

RESOLUTION NO. **06-13021**

A RESOLUTION RESCINDING RESOLUTION NO. 01-11873 AND REVISING RATE SCHEDULE 20, NET METERING, AS APPROVED BY THE COMMISSION'S DETERMINATION REGARDING NET METERING STANDARDS UNDER SECTIONS 111(d)(11) OF THE PUBLIC UTILITY REGULATORY POLICIES ACT, AS AMENDED BY THE ENERGY POLICY ACT OF 2005

**FACTUAL BACKGROUND AND REASONS FOR ACTION**

RCW 80.60 requires the District to adopt a net metering program in which customers operating a solar, wind, hydroelectric or fuel cell generator with 100 kilowatts or less of capacity would be interconnected with the District's electric system and would, through the use of bi-directional electronic metering, receive a credit against their electric bill for any electricity provided to the District. The ability to net meter is to be made available on a first-come, first-served basis until the cumulative generating capacity of the net metering systems equals 0.25 percent of the utility's peak demand in 1996. On January 1, 2014 this changes to 0.5 percent of the utility's peak demand in 1996.

District staff has developed Rate Schedule 20, Net Metering Program, Net Metering Agreement and Interconnection Requirements for SNAP and Net Metering Generation originally put in place on August 13, 2001 under Resolution No. 01-11873. The proposed revision recognizes the 2006 changes to RCW 80.60.

The Public Utility Regulatory Policies Act (PURPA) was enacted in 1978 to encourage (1) the conservation of energy supplied by electric utilities, (2) the optimization of the efficiency of use of facilities and resources by electric utilities, and (3) equitable rates to electric consumers (Section 101).

The Energy Policy Act of 2005 (EPAAct 2005) amended PURPA. Section 1251 of EPAAct amended section 111(d) of PURPA by adding a new section for net metering requiring the District to consider whether it is appropriate to make available, upon request, net metering service to any electric consumer that the District serves (PURPA section 111(d)(11)).

Section 112(d) of PURPA makes clear that the District is not required to commence consideration or make a determination regarding these standards if the state legislature has voted on implementation of the standard or a comparable standard prior to enactment of EPAAct. While the state legislature has acted with

regard to net metering standards (RCW 80.60), the District decided to proceed with the PURPA process in order to fully consider public comment.

To initiate consideration of the PURPA requirements, District staff gave a presentation to the Commission on July 24, 2006. The presentation described the proposed standard and set forth a schedule for public comment and hearing. On August 6, 2006, a legal advertisement notifying customers of an opportunity to submit public comment with regard to this standard appeared in The Wenatchee World. On October 13, 2006, an additional legal advertisement notifying customers of a hearing scheduled for November 13, 2006 appeared in The Wenatchee World. In addition, display advertisements inviting public comment and participation were placed in the paper on August 6, October 13, and October 29, 2006. These advertisements indicated that written public comment was due November 1, 2006 and that interventions in the hearing were due to the hearing's presiding officer by November 3, 2006. One public comment was received and there were no requests for intervention. The legal notices and the public comment have been submitted for the hearing record.

On November 13, 2006, the properly noticed public hearing was held. Staff presented a presentation to the Commission identifying staff's recommendation relating to adoption of net metering standards pursuant to sections 111(d) of PURPA. The Commission has been asked to make a timely determination on adoption of these standards.

With regard to PURPA standard 111(d)(11), staff reported that the District already offers net metering Schedule 20, which was adopted in 2001. This schedule allows for "netting" customer generation against energy charges. The schedule is limited to customer generators of 25kW or less. In 2006, the state legislature modified RCW 80.60 to increase the size of eligible net metering customer generators to 100kW or less, along with other modifications. District staff recommends that the Commission not adopt the net metering standard set forth under PURPA section 111(d)(11). Instead, staff recommended that the Commission update the District's current Rate Schedule 20 to reflect the 2006 legislative updates to RCW 80.60 and District' staff recommendations regarding net metering for customer generators of 100kW or less.

### **ACTION**

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY that:

Section 1. Pursuant to sections 1251 of the EPAct 2005, the Board of Commissioners of Chelan County PUD has determined not to adopt PURPA

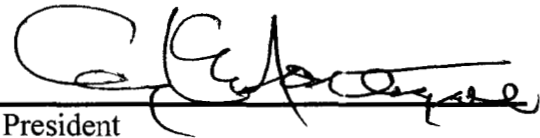
standard 111(d)(11) with regard to net metering. District Rate Schedule 20 is hereby updated to reflect legislative changes to RCW 80.60, particularly as it pertains to providing net metering services to customer generators of 100kW or less is hereby approved and revised. A copy of the District's net metering Rate Schedule 20 is attached and made a part hereof as Exhibit A.

