility. ~~The utility may offer net metering to other customers at its discretion.~~ The **investor-owned electric** utility may limit the aggregate amount of net metering facility nameplate capacity under the net metering tariff to ~~one-tenth one percent (0.1%)~~ **(1%)** of the most recent summer peak load of the utility, **with at least forty percent (40%) of the capacity reserved solely for participation by residential customers.** However, **the investor-owned electric utility may increase the limit on the aggregate amount of net metering facility nameplate capacity at the investor-owned electric utility's sole discretion.** (*Indiana Utility Regulatory Commission; 170 IAC 4-4.2-4; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786*)

Section 5. 170 IAC 4-4.2-5 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-5 Interconnection

Authority: IC 8-1-1-3

Affected: IC 8-1-2-4

Sec. 5. (a) A net metering interconnection agreement between the investor-owned electric utility and the eligible net metering customer must be executed before the net metering facility may be interconnected with the investor-owned electric utility's system.

(b) The net metering facility shall comply with the technical interconnection requirements approved by the commission as outlined in section 9(a) of this rule. Inverter based systems listed by Underwriters Laboratories (UL) to UL standard 1741, published May 7, 1999, as revised ~~January 17, 2004~~ **May 7, 2007** (UL 1741), shall be accepted by the investor-owned electric utility as meeting the technical interconnection requirements tested by UL 1741. The net metering facility shall comply with the applicable requirements of 170 IAC 4-4.3. (*Indiana Utility Regulatory Commission; 170 IAC 4-4.2-5; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2169*)

Section 6. 170 IAC 4-4.2-6 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-6 Metering

Authority: IC 8-1-1-3

Affected: IC 8-1-2

Sec. 6. (a) One (1) of the following metering options, if not already present, shall be installed on the eligible net metering customer's premises by the **investor-owned electric** utility to properly record the net kilowatt hours (kWh) of a net metering facility:

(1) One (1) main watt-hour meter capable of measuring net kWh.

(2) One (1) main watt-hour meter measuring kWh to the eligible net metering customer and a second watt-hour meter measuring kWh to the investor-owned electric utility. The

reading of the second meter will be subtracted from the reading of the main meter to obtain net kWh for billing.

(b) An investor-owned electric utility shall not charge the ~~eligible~~ net metering customer ~~any~~ costs or fees for the following:

- (1) Additional metering for single-phase configurations installed by the **investor-owned electric** utility.
- (2) ~~Eligible~~ Net metering customer's request to participate in net metering program.
- (3) Initial net metering facility inspection.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-6; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787)

Section 7. 170 IAC 4-4.2-7 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-7 Billing

Authority: IC 8-1-1-3

Affected: IC 8-1-2-34.5; IC 8-1-2-38

Sec. 7. An investor-owned electric utility shall determine ~~an a-~~eligible net metering customer's monthly bill as follows:

(1) Bill charges, credits, rates, and adjustments shall be in accordance with the **investor-owned electric** utility's tariff and administrative rules that would apply if the ~~eligible~~ net metering customer did not participate in net metering.

(2) The **investor-owned electric** utility shall measure the difference between the amount of electricity delivered by the **investor-owned electric** utility to the ~~eligible~~ net metering customer and the amount of electricity generated by the ~~eligible~~ net metering customer and delivered to the **investor-owned electric** utility during the billing period, in accordance with normal metering practices. If the kilowatt hours (kWh) delivered by the **investor-owned electric** utility to the ~~eligible~~ net metering customer ~~exceeds~~ **exceed** the kWh delivered by the ~~eligible~~ net metering customer to the **investor-owned electric** utility during the billing period, the ~~eligible~~ net metering customer shall be billed for the kWh difference at the rate applicable to the ~~eligible~~ net metering customer if it was not ~~an a-~~eligible net metering customer. If the kWh generated by the ~~eligible~~ net metering customer and delivered to the **investor-owned electric** utility ~~exceeds~~ **exceed** the kWh supplied by the **investor-owned electric** utility to the ~~eligible~~ net metering customer during the billing period, the ~~eligible~~ net metering customer shall be credited in the next billing cycle for the kWh difference.

