

NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

Resolution 2017-03

Updating NASUCA Resolution 1998-05 Regarding Small-Scale Renewable Generation and Net Energy Metering

WHEREAS, on June 10, 1999 NASUCA approved Resolution 1998-05, “Regarding Net Energy Metering for Small-Scale Renewable Generating Facilities”; and

WHEREAS, in support of Resolution 1998-05 NASUCA noted:

- NASUCA supports the development and increased use of renewable resources and has promoted regulatory strategies to effectively encourage the development of renewable resources; and
- renewable energy production has steadily improved in cost-effectiveness and performance and promises continued improvement; and
- net energy metering, an accounting mechanism whereby customers are billed only for their net energy consumption over a given billing period, provides a direct, inexpensive, and easily-administered mechanism for encouraging the demand side use of small scale renewable energy facilities; and
- greater support for net energy metering could help to remove or reduce market entry barriers, reduce the administrative burden and complexity of interconnecting small-scale renewable energy generating facilities, and encourage the effective use of such facilities; and

WHEREAS, in Resolution 1998-05 NASUCA Resolved to:

- urge(s) states to consider measures to make net energy metering available to small-scale renewable generating facilities, and *further request Congress and the FERC to identify and remove any barriers to state implementation of net energy metering*; and,
- support(s) further exploration of issues relating to implementation of net energy metering including such issues as: the eligibility for net metering of different customer classes; generating technologies and generator sizes; the appropriate metering and interconnection requirements for net energy metering facilities; state and federal barriers to implementation; and such issues as funding mechanisms to address any revenue impacts associated with the implementation of net energy metering; and

WHEREAS, in the nineteen years since NASUCA passed Resolution 1998-05, the cost-effectiveness and performance of small-scale renewable generation has continued to improve for customers, new third-party small-scale renewable generation financing models have been introduced, and policies like net energy metering have enabled more utility customers to implement small-scale renewable generation; and

WHEREAS, due to the tension between the popularity of small-scale renewable generation and the resulting costs on ratepayers who do not participate in net metering, many states are currently engaged in regulatory proceedings to evaluate the costs and benefits for customers of having more small-scale renewable generation on a utility system; and

WHEREAS, NASUCA members have an interest in ensuring that the costs and benefits of small-scale renewable generation are accurately determined and fairly apportioned among utility customers; and

WHEREAS, NASUCA members advocate in the overall public interest and represent the interests of customers who choose to install distributed generation facilities as well as those who do not; and

WHEREAS, NASUCA members continue to have an interest in maintaining an economically efficient, adequate and reliable electric system; and

WHEREAS, just as the small-scale renewable generation market has evolved since Resolution 1998-05 was passed, NASUCA member consensus regarding distributed generation and net energy metering policy has also evolved, prompting NASUCA to update Resolution 1998-05;

THEREFORE, BE IT RESOLVED, that NASUCA hereby now revisits the issues addressed in Resolution 1998-05 as follows:

- NASUCA continues to support the availability of cost effective small-scale renewable generation options for utility customers, with due consideration of its costs and benefits for all utility customers; and
- NASUCA encourages states to continue to thoroughly evaluate the costs and benefits of net energy metering on participants and non-participants as they continue to evolve over time, taking into account the relevant ratemaking and rate design in the state; and
- NASUCA views net energy metering as one of many policies that may be considered and implemented by state policy makers to support small-scale renewable generation; and
- NASUCA believes that small-scale renewable generation policy and net energy metering policy should be decided at the state level, as state policy makers are in the best position to determine what is in the best interests of a state and its citizens, to understand the nuances of each local utility's system, to effectively coordinate the various public policies that affect small-scale renewable generation, to gather the appropriate evidence, and to hear and understand local concerns; and
- NASUCA concludes that Congress and the FERC should refrain from acting specifically on small-scale renewable generation and net energy metering policy, or otherwise acting in a manner that would have the effect of, overriding state authority to make policy decisions for small-scale renewable generation and net energy metering.

BE IT FURTHER RESOLVED, that NASUCA authorizes its Executive Committee to develop specific positions and to take appropriate actions consistent with the terms of this resolution. The Executive Committee shall advise the membership of any proposed action prior to acting if possible. In any event the Executive Committee shall notify the membership of any action pursuant to this resolution

Submitted by the Electric Committee
Approved by the Membership June 5, 2017
Denver, Colorado