

Article 3. Net Metering Standards

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3 AAC 50.900. Applicability and waiver. (a) Except as provided in (b) of this section, the net metering requirements listed in 3 AAC 50.900 – 3 AAC 50.949 apply to all electric utilities subject to economic regulation.

(b) Net metering requirements do not apply to

(1) any independent electric system owned and operated by an electric utility subject to economic regulation if, except for fossil fuel generation for standby and emergency power, 100 percent of the independent electric system's power is supplied by an eligible facility, as that term is defined in 3 AAC 50.949(9);

(2) any independent electric system owned and operated by an electric utility subject to economic regulation if the independent system had total retail sales of less than 5,000,000 kWh during the previous calendar year; or

(3) any portion of the distribution system of an electric utility subject to economic regulation if and to the extent the electric utility demonstrates to the commission that limiting net metering installations in that portion of its distribution system is reasonably necessary to address system stability constraints or other operational issues.

(c) Except for those that are also required under AS 42.05, any requirement in 3 AAC 50.900 – 3 AAC 50.949 may be modified or waived, in whole or in part, by order of the commission upon application and a showing of good cause or on the commission's own motion. Application for waiver under this section must be in writing and set out the pertinent facts in sufficient detail to support a finding by the commission that no legitimate public interest will be served by enforcing the requirement designated in the application.

3 AAC 50.910. Net metering of electric energy. (a) Except as provided in (b) of this section, an electric utility shall

(1) make a net metering program available to each of its retail consumers; and

(2) allow eligible consumer generation systems complying with 3 AAC 50.920 to be interconnected to the electric utility's facilities in accordance with interconnection standards approved or accepted by the commission.

(b) An electric utility may refuse to interconnect with a consumer requesting net metering if interconnection would cause the total nameplate capacity of all eligible consumer generation systems participating in the net metering program to exceed 1.5 percent of the electric utility's average retail demand. The utility shall notify the commission if it refuses to interconnect with a potential net metering consumer on the

basis that interconnection would cause the total nameplate capacity of all eligible consumer generation systems participating in the net metering program to exceed 1.5 percent of average retail demand.

(c) An electric utility that has a decrease in average retail demand that results in the total nameplate capacity of eligible consumer generation systems exceeding 1.5 percent of average retail demand shall allow existing net metering consumers to continue participating in the net metering program.

(d) By the first day of March of each year, an electric utility shall file a tariff advice letter with accompanying tariff sheet stating the number of kilowatts equivalent to 1.5 percent of the electric utility's average retail demand for the previous calendar year and the total nameplate capacity of eligible consumer generation systems participating in the net metering program at the time of filing.

(e) An electric utility may request, by tariff advice letter, an increase in the limit on total nameplate capacity of eligible consumer generation systems participating in the net metering program above 1.5 percent of the electric utility's average retail demand.

(f) An electric utility may deny participation in a net metering program to an electric consumer that

(1) participates in another program that allows the consumer to collect, through voluntary contributions from other participating customers of the utility, more than the non-firm power rate per kilowatt-hour for the sale of electric energy; or

(2) sells electric energy under an existing contract that allows the consumer to collect more than the non-firm power rate per kilowatt-hour for the sale of electric energy.

(g) An electric utility may install additional metering equipment for net metering consumers. The electric utility

(1) is responsible for all costs related to the purchase, installation, and maintenance of the additional metering equipment; and

(2) may not assess a recurring charge for the additional metering equipment.

3 AAC 50.920. Eligible consumer generation system. To be eligible for interconnection under a net metering program, a generation system must

(1) be an eligible facility;

(2) be owned or leased, and operated, by the consumer, and

(A) have a total nameplate capacity of not more than 25 kilowatts per consumer premises;

(B) be located on, or adjacent to, the consumer premises;

(C) be used primarily to offset part or all of the consumer's requirements for electric energy; and

(D) include an inverter;

(3) include an electric generator and its accompanying equipment package; and

(4) be physically interconnected to the consumer's side of the meter (delivery point) from which electric service is provided by the utility to the consumer.

3 AAC 50.930. Charges or credits for net electric energy. (a) Each electric utility with a consumer participating in a net metering program shall measure the net electric energy during each monthly billing period, and

(1) if the utility supplied more electric energy to the consumer than the consumer supplied to the utility during the monthly billing period, the electric utility shall bill the consumer for the number of kilowatt hours of net electric energy supplied by the utility to the consumer at the applicable rates contained in the utility's currently effective tariff; or

(2) if the consumer supplied more electric energy to the utility than the utility supplied to the consumer during the monthly billing period, the electric utility shall credit the consumer's account with an amount derived by multiplying the kilowatt hours of net electric energy supplied by the consumer to the utility by the non-firm power rate contained in the utility's currently effective tariff, unless a different rate has been established in a commission-approved contract.

(b) Dollar amounts credited to the account of a net metering consumer for furnishing electric energy to the utility under (a)(2) of this section

(1) will be used to reduce dollar amounts owed by the consumer in subsequent monthly billing periods; and

(2) do not expire or otherwise revert to the utility.

