

THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE COMMISSION'S
REVIEW OF CHAPTER 4901:1-10 OF THE
OHIO ADMINISTRATIVE CODE.

CASE NO. 12-2050-EL-ORD

FINDING AND ORDER

Entered in the Journal on November 8, 2017

I. SUMMARY

{¶ 1} The Commission adopts amendments to the net metering rule in Ohio Adm.Code 4901:1-10-28. The Commission finds that the electric utilities shall offer a standard net metering tariff to standard service offer customers, while competitive retail electric service providers shall be provided greater opportunities to offer diverse net metering products and service to shopping customers.

II. DISCUSSION

{¶ 2} R.C. 111.15(B) and R.C. 106.03(A) require all state agencies to conduct a review of their rules every five years to determine whether those rules should be continued without change, be amended, or be rescinded. At this time, the Commission is reviewing the net metering rules contained in Ohio Adm.Code 4901:1-10-28.

{¶ 3} R.C. 106.03(A) requires that the Commission determine whether the rules:

- (a) Should be continued without amendment, be amended, or be rescinded, taking into consideration the purpose, scope, and intent of the statute under which the rules were adopted;
- (b) Need amendment or rescission to give more flexibility at the local level;
- (c) Need amendment or rescission to eliminate unnecessary paperwork;

- (d) Incorporate a text or other material by reference and, if so, whether the text or other material incorporated by reference is deposited or displayed as required by R.C. 121.74, and whether the incorporation by reference meets the standards stated in R.C. 121.71, 121.75, and 121.76;
- (e) Duplicate, overlap with, or conflict with other rules;
- (f) Have an adverse impact on businesses, as determined under R.C. 107.52;
- (g) Contain words or phrases having meanings that in contemporary usage are understood as being derogatory or offensive; and
- (h) Require liability insurance, a bond, or any other financial responsibility instrument as a condition of licensure.

{¶ 4} The Commission must also consider several factors set forth in Executive Order 2011-01K, entitled "Establishing the Common Sense Initiative," and issued by Governor Kasich on January 10, 2011. Under the Common Sense Initiative, the Commission must review its rules to determine the impact that a rule has on small businesses; attempt to balance the critical objectives of regulation and the cost of compliance by the regulated parties; and amend or rescind rules that are unnecessary, ineffective, contradictory, redundant, inefficient, or needlessly burdensome. The Commission must also assess whether a rule has had negative, unintended consequences, or unnecessarily impeded business growth.

{¶ 5} Additionally, in accordance with R.C. 121.82, in the course of developing draft rules, the Commission must evaluate the rules against the business impact analysis (BIA). If there will be an adverse impact on businesses, as defined in R.C. 107.52, the

Commission is tasked to incorporate features into the draft rules to eliminate or adequately reduce any adverse impact. R.C. 121.82 also requires the Commission to provide a copy of the draft rules and BIA to the Common Sense Initiative office for comment.

{¶ 6} On January 15, 2014, the Commission issued a Finding and Order in this case that adopted both amended and no-change rules in Ohio Adm.Code Chapter 4901:1-10 and ordered that they be filed with the Joint Committee on Agency Rule Review (JCARR), the Secretary of State, and the Legislative Service Commission. However, subsequent to issuing the Order and filing the rules with JCARR, Rule 4901:1-10-28 regarding net metering was withdrawn from JCARR for further consideration.

{¶ 7} On May 5, 2015, the Commission's Staff conducted a workshop to receive additional stakeholder input on net metering. Numerous stakeholders attended the workshop and provided Commission Staff with insight on how the net metering rule should be developed. The May 5, 2015 workshop was the Commission's second regarding Ohio Adm.Code Chapter 4901:1-10. However, the purpose of the May 5, 2015 workshop was solely related to the issue of net metering in Ohio Adm.Code 4901:1-10-28.

{¶ 8} Following the second workshop, by Entry issued on November 18, 2015, the Commission requested comments and reply comments on proposed Ohio Adm.Code 4901:1-10-28 (Net Metering Rule) from interested stakeholders. Comments were received by the Natural Resources Defense Council (NRDC); The Alliance for Solar Choice (TASC); Ohio Power Company (AEP Ohio); the Ohio Consumers' Counsel (OCC); Direct Energy Business, LLC, and Direct Energy Services, LLC (jointly, Direct Energy); Duke Energy Ohio, Inc. (Duke); The Toledo Edison Company, The Cleveland Electric Illuminating Company, and Ohio Edison Company (collectively, FirstEnergy); One Energy, LLC (One Energy); the Environmental Law and Policy Center (ELPC), the Ohio Environmental Council (OEC), the Environmental Defense Fund (EDF), and Vote Solar

(collectively, Environmental Advocates); The Dayton Power and Light Company (DP&L); and IGS Solar, IGS Generation, and Interstate Gas Supply, Inc. (collectively, IGS) on December 18, 2015. Thereafter, reply comments were received by DP&L, One Energy, OCC, AEP Ohio, Duke, IGS, the Ohio Manufacturers' Association Energy Group (OMAEG), FirstEnergy, Direct Energy, and the Environmental Advocates on January 8, 2016. The Commission reviewed each of the comments and reply comments, as well as the comments and reply comments that were filed in this case on January 7, 2013, and February 6, 2013, and now issues this Finding and Order adopting proposed Ohio Adm.Code 4901:1-10-28.

{¶ 9} The Commission notes that our intent behind the adopted Net Metering Rule is to implement the net metering requirements in R.C. 4928.67 and to further the policies of the state of Ohio in R.C. 4928.02. Specifically, it is the policy of the state of Ohio to "encourage implementation of distributed generation across customer classes through regular review and updating of administrative rules governing critical issues such as, but not limited to, interconnection standards, standby charges, and net metering." R.C. 4928.02(K). Additionally, it is the policy of the state of Ohio to "ensure diversity of electricity supplies and suppliers, by giving consumers effective choices over the selection of those supplies and suppliers and by encouraging the development of distributed and small generation facilities." R.C. 4928.02(C). The Net Metering Rule adopted by the Commission in this case furthers both of these policies by encouraging the implementation of distributed generation by giving customer-generators choice over their supplier of net metering service.

{¶ 10} The Commission finds that the Net Metering Rule will foster a competitive marketplace for net metering products and services. It is the Commission's intent for each of the electric utilities to offer both a standard net metering tariff and a hospital net metering tariff, while also creating an environment where competitive retail electric service providers (CRES providers) are encouraged to offer innovative net metering

products and services. The adopted rule proposes to do this by providing customer-generators with access to advanced meters and by providing CRES providers with better access to the data and capabilities of those meters. We note, however, that those customer-generators who are currently shopping and participating in net metering through an electric utility should be permitted to continue to participate through the electric utility for up to one year after the effective date of these amendments. Below we summarize some of the comments and reply comments received by the Commission that provided invaluable stakeholder feedback in this proceeding.

III. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(A) - DEFINITIONS

{¶ 11} In Ohio Adm.Code 4901:1-10-28(A), the Commission proposed to define a customer-generator as simply a user of a net metering system, which is how the term is defined in R.C. 4928.01(A)(29). Duke requests that the Commission clarify that an electric utility that owns and operates distributed generation on a customer's premises may be considered a customer-generator. In reply comments, AEP Ohio supports Duke's request to permit electric utilities to construct and operate distributed generation.

{¶ 12} The Commission makes no finding on whether an electric utility can be considered a customer-generator. We simply find that a customer-generator is a user of a net metering system. Additionally, we note that a net metering system is a generation facility that uses the appropriate fuel type, is located on the customer-generator's premises, operates in parallel with the electric utility's transmission and distribution facilities, and is intended primarily to offset part or all of the customer-generator's requirements for electricity. If an electric utility intends to be a customer-generator itself, such as by constructing a net metering system on its own premises to serve its own requirements, then this may result in the electric utility being a customer-generator. However, if an electric utility intends to offer net metering to customers in a manner not contemplated by R.C. Chapter 4928 or Ohio Adm.Code 4901:1-10-28, then the electric utility may file an application with the Commission for our consideration. The

Commission will consider whether any such application meets the requirements of R.C. 4928.67 or otherwise furthers the policies of the state of Ohio in R.C. 4928.02.

{¶ 13} In Ohio Adm.Code 4901:1-10-28(A), the Commission proposed to define a microturbine as a turbine with a capacity of 2 Megawatts (MW) or less. FirstEnergy argues that the term “microturbine” itself recognizes that a microturbine is otherwise smaller than a standard turbine. FirstEnergy argues that the Commission should decrease the size threshold of a microturbine from the proposed 2 MW to 500 kW. In reply comments, IGS opposes FirstEnergy’s request. IGS notes that the Commission has the discretion to determine the proper size limit for microturbines. Additionally, IGS notes that the statute does not define the difference between a turbine and a microturbine, so the Commission may use its technical expertise and understanding of the industry to set an appropriate size limit.

{¶ 14} The Commission finds that FirstEnergy’s proposal to limit microturbine size to 500 kW should not be adopted. The Commission notes that the size limit on microturbines is actually a secondary size limit. Pursuant to R.C. 4928.01(A)(31)(d), a net metering system using microturbines must intend primarily to offset part or all of its requirements for electricity. Accordingly, as explained *infra*, all net metering facilities should be sized at no more than 120 percent of their requirements for electricity at the time of interconnection. Further, under Ohio Adm.Code 4901:1-22-07, distributed generation facilities under 2 MW generally qualify for review under the Level 2 expedited review procedure for interconnection to an electric utility’s distribution system. Finally, we note that pursuant to R.C. 4928.02(K), it is the policy of this state to encourage *implementation of distributed generation across customer classes through regular review and updating of administrative rules governing critical issues such as interconnection standards and net metering*. Accordingly, the Commission finds the size limit for microturbines should be set at 2 MW.

IV. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(1)

{¶ 15} As proposed, Ohio Adm.Code 4901:1-10-28(B)(1) would require the electric utilities to offer net metering exclusively to standard service offer (SSO) customers. Additionally, CRES providers would be provided the opportunity to offer net metering to their customers at any price, rate, credit, or refund for excess generation. Direct Energy and IGS support the proposal to allow CRES providers to enter into net metering contracts with customers. However, Direct Energy requests that the Commission clarify that a CRES provider's net metering contract may include a monetary credit, a kWh credit, or any combination thereof to account for the net metering system's generation.

{¶ 16} Additionally, OMAEG notes that under the Commission's proposed rule, customer-generators who sign net metering contracts with CRES providers would not be guaranteed compensation for their excess generation. OMAEG proposes that the Commission require CRES providers to convert excess generation to a monetary credit, at whatever the agreed upon rate is, and have that credit applied to customer-generators' future bills.

{¶ 17} The Commission finds that its proposed rule should be adopted. CRES providers may offer net metering contracts to customer-generators at any price, rate, credit, or refund for excess generation from a customer-generator. Accordingly, the burden rests with customer-generators to compare offers and to consider the price, terms, and conditions of net metering contracts being offered by CRES providers, consistent with how customers shop in any competitive market. The Commission's intent is to adopt a market-based Net Metering Rule where customers can choose from multiple net metering offers between competing providers. While the Commission intends to promote a market-based approach to net metering, we also recognize that R.C. 4928.67 requires electric utilities to make available upon request net metering service to any SSO customer that the electric utility serves. Accordingly, the electric utilities should offer net metering service to any SSO customer that requests such service, while CRES providers

may offer net metering contracts with different benefits and compensation to customer-generators than what the electric utilities are required to offer.

{¶ 18} OCC asserts the Commission should add a requirement that the electric utilities offer time-differentiated rates through a time-differentiated SSO. OCC avers this would allow net metering customers to realize the full benefit of their energy supply contribution, particularly in areas where CRES providers are not offering time-differentiated rates or net metering contracts to customers. However, in reply comments, FirstEnergy, DP&L, and AEP Ohio oppose OCC's proposal. FirstEnergy, DP&L, and AEP Ohio assert that OCC's proposal goes far beyond the scope of this proceeding and would be more appropriately raised in an electric security plan (ESP) proceeding.

{¶ 19} The Commission agrees with the electric utilities and finds that OCC's proposal should not be adopted in this proceeding. Time-differentiated rates are outside the scope of this proceeding. While R.C. 4928.67(A)(2)(b) provides for hospital customer-generators to receive the market value of the hospital customer-generator's electricity at the time it is generated, this requirement has already been incorporated into the rule. The Commission will address the issue of time-differentiated rates for all customers in a more appropriate proceeding.

{¶ 20} Duke asserts that its billing system will need significant modifications to accommodate net metering. However, Duke proposes that limiting net metering to CRES providers with dual billing capabilities would mitigate its cost of accommodating net metering. In reply comments, Direct Energy objects to Duke's proposal. Direct Energy asserts that only allowing CRES providers who use dual billing to offer net metering would be a significant impediment to residential net metering.

{¶ 21} The Commission finds that Duke's proposal should not be adopted. We find that allowing only those CRES providers who have implemented dual billing to offer net metering would significantly impede the adoption of net metering by residential

customers, which would be inconsistent with R.C. 4928.02(D), (E), and (K)'s call to encourage implementation of distributed generation and net metering in Ohio. However, as we explain below, we will allow the electric utilities to automatically move customer-generators to bill-ready billing, which should mitigate some of the electric utilities' costs of accommodating net metering.

V. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(2)

{¶ 22} Ohio Adm.Code 4901:1-10-28(B)(2) requires that a net metering system use as its fuel either solar, wind, biomass, landfill gas, or hydropower, or use a microturbine or fuel cell. IGS argues the Commission should also include reciprocating engines in this definition. IGS recognizes that this rule relies upon the statutory definition of net metering system in 4928.01(A)(31)(a), which does not include reciprocating engines as a technology or fuel source for net metering. However, IGS asserts that the proposed rule fails to satisfy the spirit of R.C. 4928.02 to promote the development of distributed generation in Ohio. In reply comments, AEP Ohio and FirstEnergy oppose IGS's proposal to add reciprocating engines to the list of eligible net metering systems. Each notes that adding reciprocating engines would violate the plain language of R.C. 4928.01(A)(31)(a).

{¶ 23} The Commission finds that IGS's proposal should be denied. Pursuant to the plain language of R.C. 4928.01(A)(31)(a), a net metering system must use as its fuel either solar, wind, biomass, landfill gas, or hydropower, or use a microturbine or fuel cell.

VI. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(6)

{¶ 24} Pursuant to the proposal in Ohio Adm.Code 4901:1-10-28(B)(6), a net metering system must be located on a customer-generator's premises, which may include a contiguous lot. FirstEnergy asserts that the Commission should not allow customer-generators to construct net metering systems on contiguous lots. FirstEnergy argues that allowing net metering systems on contiguous lots would permit customer-generators to

construct distribution lines between properties or over roadways, which would be unsafe and a direct violation of R.C. 4933.81, 4933.82, or 4933.83. Similarly, DP&L urges the Commission to specifically disallow the placement of a generator miles away from the actual metering point, thus creating customer-owned distribution lines. FirstEnergy further argues that the electric utilities have the exclusive right to provide electric service *in their certified territories, and allowing customer-generators to provide electricity between lots would infringe on this right.* TASC supports the Commission's proposed definition of customer premises. Additionally, the Environmental Advocates, IGS, and One Energy recommend that the Commission reject FirstEnergy's arguments and allow customer-generators to construct facilities on contiguous lots, regardless of easements, thoroughfares, and rights-of-way; the same groups provide no commentary as to DP&L's request for clarifying language.

{¶ 25} Initially, we disagree with FirstEnergy's arguments that the proposed rule infringes upon the electric utilities' exclusive right to provide service under R.C. 4933.81, 4933.82, and 4933.83. The Commission reaches the same conclusion regarding DP&L's suggestion to specifically limit the surface area implicated by contiguous lots. However, we recognize the need to provide the electric utilities with flexibility to determine whether a net metering system on a contiguous lot would create an unsafe or hazardous condition. Accordingly, we find the rule should provide that a customer-generator's premises *may* include a contiguous lot, so long as it would not create an unsafe or hazardous condition, as determined by the electric utility through its interconnection review process. The Commission notes that through Ohio Adm.Code Chapter 4901:1-22, the electric utilities are required to evaluate applications for interconnection to protect public and worker safety and system reliability. The Commission intends for this rule to provide opportunities for customer-generators to construct net metering systems on contiguous lots, but only when such facilities would not create hazardous or unsafe conditions.

VII. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(7)(a)

{¶ 26} Ohio Adm.Code 4901:1-10-28(B)(7) implements the requirement in R.C. 4928.01(A)(31)(d) that customer-generators must intend primarily to offset part or all of their requirements for electricity. Under the proposed rule, the electric utilities would calculate the customer's requirements for electricity by averaging the annual electricity consumption over the previous three years, and then provide that data to customers upon request.

{¶ 27} DP&L, FirstEnergy, Duke, and AEP Ohio argue that the electric utilities should not have the burden of predicting consumption; instead, customers should have the burden of making consumption estimates and sizing their net metering facilities so as not to generate in excess of their requirements for electricity. Each of the electric utilities note that it can be expensive to maintain long-term electronic billing data. DP&L recommends that customer-generators should be required to present a construction packet and usage estimates to their electric utility to demonstrate the net metering system is not oversized. AEP Ohio proposes that customer-generators sign an attestation of the expected annual electricity generation and a report verifying that the net metering system is not oversized. Additionally, FirstEnergy asserts that the Commission's proposed method of calculating a consumption estimate and providing it to the customer-generator may result in the electric utilities disclosing proprietary or confidential customer energy usage data.

{¶ 28} OCC proposes that the electric utilities calculate a rolling three-year average consumption for each customer on a monthly basis and provide such data to customers through the electric utility's website. To access such data, OCC proposes that the electric utilities implement an online portal where customers will register and log-in to a password protected section of the utility's website. However, in reply comments, the electric utilities oppose OCC's proposal that the electric utilities calculate a rolling three-

year average consumption for each customer on a monthly basis and provide the data to customers.

{¶ 29} In reply comments, Direct Energy, the Environmental Advocates, and OCC disagree with the electric utilities' proposal to have customers make their own consumption estimates. The Environmental Advocates assert the electric utilities should provide consumption estimates. In the alternative, Direct Energy proposes the electric utilities use an average customer consumption profile based upon the square footage of the facility or the rate class. Additionally, Direct Energy recommends that a simple line item be added to an interconnection application indicating the customer's historical annual usage or expected annual usage and an estimate of the expected annual production.

{¶ 30} The Commission agrees with the electric utilities that properly sizing a net metering system is a customer-generator's responsibility. DP&L requests the Commission provide the electric utilities with flexibility to communicate and provide data to their customers. We agree. The electric utilities should be provided flexibility to communicate with their customers to ensure that net metering facilities are properly sized. It is in the electric utilities' best interests to ensure that customer-generators properly size their facilities so they do not generate in excess of their requirements. However, we must ensure that customers have the information they need to properly size their net metering facilities. Therefore, we find it is reasonable to require the electric utilities to provide consumption data or a consumption estimate to customers to assist them with properly sizing their net metering facilities. Accordingly, we find that the electric utilities shall provide to customers upon request either a reasonable estimate of the annual electricity consumption for the customer's premises or the actual average annual electricity supplied to the premises; customers may then rely upon this data or estimate when sizing their net metering facilities. Additionally, the electric utilities may use an online web portal to provide consumption estimates to customers intending to

build net metering facilities, but we make no such requirement in this proceeding. Instead, we find OCC's request for us to require the electric utilities to implement an online portal for customers should be addressed in an ESP or more appropriate proceeding.

VIII. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(7)(b)

{¶ 31} In Ohio Adm.Code 4901:1-10-28(B)(7)(b), the proposed rule contained a size limit for net metering facilities such that they could not exceed 120 percent of the customer-generator's requirements for electricity at the time of interconnection.