Section 2. The adoption of this rate resolution is not a major action under the State Environmental Policy Act, and is categorically exempt under the S.E.P.A. guidelines W.A.C., Chapter 197-11-800(15)

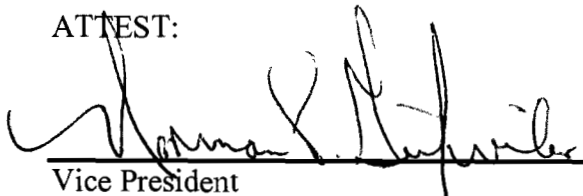
Section 3. Rate Schedule 20 as established by Resolution 01-11873 is rescinded

Section 4. The General Manager of the District or his designee is hereby authorized to execute agreements necessary to implement the District's net metering program.

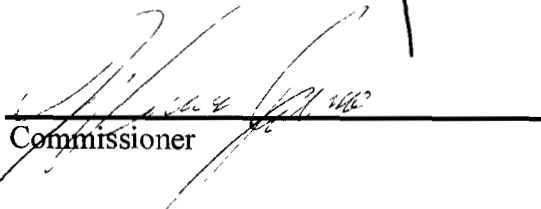
Dated this 18th day of December 2006.

  
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President

ATTEST:

  
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Vice President

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Commissioner

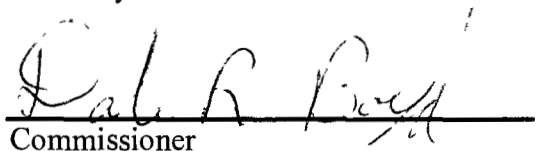
  
\_\_\_\_\_  
Commissioner

Exhibit A**SCHEDULE 20**NET METERING PROGRAM

**(1) APPLICABILITY.** This rate schedule shall apply to other District rate schedules as described below.

**(2) AVAILABILITY.** The Net Metering Program is available to customers who have an electric generator that has a nameplate capacity of not more than one hundred (100) kilowatts and who purchase electric power from the District under the provisions of another District rate schedule, and who sign a Power Purchase and Interconnection Agreement with the District allowing them to interconnect to and operate in parallel with the District electric distribution system. The Net Metering Program is available to new participants until such time as the cumulative nameplate capacity of generators participating in the program exceeds 1.065 megawatts (0.25% of the District's peak demand in 1996). On January 1, 2014 the cumulative generating capacity available to net metering systems will equal 0.5 % of the utility's peak demand during 1996. Not less than one-half of the utility's 1996 peak demand available for net metering systems shall be reserved for the cumulative generating capacity attributable to net metering systems that generate renewable energy which is defined by R.C.W. § 80.60.010(12), and includes water, wind, solar energy, or biogas from animal waste as fuel.

The commission may adopt additional safety, power quality, and interconnection requirements for customer-generators that the commission determines are to protect public safety and system reliability.

**(3) BILLING ADJUSTMENT.** The District's charges for electric energy are adjusted for customers who sign and comply with a Power Purchase and Interconnection Agreement as follows:

The customer shall pay for the net energy used by the customer in accordance with the following formula: (a) the customer shall pay for all electric energy used in any billing period in excess of the amount of electricity produced by the customer during that billing period; (b) the customer shall receive a credit for all electric energy produced during a billing period in excess of the amount of electric energy supplied by the District during that period, such credit to be applied to the customer's future electric bills; provided however that; (c) any energy balance remaining in favor of the customer under the provisions of subparagraph (b) on April 30 of each calendar year shall be zeroed out with no further liability to the District and no credit to the customer for that balance. For the purposes of the Net Metering Program, "billing period" shall be the billing

**Exhibit A**

period applied to customers of the same class and in the same geographic area as a customer participating in the Net Metering Program. The price for electric energy provided to or credited to a customer under the Net Metering Program shall be the price charged for such electric energy by the District under the provisions of the rate schedule under which the customer receives service, as such rate schedule may be revised from time to time by the District's Board of Commissioners. A customer participating in the Net Metering Program shall be billed on the schedule applicable to customers in the same class and geographic area as that customer and shall be subject to the payment terms specified in the District's Electric Service Regulations.

The Net Metering Program billing adjustment only applies to charges for energy. A customer participating in the Net Metering Program is subject to all other charges, rates, terms and conditions, including any minimum charges, of the District rate schedule under which the customer receives service.

Effective: December 18, 2006

Date Last Changed: **August 13<sup>th</sup> 2001**