(3) ~~When the eligible net metering customer elects to no longer participate in the net metering tariff, any unused credit shall revert to the utility. The credit shall roll over indefinitely for net metering customers, except that when the net metering customer elects to no longer participate in the net metering tariff, all unused credit shall revert to the investor-owned electric utility.~~

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-7; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787)

Section 8. 170 IAC 4-4.2-8 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-8 Liability insurance and indemnity

Authority: IC 8-1-1-3

Affected: IC 8-1-2-33; IC 8-1-2-34

Sec. 8. (a) ~~An A eligible~~ net metering customer operating a net metering facility shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least one hundred thousand dollars (\$100,000) for the liability of the insured against loss arising out of the use of a net metering facility. ~~Eligible~~ Net metering customers shall not be required by the utility to obtain liability insurance with limits higher than that which is stated in this section, nor shall such ~~eligible~~ net metering customers be required by the utility to purchase additional liability insurance, for example, insurance coverage that exceeds one hundred thousand dollars (\$100,000) where the ~~eligible~~ net metering customer's existing insurance policy provides coverage against loss arising out of the use of a net metering facility by virtue of not explicitly excluding coverage for such loss.

(b) The utility and the ~~eligible~~ net metering customer shall indemnify and hold the other party harmless from and against all claims, liability, damages, and expenses, including attorney's fees, based on any injury to any person, including loss of life or damage to any property, including loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with an act or omission by such other party, its employees, agents, representatives, successors, or assigns in the construction, ownership, operation, or maintenance of such party's facilities used in net metering.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-8; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788)

Section 9. 170 IAC 4-4.2-9 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-9 Tariff and reporting requirements

Authority: IC 8-1-1-3

Affected: IC 8-1-2

Sec. 9. (a) Within sixty (60) days of the effective date of this rule, ~~all~~ **investor-owned** electric utilities shall submit for approval under the commission's thirty (30) day filing process a net metering tariff. The net metering tariff shall include the technical interconnection requirements of the investor-owned electric utility and shall comply with the requirements of this rule.

(b) Within sixty (60) days of the effective date of this rule, ~~all~~ investor-owned electric utilities shall submit for approval via the commission's thirty (30) day filing process a generic interconnection agreement applicable to net metering facilities. An interconnection agreement shall include the following:

- (1) The name of the ~~eligible~~ net metering customer.
- (2) The location of the proposed net metering facility.
- (3) Type of the proposed net metering facility.
- (4) Size or inverter power rating, or both, of the proposed net metering facility.
- (5) Inverter manufacturer and model number.
- (6) A description of the electrical installation of the inverter and associated electrical equipment.

(c) On or before March 1 of ~~each~~ every year, ~~each the~~ investor-owned electric utility shall file with the commission a net metering report. The net metering report shall contain the following:

- (1) The total number of ~~eligible~~ net metering customers and facilities.
- (2) The number, size, and type (~~solar, wind, hydro~~) of net metering facilities.
- (3) The number of new ~~eligible~~ net metering customers interconnected during the previous calendar year.
- (4) The number of existing ~~eligible~~ net metering customers that ceased participation in the net metering tariff during the previous calendar year.
- (5) If available, data on the amount of electricity generated by net metering facilities.
- (6) A list of ~~any~~ system emergency disconnections that occurred ~~in accordance with section 5(f) of this rule~~ and an explanation of ~~each the~~ system emergency.

(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-9; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788)

Section 10. 170 IAC 4-4.2-10 IS AMENDED TO READ AS FOLLOWS:

170 IAC 4-4.2-10 Customer complaints

Authority: IC 8-1-1-3

Affected: IC 8-1-2-34.5

Sec. 10. In the event an investor-owned electric utility and an ~~a~~-eligible net metering customer are unable to agree on matters relating to net metering, either party may raise a customer complaint to the commission in accordance with the commission's consumer complaint rules. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-10; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788)*