

# VALLEY ELECTRIC ASSOCIATION, INC.

## Corporate Policy #136

### NET-METERING

Dated: July 30, 2020  
Supersedes: Rule 20 from April 18, 2008  
Amended: From Rule 20 to Policy 136 11/12/2019

#### I. OBJECTIVE

As a non-profit electric cooperative, VEA encourages private investment in renewable energy and the diversification of energy resources in its service territory. VEA also supports the clean energy benefits and job creation that net metering can provide. VEA believes that net metering creates a way for VEA's members to invest in their own energy resources and receive fair credit for any renewable energy that is delivered to VEA. The objective of this Policy is to balance that initiative and allow net metering for all members, but to also ensure that net metering does not unreasonably shift energy and delivery costs to other VEA members.

#### II. EFFECTIVE DATE

This Policy shall apply to all members commencing on the effective date of this Policy.

#### III. DEFINITIONS

Throughout this Policy, capitalized terms have the following meanings:

- A. "Excess Energy Credit" is equal to seventy-five percent (75%) of rate the Member-generator would have paid for a kilowatt-hour of electricity supplied by VEA at the time the customer-generator fed the kilowatt-hour of excess electricity back to VEA. Stated formulaically, this equals (.75 x Retail Rate). Each Excess Energy Credit is net of the Renewable Attributes conveyed to VEA by the Member-generator in accordance with Section V.G below.
- B. "AIDG" means an Agreement for Interconnection of Distributed Generation between the Member-Generator and VEA.
- C. "Member-generator" means a user of a Net-metering system.
- D. "Net-metering" or "NEM" means measuring the difference between the electricity supplied by VEA and the electricity generated by a Member-generator which is fed back to VEA in a billing period.
- E. "Net-Metering System" means a facility or energy system for the generation of electricity that:

1. Uses renewable energy as its only source of energy to generate electricity;
  2. Has a generating capacity of not more than twenty-five (25) kilowatts;
  3. Is located on the Member-generator's legal parcel;
  4. Operates in parallel with VEA's distribution facilities; and
  5. Is intended primarily to offset part of the Member-generator's requirements for electricity.
- F. A "Net-Meter" is the energy meter that will measure both received and delivered energy and determine the summed net value of energy usage.
- G. A "Production-meter" is the device that measures the total energy generated by the Member-generator.
- H. "Renewable energy" has the meaning ascribed to it in NRS 704.7811.

#### **IV. GRANDFATHERING**

Any existing Member-generator that has a valid and existing AIDG with VEA prior to the effective date of this Policy shall be permitted to continue NEM service consistent with VEA's former rules and policies and specifically in accordance with the terms and conditions below for a period of 20 years from the date the VEA Net-Meter was installed.<sup>1</sup> Following the expiration of the 20-year grandfathering period for any Member-generator, the terms and conditions of Net-metering service for that Member-generator shall be governed by the terms of this Policy, as may be amended from time to time.

##### **Grandfathering Terms and Conditions:**

1. The Member-generator shall convey to VEA all of the renewable attributes associated with any excess energy delivered to VEA in accordance with Section V.G below.
2. Member-generators shall be credited at VEA's applicable retail energy rate, including the power-cost-adjustment (in kilowatt-hours (kWh)) at a ratio of 1:1 for any excess electricity that is generated and delivered to VEA while a Member-generator is Net-metering.
3. VEA shall carry over any excess energy delivered in accordance with Section IV.2 above and apply those kWh credits to the subsequent billing periods to offset any consumption in future billing periods until all credits are used, or until the end of the calendar year.
4. At the end of each calendar year, and at the grandfathered Member-generator's choice, VEA shall either (i) carry forward any excess kWh for use in future months, or (ii) compensate the grandfathered Member-generator at VEA's average avoided cost of electricity supply over the same calendar-year period, which rate is identified in Policy 138.
5. The grandfathered Member-generator can use any excess kWh credits described in Section V.2 above to offset energy costs, but may not apply those kWh credits to any costs associated with the Basic Service Charge, applicable taxes, or any other billing

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<sup>1</sup> For the avoidance of doubt, the 20-year grandfathering period is specific to each Member-generator and does not commence on the effective date of this Policy.

determinant pertaining to electric service, or any other service offered by VEA or its affiliates.

