

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF OREGON**

In the Matter of Revising Net Metering Rules Regarding
Aggregation of Meters on Different Rate Schedules

Docket No. AR 548

**POST-HEARING COMMENTS OF THE
INTERSTATE RENEWABLE ENERGY COUNCIL**

I. Introduction

On May 16, 2011, the Public Utilities Commission of Oregon held a rulemaking hearing in Docket No. AR 548 regarding the revision of Oregon’s net metering rules and specifically allowing the aggregation of meters that are on different rate schedules, among other proposed revisions. In addition, on May 3, 2011, Commission Staff filed comments in Docket No. AR 548 responding to comments from stakeholders on revised rules published by the Secretary of State in the February 1, 2011 edition of the Oregon Bulletin. In these post-hearing comments, the Interstate Renewable Energy Council (IREC) responds to comments made to date in the docket. Once again, IREC appreciates the opportunity to comment in this proceeding.

As we stated in our previous comments, submitted on March 31, 2011, IREC is generally supportive of the Commission’s proposed revisions in that they open participation in net metering to a broader range of customers. In turn, this will allow Oregon to grow its already successful renewable energy market. We also appreciate Commission Staff’s acknowledgment of our March 31 comments, and its support for our proposed definition of “contiguous” in OAR 860-039-0005(3)(d) and our recommendation for clarification in OAR 860-039-0065(1)(c) that the requirement that meters are served by the same feeder should apply at the time of application.

IREC offers the following additional comments.

II. Revisions to Definitions in OAR 860-039-0005

A. Definition of “Premises” Is Unnecessary

After considering Staff’s comments regarding the definition of “premises” that IREC proposed in our March 31 comments, IREC agrees that a definition is not necessary at this time. As Staff has pointed out, OAR 860-039-0065(1) allows meter aggregation across a customer-generator’s premises and contiguous property, which addresses IREC’s primary concern in offering a definition of premises.

B. Revise the Proposed Definition of “Customer-Generator”

In its May 3 comments, Staff incorrectly stated that no party has opposed its proposed revision to the definition of “customer-generator” in OAR 860-039-0005(3)(e). To the contrary, IREC suggested in our March 31 comments, in Section IV, that the definition continue to mimic the statutory definition in ORS 757.300(1)(a) by adopting the same language as the statute. We continue to support our original proposal, and therefore we recommend that the Commission not adopt the revisions proposed by Staff.

IREC made this suggestion in order to keep the rules as consistent as possible with the statute, as well as to keep open the possibility of virtual net metering. Please see the discussion of virtual net metering in Section V of these comments and Section IV of our March 31 comments for more detail on our position.

III. Change in System Size Cap in OAR 860-039-0010—Raise the Size Limit on Residential Customers’ Net Metering Facilities to Two Megawatts When Customers Request Aggregated Metering

IREC continues to support the Staff’s originally proposed language in OAR 860-039-0010(1)(b) raising the size limit on residential customers’ net metering facilities to two

megawatts (MW) when the customer requests aggregated metering. As we stated in our March 31 comments, depending on the individual situation, the meters being aggregated may include meters on commercial, industrial and/or agricultural tariffs with greater loads than seen in a typical home. Therefore, Staff's new proposed approach would likely lead to some facilities that are undersized as compared to a customer's total aggregated load. Although we understand the concern that Staff expressed in its May 3 comments related to the net-metered facility becoming oversized should aggregated non-residential load decrease, this situation could continue to be a concern regardless of facility size cap. Most importantly, Staff's current proposal could result in a system that cannot meet the customer's existing requirements, contrary to the intent of Oregon's net metering statute. *See* ORS 757.300(d)(D). Lastly, any concern about the size of a renewable energy system relative to the portion of the distribution system where the customer-generator seeks to interconnect can be addressed as part of the interconnection process. Based on the above, IREC continues to believe that the best course of action is for the Commission to adopt Staff's originally proposed language raising the size limit on residential customers' net metering facilities to two MW when the customer requests aggregated metering.

