

STATE OF ALASKA
THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Robert M. Pickett, Chairman
Kate Giard
Paul F. Lisankie
T.W. Patch
Janis W. Wilson

In the Matter of the Consideration of the Adoption) R-09-1
of Regulations Implementing Net Metering) ORDER NO. 4

ORDER READOPTING REGULATIONS

BY THE COMMISSION:

Summary

We readopt regulations establishing net metering requirements to incorporate editorial changes made by the Department of Law.

Background

We adopted regulations implementing net metering at our October 14, 2009, public meeting, and subsequently issued an order formalizing adoption of the regulations.¹ We transmitted the regulations to the Department of Law for review. The Department of Law made edits to the regulations that we considered at our April 13, 2010, public meeting.²

¹See Order R-09-1(3), dated January 15, 2010, and titled *Order Adopting Regulations*.

²A copy of the regulations approved at our April 13, 2010, public meeting are attached as an appendix.

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Discussion

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The Department of Law edited our net metering regulations to clarify
3 language and ensure consistent terminology. The Department of Law also made
4 stylistic changes complying with the *Drafting Manual for Administrative Regulations*
5 adopted by Department of Law under AS 44.62.050. More significant Department of
6 Law revisions are discussed below.

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Waiver Provisions

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As initially adopted, the net metering regulations included a provision that
9 allowed modification or waiver of any part of our net metering regulations on our own
10 motion or upon application and a good cause showing.³ The Department of Law added
11 a provision stating that any requirement of the net metering regulations that is also
12 required by AS 42.05 may be modified or waived upon application and a showing that
13 waiver is in the public interest.⁴

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Interconnection Standards

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As initially adopted, the net metering regulations required utilities to
16 interconnect with net metering customers in accordance with interconnection standards
17 “approved or accepted by this commission.”⁵ The Department of Law revised this
18 section to specify that utilities are required to interconnect with net metering customers
19 in accordance with interconnection standards “contained in the electric utility’s tariff.”⁶ A
20 similar revision was made to our section addressing interconnection of net metering
21 facilities, which previously stated that we may adopt regulations addressing

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³Order R-09-1(3), Appendix A at 1 (3 AAC 50.900(c)).

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⁴Appendix at 1 (3 AAC 50.900(c)).

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⁵Order R-09-1(3), Appendix A at 1 (3 AAC 50.910(a)(2)).

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⁶Appendix at 1 (3 AAC 50.910(a)(2)).

1 interconnection standards.⁷ The Department of Law revised this section to provide that
2 “[u]ntil the commission adopts by regulation safety, power quality, and interconnection
3 requirements for eligible consumer generation systems, the electric utility shall provide
4 in its tariff for the requirements necessary to protect public safety and system
5 reliability.”⁸

6 Refusal to Interconnect Based on System Capacity Limits

7 Under the net metering regulations, utilities are allowed to deny
8 interconnection to net metering customers based on a predefined system limit.⁹ We
9 required the utility to notify us when it refused to interconnect with a potential net
10 metering customer based on the system limit, but we did not state a time period for the
11 utility to provide the required notification.¹⁰ The Department of Law revised this section
12 to establish a deadline of 30 days for the utility to notify us of its refusal to interconnect
13 with a potential net metering customer.¹¹

14 Additional Metering Equipment

15 As initially adopted, the net metering regulations allowed a utility to install
16 additional metering equipment for net metering customers.¹² The Department of Law
17 modified this provision by adding the qualifying phrase “if the electric utility’s tariff
18 contains a requirement to install the equipment.” We revised the Department of Law
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21 ⁷Order R-09-1(3), Appendix A at 3 (3 AAC 50.940).

22 ⁸Appendix at 4 (3 AAC 50.940).

23 ⁹Specifically, net metering is not required when the total nameplate capacity of
net metering customers exceeded 1.5 percent of the utility’s average retail demand.

24 ¹⁰Order R-09-1(3), Appendix A at 1-2 (3 AAC 50.910(b)).

25 ¹¹Appendix at 2 (3 AAC 50.910(b))

26 ¹²Order R-09-1(3), Appendix A at 2 (3 AAC 50.910(g)).

1 language at the April 13, 2010, public meeting to state a utility may install additional
2 metering "if the electric utility's tariff allows the electric utility to install the equipment."¹³

3 Eligible Customer Generation System

4 As initially adopted, qualifications for an "eligible customer generation
5 system" included a requirement that the generation system be "located on, or adjacent
6 to, the consumer premises."¹⁴ The Department of Law removed the phrase "or adjacent
7 to," requiring that generation systems be located on the consumer premises.¹⁵

8 Definitions

9 *Eligible Customer Generation System*

10 As initially adopted, we defined "eligible facility" by the sources of
11 generation and included this provision in our definitional section. Our definition of
12 "eligible facility" included a provision that provided us with the discretion to allow
13 additional sources of generation.¹⁶ The Department of Law moved provisions regarding
14 eligible facility generation sources to the section addressing substantive requirements
15 for eligible generation systems,¹⁷ explaining that a substantive right provided to this
16 agency cannot be stated in a definitional section.¹⁸

17 *Biomass Energy*

18 Finally, the Department of Law modified the definition of biomass energy
19 to include landfill gas, biogas, wastewater, anaerobic digesters, or municipal solid

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22 ¹³Appendix at 2 (3 AAC 50.910(g)).

23 ¹⁴Order R-09-1(3), Appendix A at 2 (3 AAC 50.920(2)(B)).

24 ¹⁵Appendix at 3 (3 AAC 50.920(2)(B))

25 ¹⁶Order R-09-1(3), Appendix A at 4 (3 AAC 50.949(9)(I)).

26 ¹⁷Appendix at 2 (3 AAC 50.920(1)).

¹⁸April 13, 2010, public meeting transcripts at 8

1 waste.¹⁹ All of these sources of energy were included in the language originally
2 adopted by the commission, but were consolidated by the Department of Law under
3 biomass energy.²⁰

4 Conclusion

5 We believe the Department of Law's modifications to be reasonable and
6 within the scope of our public notice. With the exception of the revision discussed
7 previously under *Additional Metering Equipment*, the final regulations attached as an
8 appendix to this order incorporate all edits proposed by the Department of Law. We
9 adopt the regulations.

10 **ORDER**

11 THE COMMISSION FURTHER ORDERS that the proposed regulations set out in the
12 appendix to this order are adopted.

13 DATED AND EFFECTIVE at Anchorage, Alaska, this 26th day of April, 2010.

14 BY DIRECTION OF THE COMMISSION



25 ¹⁹Appendix at 3 (3 AAC 50.920(1)(C)).

26 ²⁰Order R-09-1(3), Appendix A at 4 (3 AAC 50.949(9)(C), (H)).