

Catching wind of alternative energy: Legislature to consider codifying net metering regulations

By Molly Dischner | *Peninsula Clarion*

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Among the energy considerations in front of the Alaska State Legislature this week is a bill to codify net metering regulations instituted last summer.

Rep. Kurt Olson, R-Soldotna, proposed the bill to formalize rules adopted by the Regulatory Commission of Alaska last year.

"This would formalize it and make it harder to change," Olson said.

Net metering enables Alaskans to connect their own energy systems to a grid and get credited or paid for the energy they produce.

Last year, the commission opened a docket to investigate the matter.

"The bill that I did this year took the results of that docket," he said.

The net metering legislation allows solar, wind, biomass, hydroelectric, hydrokinetic, ocean thermal, biogas and other similar energy sources approved by the commission to be part of a utility's grid, as long as the system is 25 kilowatt hours or smaller. Producers are metered on a monthly basis.

Alaskan Wind Industries' Nadia Daggett said that when they produce 600 kW in a month, they get a credit for 600 kW on their bill. That's a step closer to yearly metering, which Daggett said is more ideal for producers. But it's much better than minute-by-minute metering, she said. That sort of metering reduces the incentive to produce energy because producers rarely use energy precisely when they are producing it, and frequently end up getting paid at a wholesale rate and then turning around and buying their energy at a retail rate a few hours later.

In his sponsor statement, Olson said that 40 states currently have some form of net metering legislation. Daggett said that the basis of net metering is an old federal law requiring consumers to be able to connect their own energy systems to the grid. What's left up to the states is how to negotiate payment.

Only major utilities --like Homer Electric -- are governed by these rules. The smallest, like Seward, are not.

The legislation specifies that up to 1.5 percent of an area's consumption can be provided via individual producers.

"That's pretty normal," Daggett said.

Most other states have similar regulations when they first codify net metering, she said. Eventually it gets changed.

For Homer Electric Association customers, that's about 119 5 kW systems, Daggett said.

How fast will the Peninsula hit those caps?

"Very, very quickly," Daggett said.

Her company has installed most of the systems that are on the central Peninsula's grid.

"We're about a quarter of the way into our demand and that was only the first year," she said.

So that number might need to be negotiated up, something Daggett said has happened in other states.

Olson's bill has a provision to allow the commission to make changes. It states that the commission can adopt additional regulations that deal with issues related to net metering -- like safety, power quality and connection standards -- to ensure that net metering doesn't pose a hazard for communities.

Individual utilities can also adopt their own regulations with RCA approval, Daggett said.

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