In addition, IREC continues to encourage the Commission to consider requiring systems to be sized based on a customer's historical consumption only. We believe requesting consideration of this change to Oregon's current net metering program rules is within the scope of the current docket, as the subject of appropriate sizing of net metering facilities is squarely open to discussion in the Notice of Proposed Rulemaking Hearing issued on April 14, 2011 and the proposed rule changes associated with that Notice. As we explained in our previous comments, moving to a size restriction based upon a customer's historical consumption removes the need for a capacity cap and therefore moots the argument made by Staff in its May 3

comments. At the same time, ORS 757.300(d)(D) and its related rule, OAR 860-039-0065(1)(b), ensure that systems are not oversized but instead sized primarily to meet a customer-generator's requirements. As IREC stated in Section III of our March 31 comments, we believe that there is no policy justification for limiting system size to an arbitrary level. In fact, in certain cases, capacity caps can prevent customers from correctly sizing their systems to meet their own demand, thereby undermining one of the primary drivers of net metering and distributed generation. In addition, a facility size limit based on connected load would allow customers with loads above two MW, such as universities, military installations or corporate campuses, to participate in Oregon's net metering program.

IV. Mechanics of Meter Aggregation under OAR 860-039-0065

A. Reject Staff's Proposal to Add a Subsection Tying Net-Metered Facility Capacity to the Designated Meter

In its May 3 comments, Staff proposed a new OAR 860-039-0065(2), which states that the capacity limit of a net-metered facility is determined by the rate applicable to the designated meter. First, IREC believes that this section is redundant with OAR 860-039-0010, which addresses net metering kilowatt limits, and therefore OAR 860-039-0065(2) is not necessary and would only cause confusion. Secondly, and importantly, IREC does not agree with the concept that only the designated meter should determine the capacity limit of a net-metered facility serving aggregated meters, as a customer could have accounts on different rate schedules related to the characteristic of the load they are trying to meet with renewable energy resources via meter aggregation.

B. Allow Customers as Much Flexibility as Possible in Ranking Their Meters

IREC continues to disagree with proposals to have utilities credit meters on the same

tariff before meters on different tariffs as ranked by the customer, although we believe that Staff's May 3 proposal is an improvement over Staff's original proposal. Instead, consistent with IREC's *Net Metering Model Rules*, which reflect best practices across the United States, IREC recommends that the Commission eliminate the language in Staff's newly proposed OAR 860-039-0065(3) requiring a customer to rank his meters within certain parameters. As we stated in our March 31 comments, allowing customers as much flexibility as possible in ranking their meters allows them to do so in the way that best fits their individual situation based on such factors as the generation profile of the renewable energy resource they are investing in and their individual usage patterns. At the same time, it should not be any more difficult for the customer's utility to administer. Please see our March 31 comments for our proposed language to this effect.

V. Meter Aggregation on Multitenant Properties—Virtual Net Metering (VNM)

IREC acknowledges that virtual net metering may be beyond the scope of the current rulemaking, as Staff states in its May 3 comments. Nonetheless, we continue to believe that it is an important concept. Specifically, it could potentially facilitate beneficial applications of meter aggregation, and allow occupants of multitenant buildings to take advantage of the benefits of net metering and renewable energy generation, as described in our March 31 comments.

Therefore, we urge the Commission to consider opening a rulemaking to consider it.

VI. Conclusion

As stated at the outset of these comments, IREC supports the proposal to allow customers to aggregate meters on different tariffs. We appreciate the opportunity to offer these additional comments and we encourage the Commission to:

1. Revise the proposed definition of “customer-generator”;

2. Raise the size limit on residential customer's net metering facilities to two MW when the customer requests aggregated metering;
3. Consider requiring systems to be sized based on a customer's historical consumption only;
4. Reject Staff's proposal to add a subsection in OAR 860-039-0065 tying net-metered facility capacity to the designated meter; and,
5. Allow customers as much flexibility as possible in ranking their meters.

Respectfully submitted this 24th day of May, 2011

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