{¶ 32} Duke asserts that allowing customer-generators to size their net metering systems at 120 percent of their requirements could present distribution engineering problems on the utilities' electric distribution facilities. FirstEnergy argues that allowing customer-generators to size their net metering systems at 120 percent of their requirements for electricity violates the requirement in R.C. 4928.01(A)(31)(d) that customer-generators must intend primarily to offset part or all of their requirements for electricity. AEP Ohio asserts that the 120 percent requirement should be continuous, such that customer-generators must not generate in excess of 120 percent of their requirements for electricity on a going-forward basis. The electric utilities each agree that net metering facilities should be sized at 100 percent of a customer-generator's requirements for electricity. However, because R.C. 4928.01(A)(31)(d) is based upon the intent of the customer-generator, the Environmental Advocates assert that no size limit should be established. In reply comments, Direct Energy supports the proposals by Duke, FirstEnergy, and AEP Ohio, and argues that the size requirement should apply to both electric utilities and CRES providers. However, the Environmental Advocates, OCC, and IGS support the 120 percent limit on excess generation.

{¶ 33} The Commission finds that customer-generators must size their facilities so as not to exceed 120 percent of their requirements for electricity, which will be determined once, at the time of interconnection. This requirement shall apply regardless of whether

the customer-generator is taking service from the electric utility or a CRES provider. Since the limit is applied at the time of interconnection, and interconnection is a process conducted by the electric utilities, the facility size limit will necessarily be applied to all facilities, regardless of whether the customer-generator is shopping for electric service with a CRES provider.

{¶ 34} Since there may be annual fluctuations in electricity usage, and the Commission has provided flexibility to the electric utilities in providing consumption estimates to customers, the Commission finds it reasonable to set the size limit for net metering facilities at 120 percent of a customer-generator's requirements for electricity, as determined at the time of interconnection. Additionally, we note this is consistent with R.C. 4928.01(A)(31)(d), which requires that customer-generators must intend primarily to offset part or all of their requirements for electricity, but does not prohibit generating more than their requirements so long as the primary intent is only to offset their requirements. Further, R.C. 4928.02(C), (D), (F), (G), (J), (K), and (N), provide that it is the policy of this state to *encourage* implementation of distributed generation through net metering. Therefore, we find that a straightforward limit of 120 percent, as determined at the time of interconnection, should be applied to all net metering systems. Customers that intend to construct a facility that would generate in excess of 120 percent of their requirements for electricity may contact their electric utility to determine if there is a means to do so apart from the utility's standard net metering tariff as contemplated in R.C. 4928.67.

{¶ 35} Additionally, since the 120 percent size limit on new net metering facilities will be applied at the time of interconnection, the electric utilities shall apply this requirement on a going-forward basis only, since existing facilities have already successfully completed the interconnection process. Any existing customer-generator intending to expand the size of its net metering facility shall file an application with its

electric utility demonstrating that the expanded facility will not generate in excess of 120 percent of the customer-generator's requirements for electricity.

IX. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(8)

{¶ 36} Under proposed Ohio Adm.Code 4901:1-10-28(B)(8), if a customer-generator's meter is incapable of measuring the flow of electricity in each direction, then the customer-generator should have the option of having either a traditional meter or an advanced meter installed.

{¶ 37} TASC asserts that the Commission should adopt a deadline for the electric utility to provide cost estimates on installing a traditional meter or an advanced meter. In reply comments, DP&L and FirstEnergy oppose TASC's proposal, as there has been no indication that the electric utilities have ever provided cost estimates that were untimely, problematic, or in any way justifying the imposition of potentially costly and burdensome deadlines.

{¶ 38} Duke and FirstEnergy assert that the cost of installing a new meter in order to facilitate net metering should be paid by the customer-generator. Duke also requests clarification on the Commission's intent as it relates to installing advanced meters in Ohio Adm.Code 4901:1-10-28(B)(8). OCC, however, insists that consumers should not be burdened with additional expenses, which could present a barrier to potential distributed generation customers. Similarly, IGS asserts that customer-generators who pay to have an advanced meter installed should be exempted from paying riders related to advanced meter deployment. In reply comments, FirstEnergy and DP&L note that advanced metering capability and advanced metering riders include far more than just the cost of an advanced meter itself.

{¶ 39} Initially, the Commission finds that TASC's proposal for the Commission to implement a time limit for the utilities to provide cost estimates to customers should not be adopted. The Commission expects the electric utilities to provide cost estimates

to customers within a reasonable period of time. However, there is no indication in the record that the electric utilities do not already respond to customers in a reasonable amount of time. Additionally, the Commission finds that the costs of installing a new meter, or replacing an existing meter with an advanced meter, should be paid by customer-generators. However, the manner in which a customer-generator pays for a new advanced meter depends on the customer-generator's location within the electric utility's service territory. If the customer-generator is located in an area where advanced meters are being deployed, then the customer-generator will pay for the new meter exclusively through the utility's smart grid rider. However, if the customer-generator is located in an area that is not designated for advanced meter deployment, then the electric utility may charge the customer-generator for installation of the advanced meter.

{¶ 40} We note that additional infrastructure and administrative support are required to deploy advanced meters, particularly in areas where a smart grid program has not yet established an actual smart grid. The Commission's intent is to provide customer-generators in areas where advanced meters are not being deployed the opportunity to have an advanced meter installed at their own expense, before they would otherwise receive an advanced meter through the electric utility's smart grid program.

X. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(9) - CREDIT RATE

{¶ 41} Regarding Ohio Adm.Code 4901:1-10-28(B)(9), the proposed rule provided that when an electric utility receives more electricity than it supplies to the customer-generator over a monthly billing cycle, the excess electricity should be converted to a monetary credit at the electric utility's standard service offer rate. This monetary credit would then carry forward to be applied to future months' bills, consistent with R.C. 4928.67(B)(3)(b).

{¶ 42} In their initial comments, the electric utilities were opposed to using the standard service offer rate to compensate customer-generators for excess generation. FirstEnergy, Duke, and AEP Ohio argued the Commission should use the unbundled

generation cost or the energy-only component of the electric utility's standard service offer. They argue that a finding otherwise would violate the Ohio Supreme Court's holding in *FirstEnergy v. PUC*, 95 Ohio St.3d 401, 2002-Ohio-2430, 768 N.E.2d 648.

{¶ 43} However, the Environmental Advocates proposed the Commission use a kWh credit rollover, which has been successfully used in numerous other states. The Environmental Advocates note that a kWh credit would ensure that customers are credited for all generation components of their bills, including all generation riders and surcharges.

