

# VALLEY ELECTRIC ASSOCIATION, INC.

## Policy Rule #20

### Subject: NET METERING

**Dated:** April 18, 2008

**Supersedes Date:** None

**Objective:** To provide metering rules to VEA members wishing to connect distributed generation to the VEA distribution system.

#### Policy:

##### 1. Net Metering General Provisions

- 1.1. VEA shall offer net metering to customers eligible generators defined at **1.12.** that generate electricity on the customer's side of the meter and are interconnected with the electricity provider pursuant to the interconnection rules in the *NV NRS 704.766-775 Net Metering Systems*, provided that the generating capacity of the customer-generator's facility meets both of the following criteria:
  - 1.1.1. The rated capacity of the generator does not exceed 30 kilowatts (kW) average AC output; and
  - 1.1.2. The rated capacity of the generator does not exceed the customer's service entrance capacity.
  - 1.1.3. If the rated capacity exceeds 30 kW or the service entrance capacity, the policy for that customer-generator will be negotiated on a case-by-case basis.
- 1.2. VEA net-metering provides for customer-generators to be credited at the applicable rate including the power-cost-adjustment in kilowatt-hours (kWh) at a ratio of 1:1 for any excess production of their generating facility that exceeds the customer-generator's on-site consumption of kWh in the billing period following the billing period of excess production.
- 1.3. VEA shall carry over any excess kWh credits earned under **1.2** and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the calendar year.
- 1.4. At the end of each calendar year, VEA either shall carry forward any excess kWh credits for use against consumption in future months, or shall compensate the customer-generator for any excess kWh credits at the VEA's average avoided cost of electricity supply over the same calendar-year period.
- 1.5. If a customer-generator terminates its service with VEA, VEA shall compensate the customer-generator for any excess kWh credits at the VEA's average avoided cost of electricity supply over the calendar-year period immediately prior to termination of service.
- 1.6. A customer-generator facility used for net metering shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate.
  - 1.6.1. A customer-generator may choose to use an existing electric revenue meter if the following criteria are met:

- 1.6.1.1. The meter is capable of measuring the flow of electricity both into and out of the customer-generator's facility at the same rate and ratio; and
    - 1.6.1.2. The meter is accurate to utility standards when measuring electricity flowing from the customer-generator facility to the electric distribution system.
  - 1.6.2. If the customer-generator's existing electric revenue meter does not meet the requirements at **1.6.1** above, VEA shall install and maintain a new revenue meter for the customer-generator, at VEA's expense. Any subsequent revenue meter change necessitated by the customer-generator, whether because of a decision to stop net metering or for any other reason, shall be paid for by the customer-generator.
- 1.7. VEA shall not require more than one meter per customer-generator. However, an additional meter may be installed under either of the following circumstances:
  - 1.7.1. VEA may install an additional meter at its own expense if the customer-generator consents; or
  - 1.7.2. The customer-generator may request that VEA install a meter, in addition to the revenue meter addressed in 1.6.1 above, at the customer-generator's expense. In such a case, VEA shall charge the customer-generator no more than the actual cost of the meter and its installation.
- 1.8. A customer-generator owns the renewable energy credits (RECs) of the electricity it generates, and may apply to the state regulatory commission or its authorized designee for issuance of renewable-energy credits (RECs) or solar renewable-energy credits (S-RECs) as appropriate and based on actual on-site electric generation.
- 1.9. VEA shall provide to net-metered customer-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 customer-generator would be charged if not a customer-generator.
- 1.10. VEA shall not charge a customer-generator any fee or charge; or require additional equipment, insurance or any other requirement not specifically authorized under this sub-section or the interconnection rules in *NV NRS 704.766-775 Net Metering Systems*, unless the fee, charge or other requirement would apply to other similarly situated customers who are not customer-generators.
- 1.11. VEA shall make net metering available to eligible customer-generators in a timely manner and on a first-come, first-served basis up to zero point five percent (0.5%) of the VEA's most recently measured annual peak load.
- 1.12. Eligible generators per NRS 704.7811 are:
  - 1.12.1. Biomass;
  - 1.12.2. Geothermal energy;
  - 1.12.3. Solar energy;
  - 1.12.4. Waterpower; and
  - 1.12.5. Wind.

## 2. General Provisions

- 2.1. If a customer-generator has been approved under the interconnection rules in *NV NRS 704.766-775 Net Metering Systems*, VEA shall not require a customer-generator to test or perform maintenance on the customer-generator's facility except in the case of any testing or maintenance recommended by the system manufacturer.
- 2.2. VEA shall have the right to inspect a customer-generator's facility during reasonable hours and with reasonable prior notice to the customer-generator. If VEA finds that the customer-generator's facility is not in compliance with the requirements of the interconnection rules in *NV NRS 704.766-775 Net Metering Systems* and the requirements of IEEE Standard 1547, the NEC, and UL1741 as applicable, and noncompliance adversely affects the safety or reliability of VEA's facilities or of other customers' facilities, VEA may require the customer-generator to disconnect the facility until compliance is achieved.
- 2.3. Customer-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 generation facility, including, without limitation, in connection with the design, construction, or operation of the generation facility, 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. References

- 3.1. *IEEE 1547 Standard for Interconnection Distributed Resources with Electric Power Systems*
- 3.2. *UL 1741 Inverters, Converters, Controllers, and Interconnection System Equipment for Use with Distributed Energy Resources*
- 3.3. *National Electrical Code (NFPA 70) 2008*
- 3.4. *NV NRS 704.766-775 Net Metering Systems*

Approved: Richard A. Johnson  
Secretary of the Board