6. If a grandfathered Member-generator terminates its service with VEA, VEA shall compensate the Member-generator for any excess kWh credits at VEA's average avoided cost of electricity supply, which rate is identified in Policy 138.

## **V. POLICY**

VEA may allow a Member-generator to participate in Net-metering if the Member-generator satisfies all of the following conditions and requirements:

### **A. Application and Interconnection**

1. Before Net-metering or interconnecting a Net-Metering system with VEA's distribution system and electric grid, the Member-generator must submit an application and satisfy all of the requirements of VEA's Interconnection Agreement for Net-metering, which may be subject to change from time to time, but may not be inconsistent with this Policy.
2. The Member-generator shall pay any and all interconnection costs, distribution system upgrade costs, or other utility charges associated with interconnecting the Net-metering System to VEA's distribution system. Such costs and fees are designed to ensure that members that are not Member-generators are not responsible for costs associated with connecting a Member-generator's Net-metering System.
3. A Member-generator may not interconnect a Net Metering System until they have received final inspection and approval from any authority having jurisdiction over the Net Metering System.

### **B. Net-metering System Sizing and Limitations**

1. A Member-generator's Net-metering shall be sized in accordance as follows:
  - i. The Net-Metering System capacity may equal no greater than the highest energy usage that occurred in 12 consecutive months out of the last 24 months for the meter that will have the Net-metering System connected to it; or
  - ii. If the Member-generator's energy usage data does not exist for a particular meter, the Net-Metering System can be no greater than 2.8 watts AC per-square-foot of the interior living space for the meter that will have the Net-metering System connected to it. Floor plans will be required as proof of evidence of occupancy; or

- iii. If a Member-generator has a specific constraint that will not allow either option i. or ii. to be sufficient for sizing a Net-metering System, VEA will determine the allowable system size on a case by case basis.
2. The Net Metering System can be sized less than the amount estimated to be used at the premise, but it cannot be sized to create more energy than is estimated to be consumed in a year based on the Member-generator's annual requirements for electricity.
3. The rated capacity of the Net-Metering System cannot ever exceed twenty-five (25) kilowatts.
4. All Net Metering Systems must be tested, proven technologies that meet the requirements of IEEE Standard 1547, the NEC, and UL1741 as applicable and other industry standards, as determined by VEA, and must comply with all local building and fire codes.

### **C. Metering**

1. A Net-metering System shall be equipped with a Net-Meter that can measure the flow of electricity in both directions at the same rate. The Member-generator is responsible for the installation cost of the required Net-Meter.
2. VEA shall provide a Production-meter to be installed for each Member-generator. VEA shall install the Production-meter at the time of installing the Net-meter. The Member-generator will be responsible for ensuring that the Member-generator's meter panel meets VEA standards. The Member-generator is responsible for the installation cost of the required Production-meter.

### **D. AIDG**

1. Following approval of a Member-generator's application, VEA shall prepare a AIDG that describes the terms and conditions for interconnection and operation of the Net Metering System, which shall be consistent with this policy. The Member-generator may not operate or interconnect a Net Metering System until the AIDG is executed and approved by both the Member-generator and VEA.

### **E. Credit for Excess-Electricity**

1. VEA shall provide one Excess Energy Credit to a Member-generator for each kilowatt-hour (kWh) of excess electricity that is generated and delivered to VEA while a Member-generator is Net-metering. Excess Energy Credit may only be used to offset energy costs, and may not be applied to the Basic Service

Charge, applicable taxes, or any other billing determinant pertaining to electric service, or any other service offered by VEA or its affiliates.