(c) Except as otherwise provided in (a) and (b) of this section regarding per-kilowatt hour charges, the electric utility may bill a net metering consumer for all applicable charges authorized by the electric utility's approved tariff.

(d) An electric utility administering a net metering program may not charge a consumer participating in the net metering program any additional fee for standby, capacity, interconnection, or other net metering expense unless approved by the commission.

(e) An electric utility may petition the commission to change electric rate designs, consistent with 3 AAC 48.500 - 3 AAC 48.560, to include appropriate rate classes for net metered consumers if the utility can demonstrate an adverse material rate impact on utility consumers that do not participate in the net metering program.

3 AAC 50.940. Interconnection of consumer generation facilities. The commission may adopt by regulation additional reasonable safety, power quality, and interconnection requirements for consumer generation systems if the commission considers the requirements to be necessary to protect public safety and system reliability.

3 AAC 50.949. Definitions. Unless the context indicates otherwise, in 3 AAC 50.900 – 3 AAC 50.940

(1) "average retail demand" of a utility is the number of kilowatts determined by dividing the total retail sales of the utility, measured in kilowatt-hours, for a calendar year

(A) with 365 days, by 8,760 hours, or;

(B) with 366 days, by 8,784 hours.

(2) "biomass energy" means energy, excluding fossil fuels, derived from plant matter such as trees, grasses, agricultural crops or animal matter including fish;

(3) "consumer" means a customer of an economically regulated electric utility who consumes the electricity purchased from the utility;

(4) "consumer-generated electric energy" means electric energy that is generated by a consumer participating in a net metering program;

(5) "consumer premises" means all buildings and associated grounds owned or leased by a consumer at a single location where an electric utility provides service through one or more utility meters;

(6) "economic regulation" means that the commission's exercise of jurisdiction extends to matters concerning rates and charges for public utility services,

(7) "electric system" means an integrated electrical system that includes at least generation, and distribution;

(8) "eligible consumer generation system" means a system that complies with 3 AAC 50.920;

(9) "eligible facility" means a facility that produces electric energy derived from one or more of the following sources:

(A) solar photovoltaic and solar thermal energy;

(B) wind energy;

(C) biomass energy;

(D) hydroelectric energy;

(E) geothermal energy;

(F) hydrokinetic energy;

(G) ocean thermal energy;

(H) landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste; and

(I) other sources as approved by the commission that generally have similar environmental impact.

(10) "equipment package" means a group of components connecting an electric generator to a utility's electric distribution system, including all interface equipment and the interface equipment's controls, switchgear, inverter, and other interface devices;

(11) "excess consumer-generated electric energy" means the amount of consumer-generated electric energy in excess of the consumer's consumption from the consumer generation system during a monthly billing period, as measured at the electric utility's meter;

(12) "geothermal energy" means energy generated from heat stored in the earth, or the collection of absorbed heat derived from underground;

(13) "hydroelectric energy" means energy generated from falling or flowing water;

(14) "hydrokinetic energy" means energy generated from waves or directly from the flow of water in ocean currents, tides, or inland waterways;

(15) "independent electric system" means an electric system that is not interconnected with any other electric system;

(16) "inverter" means a device that converts direct current power into alternating current power to ensure the generated power is compatible with power generated by an electric utility;

(17) "nameplate capacity" means the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer;

(18) "net electric energy" means, as metered by the electric utility for a specified period and expressed in kilowatt hours,:

(A) the amount by which the quantity of electric energy supplied by the utility to the consumer exceeds the quantity of electric energy supplied by the consumer to the utility; or

(B) the amount by which the quantity of electric energy supplied by the consumer to the utility exceeds the quantity of electric energy supplied by the utility to the consumer;

(19) "net metering" means measuring the amount of net electric energy as described in 3 AAC 50.930(a) for the applicable billing period;

(20) "net metering program" means a program administered by an electric utility that allows a consumer owning, or leasing, and operating a consumer generation system to

(A) generate electric energy primarily for the consumer's own use;

(B) supply consumer-generated electric energy to the electric utility; and

(C) receive a credit under 3 AAC 50.930 if net metering results in excess consumer-generated electric energy during a billing period;

(21) "non-firm power rate" means the rate updated quarterly in an electric utility's tariff in accordance with 3 AAC 50.770(d) or such other non-firm power rate as may be authorized by the commission;

(22) "ocean thermal energy" means the conversion of energy arising from the temperature difference between warm surface water of oceans and cold deep-ocean current into electrical energy or other useful forms of energy;

(23) "retail sales" means sales of electricity to the end-use consumer, exclusive of any wholesale sales;

(24) "solar photovoltaic energy" means the conversion of sunlight into electricity through a photovoltaic cell, a nonmechanical device usually made from silicon alloys;

(25) "solar thermal energy" means a technology for harnessing solar energy for thermal energy;

(26) "switchgear" means the combination of electrical disconnects, fuses, or circuit breakers used to

(A) isolate electrical equipment; and

(B) de-energize equipment to allow work to be performed.