{¶ 44} Finally, OMAEG asserts that shopping customers and non-shopping customers should receive the same compensation and that proposed Ohio Adm.Code 4901:1-10-28(B)(9)(c) be eliminated altogether. OMAEG notes that under the proposed rule, shopping customers may not receive compensation for their excess generation at all. OMAEG proposes that shopping customers be guaranteed compensation for their excess generation.

{¶ 45} The Commission finds that the credit for excess generation for customer-generators on the utility's standard net metering tariff shall be a monetary credit calculated at the energy-only component of the electric utility's SSO and applied to a customer-generator's total bill. As Duke points out in its reply comments, the electric utilities must maintain capacity in order to meet customer demand at peak usage. However, customer-generators may generate electricity at times of peak demand, and with advanced meters capable of measuring hourly interval usage data, these peak load contributions should be incorporated into a customer-generator's bill. Accordingly, customer-generators using advanced meters should receive the benefit of their peak load contributions in the form of lower bills for electric service, instead of in the form a higher credit for excess generation.

{¶ 46} Additionally, the Commission disagrees with OMAEG that customer-generators are not guaranteed compensation for their excess generation. Customer-generators are guaranteed the opportunity to receive compensation for their excess generation through the electric utility's standard net metering tariff. If a customer-generator chooses to shop for electricity from a CRES provider, then the customer-generator should compare multiple offers and consider both the rate for competitive retail electric service as well as the offered compensation for excess generation. If a CRES provider offers no compensation for excess generation, as OMAEG points out is possible, then the customer-generator may shop with another CRES provider that will provide better compensation for excess generation or take service through its electric utility's standard service offer.

**XI. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(9) -
CONTINUOUS MONETARY CREDIT ROLLOVER**

{¶ 47} In the proposed revisions to Ohio Adm.Code 4901:1-10-28(B)(9), the monetary credit for excess generation would carry forward for a period of 36 months and be applied to customer-generator bills on a first-in, first-out basis. However, Duke seeks clarification on the proposed rule and notes that its billing system may not be capable of implementing the proposed rule.

{¶ 48} The Commission finds that the monetary credit for excess generation shall be applied to future months' bills and continuously carry forward with no refunds. The Commission does not expect monetary credit balances to become excessive since net metering systems will be sized at or less than 120 percent of the customer-generator's annual requirements for electricity. This should prevent significant excess generation and the accrual of large credit balances. However, the Commission directs the electric utilities to monitor the monetary credit balances to determine if they become excessive and, if they do, to work with the Commission's Staff on a proposal to prevent monetary credit balances from becoming excessive.

XII. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(9)(c) - BILLING

{¶ 49} FirstEnergy, DP&L, and AEP Ohio assert that CRES providers should be required to notify the electric utility when they enter into a net metering contract with a customer-generator. The electric utilities assert the rule should allow them to then move the customer-generator to bill-ready billing, so long as the CRES provider and the customer-generator have not elected to use dual billing.

{¶ 50} The Commission finds that the proposal by the electric utilities should be adopted. A CRES provider must notify the electric utility if it enters into a net metering contract with a customer-generator. Additionally, the electric utilities should be permitted to automatically move customer-generators to bill-ready billing, so long as the CRES provider and the customer-generator have not agreed to dual billing.

XIII. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(9) - COST RECOVERY

{¶ 51} FirstEnergy, DP&L, Duke, and AEP Ohio argue the rule should explicitly allow the electric utilities to recover costs associated with net metering. Duke and DP&L assert they are not capable of performing many of the functions necessary to accommodate net metering without upgrading their billing systems.

{¶ 52} The Commission finds the electric utilities should be provided the opportunity to file an application with the Commission for the deferral of costs of providing customer credits from net metering. The electric utilities may file an application to recover the deferred costs of providing net metering in base distribution rates, or through some other appropriate rider or mechanism, and the Commission will consider the application. Nothing in Ohio Adm.Code 4901:1-10-28 prohibits the electric utilities from filing an application with the Commission for cost recovery. However, the Commission will not establish such a mechanism in the rule, particularly since no specific cost recovery mechanism is included in R.C. 4928.67.

XIV. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(9)(d) - INTERVAL DATA

{¶ 53} In the proposed revisions to Ohio Adm.Code 4901:1-10-28(B)(9)(d), the electric utilities would be required to transmit to CRES providers interval data for the billing period before issuing bills to customers. Additionally, the electric utilities would be required to transmit to CRES providers the customer-generators' daily interval usage data within 24 hours.

{¶ 54} DP&L, AEP Ohio, and FirstEnergy recommend the Commission revise the rule so that the electric utilities may make the interval data available, without actually being required to transmit it. The electric utilities each note that a web portal could make the data available to CRES providers, which would eliminate the need for the electric utilities to transmit the data. Additionally, AEP Ohio asserts the requirement to provide interval data for a billing period be revised to within 24 hours after performing industry-standard validation, estimation, and editing processes.

{¶ 55} The Commission finds the proposal by the electric utilities should be adopted and they should be permitted to make interval data available to CRES providers through a web portal. Additionally, the Commission finds that AEP Ohio's proposal is reasonable and the electric utilities should be provided the opportunity to conduct industry-standard validation, estimation, and editing processes before providing the data to the CRES providers.

XV. COMMENTS ON OHIO ADM.CODE 4901:1-10-28(B)(10)

{¶ 56} The proposed rule at Ohio Adm.Code 4901:1-10-28(B)(10) provides that in no event shall an electric utility impose on customer-generators any charges that relate to the electricity the customer-generator supplies back to the distribution system. DP&L requests the Commission clarify that this does not prohibit the electric utilities from filing liability claims against customer-generators if a customer-generator causes physical interruption of service or damages to the electric utility's equipment due to overloading

or exceeding other engineering standards. However, in reply comments, OCC asserts that DP&L's concerns fall under the scope of the Commission's interconnection rules in Ohio Adm.Code Chapter 4901:1-22.

{¶ 57} The Commission agrees with OCC. DP&L's request falls squarely under the scope of the Commission's interconnection rules in Ohio Adm.Code Chapter 4901:1-22. The very purpose of Ohio Adm.Code Chapter 4901:1-22 is to prevent distributed generation from causing service interruptions or damage to a utility's distribution system.

XVI. COMMENTS REGARDING HOSPITAL NET METERING

{¶ 58} DP&L, Duke, and FirstEnergy assert that hospital customer-generators should have the same ability to shop for competitive retail electric service as other net metering customers. Additionally, they argue that a separate section of the rule specifically for hospitals is unnecessary.

