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Sent: Wednesday, March 13, 2013 6:46 PM
To: renewables@njcleanenergy.com
Subject: Request for Comment followup to today's RE Committee discussion on agenda item VII. a. RPS's SREC metering issues
Attachments: 2013-03-11 PSE&G Proposal to Address Solar MeteringIssue.pdf; njac Title 14 Chapter 3-7.2 c and e.pdf; ATT00001.txt

RE List:

As discussed in today's RE Committee meeting, staff is seeking public input on the implementation of a solution to the first of two issues involving SREC creation in the NJ RPS at N.J.A.C. 14:8-2.9 c, particularly how megawatt-hour data is input from the required ANSI C.12.1-2008 certified electricity meter (ie the production meter) to PJM-EIS Generation Attribute Tracking System (GATS). Two issues were discuss at today's meeting and were addressed in PSEG's "Proposal to Address Solar Metering Issues". I've attached the handouts from today's meeting which address both issues, but staff is only seeking comment on the first issue at this time.

We discussed measures designed to enable SREC owners with interval meters or other meters that require a calculation involving a multiplier and index to arrive at a generation amount in MWh to comply with the RPS rule requirement at NJAC 14:8-2.9 (c). Specifically, "in measuring generation to determine the number of RECs or SRECs to issue, the Board or its designee shall only accept readings of a meter that records kWh production of electrical energy, and which meets all applicable requirements at (c) 1 and 2 below. The readings may be taken or submitted by any person, but shall be verified by the Board or its designee". Staff seeks input in developing a process to ensure that sufficient data is kept available by each SREC account holder with interval production meters to enable the Board or its designee to verify that the MWh data submitted to GATS is consistent with the amount of solar electricity produced by the system for which SRECs were generated. Specifically, we are looking for suggestions on the type of information to kept, in what form, the frequency of collection, and the retention time. Some suggestions from the meeting included a log of all production related data with descriptive information on the meter including the multiplier, kept for each meter reading entered, an annual photo of the meter faceplate or online aggregation screen...

Since the matter is urgent for many SREC account holders, please submit your comments to OCE@bpu.state.nj.us as soon as possible, Friday Marhc 15th is preferred with Friday March 22 being the deadline.

Thank you in advance for your consideration.

Scott

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Proposal to Address Solar Metering Challenges

Statement of the Problem: In late January, PJM-EIS sent notification to solar generation system subscribers that due to certain revisions to NJBPU's implementation of regulations at N.J.A.C. 14:8-2.9(c) PJM-EIS would no longer be providing SRECs to systems utilizing (1) a multiplier for meters (e.g. interval meters); and (2) estimated meter readings trued-up with actuals within a reasonable period of time as has been historically utilized to measure generation and continues to be utilized to measure all generation besides solar consistent with N.J.A.C. 14:3-7.2(c) and (e).

In February 2013 numerous solar generation facilities with revenue-grade meters began not receiving SREC revenues either because their meter utilized a multiplier or, for whatever reason, they were unable to obtain and input an actual meter reading. This has triggered severe concern throughout the solar marketplace as the financing for many solar projects both within and outside PSE&G's Solar Loan Program is dependent upon SREC revenue to cover all or significant portions of the cost of solar projects.

Applicable Regulation:

N.J.A.C. 14:8-2.9(c)

Beginning December 4, 2012, in measuring generation to determine the number of RECs or SRECs to issue, the Board or its designee **shall accept only readings of a meter** that records kilowatt-hour production of electrical energy, and which meets all applicable requirements at (c)1 and 2 below. The readings may be taken or submitted by any person, but shall be verified by the Board or its designee:

1. The American National Standards Institute (ANSI) Standard C12.1-2008, Electric Meters Code for Electricity Metering, incorporated herein by reference, as amended or supplemented; and
2. Any additional requirements in the PJM-EIS Generation Attribute Tracking System Operating Rules, Revision 6, September 2010; and the PJM-EIS Generation Tracking System Terms of Use, last modified on January 3, 2011; which are incorporated herein by reference, as amended and supplemented, and can be found at www.PJM-EIS.com

Background:

Multiplier Meters

Meter multipliers are necessary to ensure accurate measurement of generation at facilities with certain site characteristics. Multipliers are also an essential component of utility metering as meter dials do not typically spin to infinity. Rather, meters typically spin to a point and then restart with zeroes. Multiplier meters are a well-accepted industry practice

utilized to accurately measure usage. There exist interval meters that are revenue-grade. PSE&G's Solar Loan Program utilizes revenue grade interval meters as do many private solar project developers. Approximately 120 commercial customers within the PSE&G Solar Loan Program require a "multiplier meter."

