

PUBLIC SERVICE COMMISSION -- AGENCYWIDE

Administrative Rules to Facilitate the Production of Distributed Energy

Motion:

Move to require the PSC to promulgate rules designed to facilitate, to the greatest extent possible, the interconnection and use of distributed electric power generation facilities to the state's electric power distribution grid.

Stipulate that the rules prescribe interconnection standards that shall be uniform across the state, regardless of the owner of the transmission facility to which connection is made and regardless of the distributed generation facility that is connected, except where engineering and regulatory concerns require additional interconnection standards.

Specify that engineering concerns include those related to safety and reliability of the electric grid and power quality. Specify that regulatory concerns include tariffs for a utility's distributed generation, nondiscriminatory fees that a utility may charge a distributed generation facility, the costs of upgrades to the electric grid; and other terms or conditions imposed by the utility on the distributed generation facility (such as liability insurance, indemnification and the transfer or sale of property).

Direct that the standards for the purchase of power by an electric utility from a distributive generation facility include all of the following: (1) use of a net metering tariff for a distributive generation facility of up to 20 kilowatts or the maximum load of the distributed generation facility's owner, whichever is greater; and (2) real-time pricing, so that the price paid by a utility for power placed on the grid by a distributed generation facility reflects the utility's cost of generation at that time.

Require that the draft administrative rules be submitted to the Legislative Council no later than the first day of the sixth month after the general effective date of the biennial budget act.

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Note:

Distributed generation refers to any form of energy generation used by electric consumers for power generation (such as photovoltaic cells, wind power, fuel cells, and the like) and may include small generators used by independent power producers.

Currently, in cases where distributed power generation is produced at small levels (less than 20 kilowatts), the PSC requires the person or business to be reimbursed at the rate that is equal to the amount that would have been charged for the use of electricity generated by the utility. For larger amounts of distributed power, the PSC requires the reimbursement is equal to the utility's avoided costs for the production of additional electricity (including consideration of the construction of plants, their maintenance and production of electricity had no distributed electricity been available).

This motion directs the PSC to promulgate rules to encourage the development and use of more distributed power facilities in the state.