

Notes from the Net Metering and Interconnection Meeting held on September 30, 2010 (9:30 am to 1 pm) at the BPU Hearing Room (Newark, NJ, 8th floor)

Agenda Matters and meeting notes:

The meeting notes from each agenda topic are provided below:

- **Topic - Aggregated On-Site Net Metering Pilot Program**
Scott Hunter referenced the May 12, 2010 Board Order (In the Matter of Aggregated On Site Net Metering – Expansion of the Pilot to Other Small Generators in Atlantic City Electric (ACE) Territory) as background to open the discussion on this issue. The Order directed staff to initiate a stakeholder discussion on the development of separate pilot programs in other the EDC service territories. Scott cited staff's call to stakeholders for pilot program "concepts" with design characteristics similar to the ACE pilot to inform the rulemaking process since New Jersey's current net metering rules do not accommodate aggregated onsite net metering. The Office of Clean Energy (OCE) did not receive a great response to the Board's call for pilot projects for aggregated on site net metering.

Examples of market segment concepts that may be considered in an aggregated on site net metering pilot could include military bases, campus settings, industrial parks, academic centers, and shopping malls. Staff advised that our direction was to develop pilot program concepts similar to the ACE pilot where applicants with one contiguous property and multiple electric accounts from the agricultural sector within ACE territory could apply to participate. Unfortunately, stakeholders frequently submitted individual projects for consideration and not concepts to encourage applicants from multiple projects within a common market segment. Scott reiterated the purpose of the Board directive was for pilot programs to inform the rulemaking process by answering financial, economic, technical and administrative questions surrounding aggregated on-site net metering and reissued a call or a "Request for Concepts" (RFC) due to OCE@bpu.state.nj.us by October 15, 2010.

-Larry Sweeney from JCP&L talked about their recent Pilot submission of with three projects; a County College, Realty Company and a Military Base for eligibility. OCE asked JCP&L whether this proposal would be open to other similar situated projects within the three distinct market segments.

-One stakeholder requested Lakeland Air force Base be considered along with other projects to develop a pilot for military bases.

-Questions of Project and Property Ownership were discussed. Economic and administrative questions are expected to be addressed from the pilot results that will inform further rulemaking to potentially amend the net metering rules to accommodate aggregated onsite net metering.

- PSEG's John ??? advised that their staff were considering a pilot design involving parking lots and garages within Urban Enterprise Zones and looking at parking garage that are not on contiguous property (across the street or blocks away) for solar. Scott advised that the definition of contiguous property and the issue of electric service which crosses boundaries including rights of way and thoroughfares needs further exploration in the Stakeholder Process and by staff. Suzanne Dice Goldberg mentioned Land Use Law that would need to be reviewed for contiguous property. Roger Dixon requested definition of Contiguous Property and cited the opportunities for customer-generators to serve their properties that are obviously not contiguous. Scotts advised that this issue, which can be characterized as "aggregated any-site net metering, will be addressed in the continuing Phase 2 Net Metering rule review process

- Terry Sobolewski inquired about the technical implications of aggregated onsite net metering additional to identified questions of net metering billing and administrative procedures that have been raised. Scott requested stakeholders submit their ideas for questions such as financial, economic, technical, and administrative that should be considered in structuring the pilots with "A CALL FOR QUESTIONS" to be submitted to **OCE @bpu.state.nj.us by October 15, 2010.**

- A brief discussion regarding residential sub-metering and Senate Bill No. S463 followed. This bill pertains to the establishment of LRECs or Local Renewable Energy Collaborative. The bill was being considered for signature by the Governor. Staff advised that in light of the legislature's work on these issues, the Board has deferred consideration of Community Renewables and the use of net metering to serve multiple customers.

- Permutations of alternative property ownership models and lease of land were also discussed and how this would raise issues.

Scott requested EDCs work with John Teague on their proposed pilot program and questions. Scott also requested that stakeholders with project ideas that are not concepts for a pilot design be discussed with John Teague.

- **Topic - Distribution of Level 2 and 3 Interconnection forms**
 - Scott informed stakeholders that a statewide standardized Level 2 and 3 Interconnection application forms was drafted, issued and comments received. John Teague advised that the final generic version which was distributed as a hand out at the meeting and will be branded by each Electric Distribution Company but otherwise remain standard. Copies of Level 2 and 3 Interconnection forms will be distributed via the listserv and posted to the NJCEP website.
- John advised that the EDC semi-annual Net Metering and Interconnection reports will be distributed via the listserv and posted to the NJCEP website.

- **Topic - Discussion of customer-generators (municipalities, school districts, etc.) serving their own off-site facilities and the impact on EDCs**

-The LREC concept as currently developed in the legislative process was discussed due to its potential relationship with state's net metering rules. Roger Dixon commented on the distinction between the LREC and community renewable concepts which typically serve multiple customers and the aggregated net metering concept which involves one single entity serving its own electric needs regardless of location. He remarked on the importance of staff and stakeholder review of the implications from the subject of ownership.

- **Topic - Phase II Rule Change Items**
Real Time Net Metering – Legislation passed in January 2008 that clarified a customer-generator's ability to gain credit for electric generation at the time of generation. Staff reminded stakeholders of the previous discussions with EDCs on this law and how existing CEIP customers with interval are currently enjoying the opportunity to real time meter. However, real time net metering tariffs for residential customers presently do not exist to enable residential real time net metering. Discussion on the process to develop tariffs was raised. Ricky John from the NJ BPU Division of Energy suggested EDCs petition the Board with their draft tariff for the BPU's review and comments.

EDC's Cost Recovery – Scott Hunter mentioned that the existing net metering rules provide for EDC Cost Recovery. He asked whether the potential net metering rule revisions to provide for EDC Cost Recovery can be utilized in tandem with any potential rule revisions to enable aggregated net metering and structured to address EDC concerns about "free ridership" on distribution line issues. Others were concerned with free ridership by customers to serve offsite loads. Suzanne Dice Goldberg questioned whether the EDC Cost Recovery Rules should be standardized and Scott commented on whether it needed to be an explicit rule. The Distribution Charge issue was raised but OCE staff concluded that this issue would not be part of the Aggregated on Site Net Metering Process but should be addressed in the previously discussed, separate stakeholder process on Phase II rule changes which may include multiple site net metering or future legislation dealing with multiple customer crediting.

Next Steps: Next Stakeholder meeting to be held at the NJ BPU Board Room in Newark on November 3rd from 1 – 3:30 pm. Comments, questions and Pilot Projects should be submitted by October 15, 2010 to OCE@bpu.state.nj.us

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