

PROJECT NO. 34890

RULEMAKING PROCEEDING	§	PUBLIC UTILITY COMMISSION
RELATING TO NET METERING AND	§	
INTERCONNECTION OF	§	OF TEXAS
DISTRIBUTED GENERATION	§	

**PROPOSAL FOR PUBLICATION OF NEW RULE §25.213
AS APPROVED AT THE FEBRUARY 7, 2008 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes new §25.213, relating to Metering for Distributed Renewable Generation. The proposed new rule will establish a definition for metering as it relates to interconnected distributed renewable generation. The provision of metering as required by the new rule will satisfy the requirements for metering pursuant to Public Utility Regulatory Act (PURA) §39.914(d) and §39.916(f). This threshold issue is being taken up first in Project No. 34890 in order to provide sufficient clarity for the Electric Reliability Council of Texas (ERCOT) to begin development of profiles needed to settle sales of distributed renewable generation by January 1, 2009 as set forth by PURA §39.916(j). The remainder of Project No. 34890 will be completed in the fourth quarter of 2008. This proposed new rule is a competition rule subject to judicial review as specified in PURA §39.001(e).

David Smithson, Policy Analyst, Competitive Markets Division, has determined that for each year of the first five-year period the proposed section is in effect, there will be no fiscal implications for state government as a result of enforcing or administering the section.

Mr. Smithson has determined that for each year of the first five years the proposed section is in effect the public benefit anticipated as a result of enforcing the section will be the ability of the

owners of distributed renewable generation to sell their surplus generation to retail electric providers who in turn will be able to benefit from the purchase of this generation in connection with the settlement of energy and capacity purchased and sold in the wholesale market. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing this section. There is some anticipated economic cost to owners of distributed renewable generation, as stipulated in PURA §39.916, limited to the differential cost for metering as described in subsection (b)(1) of the proposed rule.

Mr. Smithson has also determined that for each year of the first five years the proposed section is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the Administrative Procedure Act, Texas Government Code §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701 on Thursday, March 13, 2008, at 9:30 a.m. The request for a public hearing must be received within 10 days after publication.

In addition to comments on the proposed rule, the commission requests interested persons to file comments in response to the following question:

Should there be a standard tariff for transmission and distribution utilities, excluding river authorities, for the provision of metering for distributed renewable generation?

Comments on the proposed rule may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, within 20 days after publication. Sixteen copies of comments to the proposed section are required to be filed pursuant to §22.71(c) of this title. Comments should be organized in a manner consistent with the organization of the proposed rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the proposed section. All comments should refer to Project No. 34890.

This rule is proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 2007 and Supp. 2007) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction (PURA §12.001), and, in particular, PURA §38.002, which authorizes the commission to adopt standards relating to measurement, quality of service, and metering standards, PURA §39.101(b)(3), which provides the commission the authority to adopt and enforce rules relating to customers' right of access to on-site distributed generation, PURA §39.914, which provides for the sale of surplus electricity produced by a public school building's solar electric generation panels, and PURA §39.916, which directs the commission to establish standards for distributed renewable generation.

Cross Reference to Statutes: Public Utility Regulatory Act §§14.002, 38.002, 39.101, 39.914, and 39.916.

§25.213. Metering for Distributed Renewable Generation.**(a) Application.**

This section applies to metering provided by transmission and distribution utilities, excluding river authorities, to owners of distributed renewable generation.

(b) Metering.

- (1) Upon request by a customer that has, or is in the process of installing distributed renewable generation on the customer's premises and that desires to measure the generation's surplus electricity production, a transmission and distribution utility shall provide metering at the point of common coupling using one or two meters that separately measure both the customer's electricity consumption from the distribution network and the surplus generation that is delivered from the customer's premise to the distribution network and separately report each metered value to the transmission and distribution utility. The two metered values should be separately accounted for by the transmission and distribution utility.
- (2) In its tariff, a transmission and distribution utility may charge for the customer's electricity consumption from the distribution network.
- (3) A transmission and distribution service provider shall not provide metering for purposes of PURA §39.914(d) and PURA §39.916(f), that is inconsistent with paragraph (1) of this subsection, unless ordered by the commission.
- (4) The distributed renewable generation owner shall pay the differential cost of the metering unless the meters are provided at no additional cost.
- (5) Transmission and distribution service providers shall file tariffs for metering under this section within 60 days of its effective date.

- (6) Owners of distributed renewable generation may begin selling surplus generation on January 1, 2009.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 8th DAY OF FEBRUARY 2008 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**