Meter Interval Calculation Method:

Interval Aggregate * Multiplier = Total Generation (applied in real-time)

Estimated Meter Readings

It is well-accepted that, for a variety of reasons, public utilities and those owning generation may not obtain or report actual meter readings every single month. For public utilities, this can be due to access issues at the customer site among other reasons. Recognizing this issue, there is a well-established process of utilizing estimated readings trued-up with actuals in the measurement of consumption and generation supply. In the solar context, from discussions with solar developers in and outside the PSE&G Solar Loan Program, PSE&G has been informed that SREC eligibility dependent upon actual meter readings 100% of the time was not anticipated by most solar developers and, particularly for many residential and commercial in-service projects, would add significant unanticipated costs and/or be financially and operationally untenable.

Proposed Action for Consideration:

Balancing the interest in solar generation measurement accuracy against the operational burdens and practical implications associated with measuring generation output and the potential harm to continued solar development, it is proposed that N.J.A.C. 14:8-2.9(c) be interpreted to permit the use of interval meters and estimated meter readings trued-up with actual meter readings in recognition that in both instances the resulting SRECs are in fact based on readings of a meter that records kilowatt-hour production of electrical energy, and which meets all applicable requirements of the regulation.

If acceptable, Board Staff need only notify PJM-EIS that it may accept "Generation Entry Type of Actual" in addition to "Meter Reading Type." These entries would in fact be readings from a revenue-grade meter with the appropriate multiplier calculation performed by the solar generator. For monthly entries based on estimates, the solar generator recognizes that in a subsequent month, there would be an obligation to true-up the estimate with an actual meter reading – either based on interval meter data or data from another type of revenue-grade meter. In addition, PJM-EIS may request documentation of the estimate and subsequent actual meter reading and/or generation data. Under its existing regulations, the Board has the authority to inspect and verify electric generation and SREC issuance. Should an entity be found to have failed to true-up for actuals or engaged in any improper practice with respect to certifying entitlement to SREC revenues, the Board of course has the means to pursue appropriate action.

N.J.A.C. 14:3-7.2

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TITLE 14. PUBLIC UTILITIES
CHAPTER 3. ALL UTILITIES
SUBCHAPTER 7. BILLS AND PAYMENTS FOR SERVICE

N.J.A.C. 14:3-7.2 (2013)

§ 14:3-7.2 Form of bill for metered service

(a) This section applies only to a utility that provides metered service.

(b) Unless a utility has been specifically relieved of so doing by order of the Board, a bill for metered service shall show the following:

1. The meter readings at the beginning and end of the billing period;
2. The dates on which the meter is read;
3. The number and kind of units measured;
4. Identification of the applicable rate schedule. If the applicable rates are not shown, the bill shall carry a statement to the effect that the applicable rate will be furnished upon request;
5. The gross and/or net amount of the bill;
6. If the utility uses gross and net billing, the date on which payment must be made to qualify for the net billing or discount;
7. A distinctive marking to indicate the method used to calculate the bill; for example, electronic readings, estimated billing, budget billing, or the index of a remote reading device. In addition, the utility may also provide a web address and telephone number where the customer can obtain a description of the method used;
8. An explanation or statement of any conversion from meter reading to billing units or any other calculations or factors used in determining the bill;
9. For each Class A water utility and each wastewater utility that meets the revenue threshold of a Class A water utility subject to the Board's jurisdiction, sufficient information to reflect the estimated amount of money in that individual bill, which is collected for the gross receipts and franchise taxes pursuant to N.J.S.A. 54:30A-54. The following language is suggested as a model statement to be indicated on the bill: "Approximately 13% of \$ _____ of your current period charges reflect the average gross receipts and franchises taxes

which are paid to the State of New Jersey and distributed to New Jersey municipalities.";
and

10. For each electric and gas utility, a statement of all applicable taxes imposed upon and included in the cost of the energy provided to the customer. The following language is suggested as a model statement to be included on the bill: "Under applicable tax law, the State sales and use tax, corporate business tax, and Transitional Energy Facility Assessment are imposed upon the energy which you have used. To obtain the exact amount of tax included in your billing, please contact the utility at the telephone number listed on your bill."

(c) If for any reason a utility cannot read a customer's meter, the utility may use estimated billing in accordance with (e) below.

(d) (Reserved)

(e) Rules concerning estimated bills for all customers are as follows:

1. Utility companies shall maintain a regular meter reading schedule and make a reasonable effort to read all meters;

2. Utility companies, upon request, shall make available to all customers a postage paid business reply card on which the customer may mark the meter reading as follows:

i. The business reply card shall have appropriate explanation. The utility shall permit the customer to telephone the meter reading to the utility. The customer reading is to be used in lieu of an estimated reading, provided the reading is received in time for billing;