#### **F. Carrying Forward Excess Energy Credits to Future Billing Cycles**

1. For purposes of determining monthly usage and generation amounts for any Member-generator, VEA will measure, in kilowatt-hours (kWh), the electricity delivered and consumed during a Member-generator's billing period, in accordance with VEA's normal metering practices. If:
  - i. the electricity supplied by VEA exceeds the total value of Excess Energy Credits the Member-generator has received during the billing period, the Member-generator will be billed for the difference;
  - ii. the total value of Excess Energy Credits exceeds the electricity supplied by VEA during the billing period, the Excess Energy Credits accumulated for each billing period will be carried forward to the next billing period, which may be used by the Member-generator in a future billing period, subject to the limitations of Section V.F.2. below.
2. Any remaining Excess Energy Credits on December 31 of each calendar year shall be forfeited to VEA. If a Member-generator decides to terminate its Net-metering service, any remaining Excess Energy Credits shall be forfeited to VEA.

#### **G. Renewable Attributes**

1. In exchange for VEA allowing a Member-generator to participate in Net-metering, each Member-generator shall convey to VEA any portfolio energy credits (PECs) or other renewable energy benefits attributable to the Excess Energy Credits, and VEA is free to apply to the state regulatory commission or its authorized designee for issuance of PECs or solar renewable-energy credits (S-RECs) as appropriate, and then market, sell or convey the same to any third party at VEA's sole and absolute discretion.

#### **H. Other Service Characteristics**

1. Except as provided for in this Policy, VEA shall provide to Member-generators electric service at nondiscriminatory rates that are identical, with respect to rate structure, retail rate components and any monthly charges, to the rates that a Member-generator would be charged if not a Member-generator. VEA shall not charge a Member-generator any service fee or impose any other requirement

not specifically authorized under this Policy unless the fee or other requirement would apply to other similarly situated members who are not Member-generators. VEA shall not require a Member-generator to join a different rate or service class than would otherwise apply to other similarly situated members who are not Member-generators.

2. VEA shall make Net-metering available to eligible Member-generators within twelve months of a member starting the work order for a Net-meter project on a first-come, first-served basis.

## **I. General Provisions**

1. VEA shall have the right to inspect a Net-Metering System during reasonable hours and with reasonable prior notice to the Member-generator. If VEA finds that the Member-generator's facility is not in compliance with this Policy, Nevada state law, local code or permit requirements, or the requirements of IEEE Standard 1547, the NEC, and UL1741 using the version used at the time of installation as applicable, VEA may require the Member-generator to disconnect the facility until compliance is achieved.
2. The Member-generator shall assume all liability for and shall indemnify VEA for any claims, demands, liabilities, causes of action, suits, judgments, losses, costs, and expenses of any kind or character with respect to the Net-Metering System, including, without limitation, in connection with the design, construction, or operation of the Net-Metering System, or in connection with VEA's distribution system, irrespective of and even though such claim, demand, liability, cause of action, suit, judgment, loss, cost or expense is based upon, or alleged to be based upon, the negligence of VEA or its agents.
3. The Member-generator, or its contractor, shall not energize a Net-Metering System without complying with all aspects of this policy and the AIDG. If a Member-generator, or its contractor energizes a Net-metering system in violation of this policy or the AIDG, VEA will immediately lock-out the Net-Metering System until the Member-generator has achieved full compliance with this policy and the ADIG. VEA may impose penalties or damages upon any contractor that violates this policy in accordance with applicable law.

## **J. References**

- *IEEE 1547 Standard for Interconnection Distributed Resources with Electric Power Systems*
- *UL 1741 Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources*
- *National Electrical Code (NFPA 70) latest available version*
- *Nevada Revised Statutes Section 704.766-775 (Net Metering Systems)*

**VI. RESPONSIBILITY**

The Chief Executive Officer shall be responsible for the administration of this policy.