

**RE: Comments on Docket No. L-2014-2404361**

**JOINT COMMENTS - PART ONE**

**THE INTENT OF THE AEPS ACT**

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To the Public Utilities Commission:

*(The "joint comments" below are being submitted by the following private individuals (installers and/or customers of renewable energy otherwise known as the "ad hoc coalition of customer generators") who have been subjected to arbitrary, inconsistent, and/or discriminatory practices related to the AEPS Act.)*

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Crucial to any new Rules is the “intent” of the governing statute. The Proposed Rulemaking Order contravenes the clear intent of the AEPS Act. The Commission refers, for example, to “our intent to permit a limited amount of virtual meter aggregation” (Proposed Rulemaking Order at 19).

Such an “intent” is nowhere evident in the AEPS Act. In imposing its arbitrary “intent” on the statute, the Commission has exceeded its mandate for “implementation and enforcement”, has usurped the role of legislators, and contradicts the Commission’s own previous claims.

The PUC itself has repeatedly held that the intent of the Law is to expand sources of renewable energy.

“The intent of the Act is to encourage the increased use of alternate energy and provide an immediate positive feedback to the customer-generator.” (Final Rulemaking Order, adopted June 22, 2006, p17)

“...the clear intent of the Act 35 amendment was to facilitate the research, development and deployment of small alternative energy resources by providing monthly credits consistent with the full retail value...” (Final Omitted Rulemaking Order, Implementation of Act 35 of 2007, May 22, 2008, p. 14)

The proposed changes will not promote any expansion of renewable energy! On the contrary, the Proposed Rulemaking Order will severely restrict the expansion of renewable energy, because it

- 1) Reduces the sources of renewable generation
- 2) Narrows the definition of “customer-generator”
- 3) Creates a category of “Merchant Generators”, a new sub-set of customer-generators, which are not specified in the statute, and then excludes them from net metering.
- 4) Fetters net metering with seven new “conditions”
- 5) Places a strangle-hold on virtual meter aggregation , which offers the greatest potential for expanding residential solar

The clear position of the Commission in earlier statements is now being undermined by the restrictive conditions being proposed. As long ago as June, 2006, the Commission was unequivocal saying, “The fundamental intent of Act [AEPS Act] is the expansion and increased use of alternative energy systems...” (Final Rulemaking Order adopted June 22, 2006, at 21). Certainly the intent of the Act has not changed in the intervening years.

*The restrictions, as presented in the current proposal, are regressive, would reverse previous policy, would severely limit the goal of expanding renewable generation, and defy the clear intent of the AEPS Act.*

Thank you for your consideration of these comments.

Date: July 25, 2014

**RE: Comments on Docket No. L-2014-2404361**

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**JOINT COMMENTS - PART TWO**

**PHYSICAL NET METERING VS VIRTUAL NET METERING**

To the Public Utilities Commission:

*(The following "joint comments" are submitted by the undersigned private individuals (installers and/or customers of renewable energy otherwise known as the "ad hoc coalition of customer generators") who have been adversely affected by the arbitrary methodology used for implementing virtual meter aggregation.)*

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A crucial distinction in the AEPS Act is that between physical net metering and virtual net metering, a distinction that the Order fails to clarify.

First, the two are defined separately in 75.12:

*Physical meter aggregation—The physical rewiring of all meters regardless of rate class on properties owned or leased and operated by a customer-generator to provide a single point of contact for a single meter to measure electric service for that customer-generator.*

*Virtual meter aggregation—The combination of readings and billing for all meters regardless of rate class on properties owned or leased and operated by a customer-generator by means of the EDC's billing process, rather than through physical rewiring of the customer-generator's property for a physical, single point of contact. Virtual meter aggregation on properties owned or leased and operated by a customer-generator and located within 2 miles of the boundaries of the customer-generator's property and within a single electric distribution company's service territory shall be eligible for net metering.*

Also, they are clearly distinguished in 75.14(e)

*Physical meter aggregation shall be at the customer-generator's expense. The EDC shall provide the necessary equipment to complete physical aggregation. If the customer-generator requests virtual meter aggregation, it shall be provided by the EDC at the customer-generator's expense*

In short, physical metering and virtual metering are two different types of net metering, and both comport with the definition of "net metering" in the statute:

*Net metering—The means of measuring the difference between the electricity supplied by an electric utility or EGS and the electricity generated by a customer-generator when any portion of the electricity generated by the alternative energy generating system is used to offset part or all of the customer-generator's requirements for electricity (75.12)*

The two types of net metering utilize different methods of "measuring the difference" to produce the "net" result that is reflected in the monthly "bills".

In physical metering, there is one existing, bi-directional meter that records both generation and usage. At the end of each month, that single meter simply tracks the "net" result, which is reported in the customer-generator's bill.

In virtual metering, the "billing process" achieves the same result, but aggregates separate meters to produce the "net". That "net" result is reported on the bill, just as it is in physical metering.

When net metering is involved, the customer and the customer-generator are one and the same. Whether he selects physical metering or virtual metering, the person or entity is involved in net metering, both as a "customer" ("one who purchases..."-Order, footnote, p. 8) and as a "customer-generator".

The definition is clear:

*Customer-generator-A nonutility owner or operator of a net metered distributed generation system... (75.1)*

The Order seeks to limit net metering to “customer-generators that generate electricity on the customer-generator’s side of the meter...” (Order, p. 10). This restriction has also been referred to as “non-generation load”. This “first condition” has no basis in the statute. If implemented, the Order would arbitrarily exclude some customer-generators from net metering. The Commission has turned the law on its head and argues the opposite of what the law states:

*“Virtual meter aggregation on properties owned or leased and operated by a customer-generator shall be allowed for purposes of net metering” 75,14(e)*

Virtual meter aggregation is available to all customer-generators, and “shall be provided” “if the customer requests” it (75.14(e)).

By imposing its “first condition” and attempting to limit net metering, the PUC reads into the law a requirement that is not there and reads out of the Law the broad access to virtual metering that the law affords.

The proposed changes not only fail to clarify the distinction between physical and virtual metering, but minimize their importance.

We appreciate your consideration of these comments.

Date: July 25, 2014

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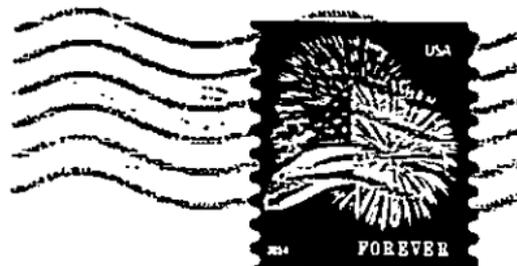
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