{¶ 59} The Commission agrees with DP&L, Duke, and FirstEnergy that a separate section of the rule for hospital customer-generators is unnecessary. Accordingly, the Commission incorporates the provisions of the rule that apply to hospital net metering and standard net metering. The primary differences between the standard net metering tariffs and hospital net metering tariffs in R.C. 4928.67 are that hospital net metering tariffs shall be based upon the market value of the customer-generated electricity at the time it is generated and hospital customer-generators may operate their electric generating facility individually or collectively without any wattage limitation on size. Additionally, the Commission agrees with DP&L, Duke, and FirstEnergy that hospitals should have the same opportunity to shop for competitive retail electric service, as well as for net metering service, and to compare net metering offers that may be offered by CRES providers.

XVII. CONCLUSION

{¶ 60} In making its rules, the agency is required to consider the continued need for the rules, the nature of any complaints or comments received concerning the rules, and any factors that have changed in the subject matter area affected by the rules. The Commission has evaluated Ohio Adm.Code 4901:1-10-28 and recommends amending the rule as demonstrated in the attachment to this Order.

{¶ 61} An agency must also demonstrate that it has included stakeholders in the development of the rule, that it has evaluated the impact of the rule on businesses, and that the purpose of the rule is important enough to justify the impact. The agency must seek to eliminate excessive or duplicative rules that stand in the way of job creation. The Commission has included stakeholders in the development of these rules and has sought to eliminate excessive or duplicative rules that stand in the way of job creation.

{¶ 62} Accordingly, at this time, the Commission finds that amendments to Ohio Adm.Code 4901:1-10-28 should be filed with the Joint Committee on Agency Rule Review (JCARR), the Secretary of State, and the Legislative Service Commission (LSC). We also recognize that, when the Commission files this rule, the existing Ohio Adm.Code 4901:1-10-28 will be rescinded and the rule as proposed in the attachment will be filed as a new rule in order to comply with JCARR and LSC requirements. In order to avoid needless production of paper copies, the Commission will serve a paper copy of this Order only and will make the rule, as well as the business impact analysis, available online at the Commission's website: www.puco.ohio.gov/puco/rules. All interested persons may download the rule and the business impact analysis from the above website, or contact the Commission's Docketing Division to be sent a paper copy.

{¶ 63} The Commission acknowledges that, in an Entry issued November 18, 2015, we had previously stated an intention to hold a public forum regarding net metering and energy storage with stakeholders. In the interim, however, the Commission has embraced net metering considerations in its PowerForward initiative. Additional

feedback regarding net metering can be advanced by stakeholders and considered by the Commission during Phase 3 of PowerForward. Accordingly, the Commission finds that the public forum contemplated by the November 18, 2015 Entry has been subsumed by the PowerForward initiative and need not be separately held under this rule-review docket.

XVIII. ORDER

{¶ 64} It is, therefore,

{¶ 65} ORDERED, That amended Ohio Adm.Code 4901:1-10-28 be adopted. It is, further,

{¶ 66} ORDERED, That the existing Ohio Adm.Code 4901:1-10-28 be rescinded consistent with Joint Committee on Agency Rule Review and Legislative Service Commission requirements. It is, further,

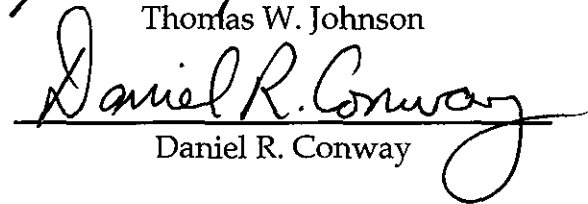
{¶ 67} ORDERED, That the adopted new rule be filed with the Joint Committee on Agency Rule Review, the Secretary of State, and the Legislative Service Commission, in accordance with Divisions (D) and (E) of R.C. 111.15. It is, further,

{¶ 68} ORDERED, That the final rules be effective on the earliest date permitted by law. Unless otherwise ordered by the Commission, the next five-year review date for Ohio Adm.Code Chapter 4901:1-10-28 shall be in compliance with R.C. 106.03. It is, further,

{¶ 69} ORDERED, That a copy of this Entry be served upon all electric utilities in the state of Ohio, all certified competitive retail electric service providers in the state of Ohio, the Electric-Energy industry list-serve, and all other interested persons of record.


THE PUBLIC UTILITIES COMMISSION OF OHIO

Asim Z. Haque, Chairman
M. Beth Trombold
Thomas W. Johnson

Lawrence K. Friedeman
Daniel R. Conway

PAS/sc

Entered in the Journal

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Secretary

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4901:1-10-28 Net metering.

(A) For purposes of this rule, the following definitions shall apply:

- (1) "Advanced meter" means any electric meter that meets the pertinent engineering standards using digital technology and is capable of providing two-way communications with the electric utility to provide usage and/or other technical data.
- (2) "CRES provider" shall mean any provider of competitive retail electric service.
- (3) "Customer-generator" shall have the meaning set forth in section 4928.01(A)(29) of the Revised Code. A customer that hosts or leases third party owned generation equipment on its premises is considered a customer-generator.
- (4) "Electric utility" shall have the meaning set forth in section 4928.01(A)(11) of the Revised Code.
- (5) "Hospital" shall have the meaning set forth in section 3701.01(C) of the Revised Code.
- (6) "Interval meter" means any electric meter that is capable of measuring interval usage data on at least an hourly basis.
- (7) "Microturbine" shall mean a turbine or an integrated modular turbine package with a capacity of two megawatts or less.
- (8) "Net metering" shall have the meaning set forth in section 4928.01(A)(30) of the Revised Code.
- (9) "Net metering system" shall have the meaning set forth in section 4928.01(A)(31) of the Revised Code. Net metering system includes all facilities, regardless of whether the customer-generator is on the electric utility's net metering tariff or engaged in net metering with a CRES provider.
- (10) "Third party" means a person or entity that may be indirectly involved or affected but is not a principal party to an arrangement, contract, or transaction between other parties.

(A)(B) Standard nNet metering.

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- (1) Each electric utility shall develop a standard net metering tariff and a hospital net metering tariff. The electric utility shall make such tariffs ~~tariff for net metering~~. Such ~~tariff shall be made available to qualifying customer customer-generators upon request, in a timely manner, and on a nondiscriminatory basis~~.
 - (a) Each electric utility shall offer a standard net metering tariff to all customers taking service under the electric utility's standard service offer.
 - (b) Each electric utility shall offer the hospital net metering tariff to all qualifying hospital customers upon request.
 - (c) A CRES provider may offer net metering contracts to its customers, consistent with Chapter 4901:1-21 of the Administrative Code, at any price, rate, credit, or refund for excess generation. The CRES provider and the customer shall define the terms of any contract, including the price, rate, credit, or refund for any excess production by a customer-generator. A CRES provider is not required to enter into any net metering contract with any customer. Only customers who have signed an interconnection agreement with the electric utility may engage in net metering with a CRES provider.
- ~~(a) A qualifying customer generator is one whose generating facilities are:~~
 - ~~(i) Fueled by solar, wind, biomass, landfill gas, or hydropower, or use a microturbine or a fuel cell.~~
 - ~~(ii) Located on a customer generator's premises.~~
 - ~~(iii) Operated in parallel with the electric utility's transmission and distribution facilities.~~
 - ~~(iv) Intended primarily to offset part or all of the customer generator's electricity requirements.~~
- ~~(b) Net metering arrangements shall be made available regardless of the date the customer's generating facility was installed.~~
- (2) Except as used by hospitals, a net metering system must use as its fuel either solar, wind, biomass, landfill gas, or hydropower, or use a microturbine or a fuel cell.