3. When a utility estimates an account for four consecutive billing periods (monthly accounts), or two consecutive billing periods (bimonthly and quarterly accounts), the utility shall mail a notice marked "Important Notice" to the customer on the fifth and seventh months, respectively, explaining that a meter reading must be obtained and said notice shall explain the penalty for failure to complete an actual meter reading. After all reasonable means to obtain a meter reading have been exhausted, including, but not limited to, offering to schedule meter readings for evenings and on weekends, the utility may discontinue service provided at least eight months have passed since the last meter reading was obtained, the Board has been so notified and the customer has been properly notified by prior mailing. If service is discontinued and subsequently restored, the utility may charge a reconnection charge equal to the reconnection charge for restoring service after discontinuance for nonpayment;

4. Utility companies shall submit to the Board of Public Utilities a statement detailing their estimating procedures;

5. If low estimates result in a customer receiving an actual bill that is at least 25 percent greater than the prior estimated bill, the utility shall allow the customer to amortize the excess amount. The amortization will be in equal installments over a period of time equal to the period when no actual reading was taken by the customer or the utility; and

6. Annually, the utility shall notify all customers of their rights to amortize as set forth in (e)5 above.

(f) Prior to the implementation of any plan, automated or otherwise, which would replace or

modify a utility's current method of taking actual meter readings for any class of customers, said plan shall be submitted to the Board for approval. The plan shall be accompanied by all of the following:

1. A justification for the new or modified plan;
2. A list of all associated costs and/or savings;
3. The impact, if any, upon safety; and
4. The potential for the diversion of service.

HISTORY:

As amended, R.1979 d.474, effective January 1, 1980.

See: 11 N.J.R. 402(b), 12 N.J.R. 49(b).

As amended, R.1980 d.44, effective January 24, 1980.

See: 12 N.J.R. 156(d).

As amended, R.1980 d.299, effective July 1, 1980.

See: 12 N.J.R. 209(f), 12 N.J.R. 495(d).

As amended by R.1987 d.163, effective April 6, 1987.

See: 18 N.J.R. 2425(a), 19 N.J.R. 552(a).

Substituted "and sewerage" for "sewage".

Amended by R.1991 d.221, effective May 6, 1991.

See: 22 N.J.R. 1112(a), 23 N.J.R. 1439(b).

Deleted archaic "Board of Public Utility Commissioners".

Amended by R.1997 d.39, effective February 3, 1997.

See: 28 N.J.R. 1810(a), 29 N.J.R. 449(a).

Added (a)10; in (b)3, inserted provision on offering evening and weekend readings; in (b)5, inserted reference to averaged bills and bills based upon remote reading device index; and added (c).

Amended by R.2002 d.280, effective September 16, 2002.

See: 34 N.J.R. 992(a), 34 N.J.R. 3216(b).

In (a), rewrote 9 and 10.

Recodified from N.J.A.C. 14:3-7.9 and amended by R.2008 d.119, effective May 19, 2008.

See: 39 N.J.R. 4077(b), 40 N.J.R. 2481(a).

Added new (a); recodified former (a) as (b); added new (c), recodified former (b) and (c) as (e) and (f); in the introductory paragraph of (b), substituted "a bill for metered service" for "the bill"; rewrote (b)7; in (b)9, inserted "; and" at the end; in (b)10, substituted "utility, a statement of" for "company subject to the Board's jurisdiction, sufficient information to adequately reflect that the payment of" and "the energy provided to the customer" for "each kilowatt hour of electricity and therm of gas consumed by an electric and gas company", deleted "pursuant to P.L. 1997, c.162 and other applicable laws of this State" from the end of the first sentence and substituted the last occurrence of "utility" for "company"; in the introductory paragraph of (e), substituted "all" for "residential"; in (e)1, substituted a semicolon for a period at the end; in (e)2, substituted "shall" for "must", substituted "as follows:" for a period at the end and recodified the second through fourth sentences as (e)2i; in (e)2i, substituted "The business reply" for "Said", the second occurrence of "shall" for "must" and a semicolon for a period at the end; in (e)3, deleted "company" following the first occurrence of "utility", substituted "utility shall" for "the company must initiate a program to", substituted the second occurrence of "shall" for "must", substituted the third occurrence of "utility" for "company" and substituted a semicolon for a period at the end; in (e)4, substituted "shall" for "may" and substituted a semicolon for a period at the end; deleted former (e)5; recodified (e)6 and (e)7 as (e)5 and (e)6; in (e)5, substituted the first occurrence of "utility" for "company" and "utility; and" for "company."; in (e)6, substituted "utility" for "company" and "set forth in (e)5" for "outlined in (b)6"; and rewrote (f).

Former N.J.A.C. 14:3-7.2, Deposits to insure credit of new customers, was repealed.

CASE NOTES

Implementation of 1991 amendments to Gross Receipts and Franchise Tax statutes. In Matter of Implementation of P.L. 1991, C. 184, 92 N.J.A.R.2d (BRC) 53.

Change in bill format rejected; determination of complex rate increase petition. In re: Public Service Electric & Gas Co., 6 N.J.A.R. 633 (1981).

Chapter Notes