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- (3) Net metering arrangements shall be made available regardless of the date the customer-generator's net metering system was installed.
- (2)(4) The electric utility's standard net metering tariff for net metering shall be identical in rate structure, all retail rate components, and any monthly charges, to the tariff to which the same customer would be assigned if that customer were not a ~~customer generator~~ customer-generator. Such terms shall not change simply because a customer becomes a ~~customer generator~~ customer-generator.
- (a) The electric utility shall disclose on the electric utility's website, and to any customer upon request, the name, address, telephone number, and email address of the electric utility's net metering department or contact person.
- (b) The electric utility shall provide on the electric utility's website, and to any customer upon request, all necessary information regarding eligibility for the electric utility's net metering tariffs. The electric utility shall also provide this information to any customer, upon request, within a net metering application packet. The website and application packet shall describe and provide the following information in a straightforward manner: net metering tariff terms and conditions, sample net metering and interconnection agreements, and the terms and conditions for eligibility to be a net metering customer-generator. The website and application packet shall also provide information on costs that the customer may incur as a result of net metering enrollment, including any costs associated with the following: application, interconnection, and meter installation. The electric utility shall also disclose that customer-generators who shop for competitive retail service will be removed from the electric utility's net metering tariff and will not be credited by the electric utility for excess generation.
- (3)(5) No ~~The electric utility's net metering tariffs for net metering~~ shall not require ~~customer generators~~ customer-generators to:
- (a) Comply with any additional safety or performance standards beyond those established by rules in Chapter 4901:1-22 of the Administrative Code, and the "National Electrical Code," the "Institute of Electrical and Electronics Engineers," and "Underwriters Laboratories," in effect as set forth in rule 4901:1-22-03 of the Administrative Code.
- (b) Perform or pay for additional tests beyond those required by paragraph (A)(3)(a)(B)(5)(a) of this rule.

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- (c) Purchase additional liability insurance beyond that required by paragraph (A)(3)(a)(B)(5)(a) of this rule.
- (6) A net metering system must be located on the customer-generator's premises. A customer-generator's premises is the area that is owned, operated, or leased by the customer-generator with the metering point for the customer-generator's account. A contiguous lot to the area with the customer generator's metering point may be considered the customer-generator's premises, so long as it would not create an unsafe or hazardous condition as determined by the electric utility on a case-by-case basis.
- (7) Unless it is a hospital, a customer-generator must intend primarily to offset part or all of the customer-generator's requirements for electricity, regardless of whether the customer-generator is on the electric utility's net metering tariff or engaged in net metering by contract with a CRES provider.
- (a) The electric utility shall communicate with and assist a customer-generator in calculating the customer-generator's requirements for electricity based on the average amount of electricity supplied by the electric utility to the customer-generator annually over the previous three years. In instances where the electric utility cannot provide data without divulging confidential or proprietary information, or in circumstances where the electric utility does not have the data or cannot calculate the average annual electricity supplied to the premises over the previous three years due to new construction, vacant properties, facility expansions, or other unique circumstances, the electric utility shall use any available consumption data or measures to establish an appropriate consumption estimate. Upon request from any customer-generator, the electric utility shall provide or make available to the customer-generator either the average electricity supplied to the premises over the previous three years or a reasonable consumption estimate for the premises.
- (b) A customer-generator must size its facilities so as to not exceed one hundred and twenty percent of its requirements for electricity at the time of interconnection, regardless of whether the customer-generator intends to take service through an electric utility's standard service offer or a CRES provider.
- (4)(8) Net metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction. ~~A customer's existing single-register meter that is capable of registering the flow of electricity in both directions satisfies this requirement. If the customer's existing electrical meter is not capable of measuring~~

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the flow of electricity in two directions, the electric utility, upon written request from the customer, shall install at the customer's expense a meter that is capable of measuring electricity flow in two directions. Upon request from a customer-generator, the electric utility shall provide the customer-generator with a detailed cost estimate of installing an interval meter. If the net metering system is located in an area where advanced meters have been deployed or are proposed to be deployed within 12 months, then the electric utility shall provide the customer-generator with a detailed cost estimate of installing an advanced meter that is also an interval meter.

(a) If a customer-generator requests an advanced meter that is also an interval meter, then such cost shall be paid by the customer-generator through the applicable smart grid rider. If the net metering system is not located in an area where the electric utility has deployed, is deploying, or proposes to deploy within 12 months advanced meters, then the electric utility may install any interval meter.

(b) The electric utility, at its own expense and with the written consent of the customer-generator, may install one or more additional meters to monitor the flow of electricity in each direction. No electric utility shall impose, without commission approval, any additional interconnection requirement or additional charges on customer-generators refusing to give such consent.

(c) If a customer's existing meter needs to be reprogrammed for the customer to become a customer-generator, or to accommodate net metering, then the electric utility shall provide the customer-generator a detailed cost estimate for the reprogramming or setup of the existing meter. The cost of setting up the meter to accommodate net metering shall be at the customer's expense. If a customer-generator has a meter that is capable of measuring the flow of electricity in each direction, is sufficient for net metering, and does not require setup or reprogramming, then the customer-generator shall not be charged for a new meter, setup, or reprogramming to accommodate net metering.

(d) For hospital customer-generators, net metering shall be accomplished using either two meters or a single meter with two registers that are capable of separately measuring the flow of electricity in both directions. One meter or register shall be capable of measuring the electricity generated by the hospital at the output of the generator or net of the hospital's load behind the meter at the time it is generated. If the hospital's existing electric meter is not capable of separately measuring electricity the hospital generates at the time it is generated, the electric utility, upon written

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request from the hospital, shall install at the hospital's expense a meter that is capable of such measurement.

- (5) ~~The electric utility, at its own expense and with the written consent of the customer generator, may install one or more additional meters to monitor the flow of electricity in each direction. No electric utility shall impose, without commission approval, any additional interconnection requirement or additional charges on customer generators refusing to give such consent.~~
- (6)(9) The measurement of net electricity supplied or generated supplied by the electric utility or received from the customer-generator shall be calculated in the following manner:
- (a) The electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.
 - (b) If the electricity supplied by the electric utility exceeds the electricity received from the customer-generator over the monthly billing cycle, then the customer-generator shall be billed for the net electricity consumed by it in accordance with normal metering practices.
 - (c) For customer-generators on the electric utility's standard net metering tariff, when the electric utility receives more electricity from the customer-generator than it supplied to the customer-generator over a monthly billing cycle, the excess electricity shall be converted to a monetary credit at the energy component of the electric utility's standard service offer and shall continuously carry forward as a monetary credit on the customer-generator's future bills. The electric utility shall not be required to pay the monetary credit, other than to credit it to future bills, and the monetary credit may be lost if a customer-generator does not use the credit or stops taking service under the electric utility's standard service offer.
 - (d) The hospital net metering tariff shall be based upon the rate structure, rate components, and any charges to which the hospital would otherwise be assigned if the hospital were not a customer-generator and upon the market value of the customer-generated electricity at the time it is generated. The market value means the locational marginal price of energy determined by a regional transmission organization's operational market at the time the customer-generated electricity is generated.

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- (e) A CRES provider may offer a net metering contract at any price, rate, or manner of credit for excess generation. The CRES provider shall notify the electric utility whenever a net metering contract has been entered into with a customer-generator. The electric utility may move the customer-generator to bill-ready billing, unless the CRES provider and the customer-generator agree to dual billing.
- (f) If a customer-generator is net metering with a CRES provider and uses an advanced meter capable of measuring at least hourly interval usage data, the electric utility shall transmit or make available to the CRES provider the customer-generator's interval data for that billing period within 24 hours of performing industry-standard validation, estimation, and editing processes. The electric utility shall also transmit or make available to the CRES provider the customer-generator's daily interval usage data within 24 hours of performing daily industry-standard validation, estimation, and editing processes.
- (g) The electric utility shall at least annually calculate and provide or make available to the CRES provider the individual network service peak load values and peak load contributions of customer-generators engaged in net metering with that CRES provider.
- (h) The electric utility shall ensure that any final settlement data sent to a regional transmission organization includes negative loads in the hourly load calculation of any electricity provided to a CRES provider from its customer-generators with hourly interval metering. Load from a customer-generator shall be incorporated in the CRES provider's total hourly energy obligation reported to the regional transmission organization and will offset the CRES provider's reported load to the regional transmission organization. For customer-generators with non-hourly metering, customer generation will offset the CRES provider's energy obligation.
- ~~(b) If the electric utility supplies more electricity than the customer generator feeds back to the system in a given billing period, the customer generator shall be billed for the net electricity that the electric utility supplied, as measured in accordance with normal metering practices.~~
- ~~(c) If the customer generator feeds more electricity back to the system than the electric utility supplies to the customer generator, only the excess generation component shall be allowed to accumulate as a credit until netted against the customer generator's bill, or until the customer generator requests in writing a~~

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~~refund that amounts to, but is no greater than, an annual true-up of accumulated credits over a twelve-month period.~~

~~(7)(10)~~ In no event shall the electric utility impose on the ~~customer-generator~~ customer-generator any charges that relate to the electricity the ~~customer-generator~~ customer-generator feeds back to the system.

(11) All customer-generators shall comply with the interconnection standards set forth in Chapter 4901:1-22 of the Administrative Code.

(12) Renewable energy credits associated with a customer-generator's net metering facility shall be the property of the customer-generator unless otherwise contracted with an electric utility, CRES provider, or other entity.

(13) The electric utility shall annually report to the commission the total number and installed capacity of customer-generators on the electric utility's net metering tariffs for each technology and consumer class. The electric utility shall provide any other net metering data to the commission upon request and in a timely manner.

~~(B) Hospital net metering.~~

~~(1) Each electric utility shall develop a separate tariff providing for net metering for hospitals. Such tariff shall be made available to qualifying hospital customers upon request.~~

~~(a) As defined in section 3701.01 of the Revised Code, "hospital" includes public health centers and general, mental, chronic disease, and other types of hospitals, and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, self care units, and central service facilities operated in connection with hospitals, and also includes education and training facilities for health professions personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.~~

~~(b) A qualifying hospital customer generator is one whose generating facilities are:~~

~~(i) Located on a customer generator's premises.~~

~~(ii) Operated in parallel with the electric utility's transmission and distribution facilities.~~

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- ~~(2) Net metering arrangements shall be made available regardless of the date the hospital's generating facility was installed.~~
- ~~(3) The tariff shall be based both upon the rate structure, rate components, and any charges to which the hospital would otherwise be assigned if the hospital were not taking service under this rule and upon the market value of the customer generated electricity at the time it is generated. For purposes of this rule, market value means the locational marginal price of energy determined by a regional transmission organization's operational market at the time the customer generated electricity is generated.~~
- ~~(4) For hospital customer generators, net metering shall be accomplished using either two meters or a single meter with two registers that are capable of separately measuring the flow of electricity in both directions. One meter or register shall be capable of measuring the electricity generated by the hospital at the time it is generated. If the hospital's existing electrical meter is not capable of separately measuring electricity the hospital generates at the time it is generated, the electric utility, upon written request from the hospital, shall install at the hospital's expense a meter that is capable of such measurement.~~
- ~~(5) The tariff shall allow the hospital customer generator to operate its electric generating facilities individually or collectively without any wattage limitation on size.~~
- ~~(6) The hospital customer generator's net metering service shall be calculated as follows:
 - ~~(a) All electricity flowing from the electric utility to the hospital shall be charged as it would have been if the hospital were not taking service under this rule.~~
 - ~~(b) All electricity generated by the hospital shall be credited at the market value as of the time the hospital generated the electricity.~~
 - ~~(c) Each monthly bill shall reflect the net of paragraphs (B)(6)(a) and (B)(6)(b) of this rule. If the resulting bill indicates a net credit dollar amount, the credit shall be netted against the hospital customer generator's bill until the hospital requests in writing a refund that amounts to, but is no greater than, an annual true-up of accumulated credits over a twelve month period.~~~~
- ~~(7) No electric utility's tariff for net metering shall require hospital customer generators to:~~

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- ~~(a) Comply with any additional safety or performance standards beyond those established by rules in Chapter 4901:1-22 of the Administrative Code, and the National Electrical Code, the institute of electrical and electronics engineers, and underwriters laboratories, in effect as set forth in rule 4901:1-22-03 of the Administrative Code.~~
- ~~(b) Perform or pay for additional tests beyond those required by paragraph (B)(7)(a) of this rule.~~
- ~~(c) Purchase additional liability insurance beyond that required by paragraph (B)(7)(a) of this rule.~~
- ~~(8) In no event shall the electric utility impose on the hospital customer generator any charges that relate to the electricity the customer generator feeds back to the system.~~