

We ARE Here: A Primer on the PSC, Alternative and Renewable Energy Law and Net Metering

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Today's Highlights

- Commission authority and structure
- Types of energy projects (yesterday, today and tomorrow's projects)
- New law
- Commission rules
- Informational resources

Commission Authority

- Created by the Legislature (1913)
- Quasi-judicial
- Chairman and 2 Commissioners
- Appointed by Governor
- 6 year terms, staggered every two years

Commission Structure

- Commissioners
- Executive Secretary's Office
- Utilities Division
- Engineering Division
- Legal Division
- Water and Wastewater Division
- Administrative Law Judges
- Consumer Advocate Division



Types of Energy Projects

- Ownership - utility, unregulated generator and customer
- Types of facilities – coal-fired, gas burning, hydro, wind turbine, customer owned turbines, methane gas capture, (energy efficiency and demand side management)
- Revenue stream – captive ratepayers, market, contract or customer

Yesterday's Project

- Utility owned
- Coal-fired
- Required Commission approval of a certificate of convenience and necessity W.Va. Code § 24-2-11
- Ratepayer supported

Today's Project

- Unregulated ownership
- Required to obtain Commission siting certificate W.Va. Code § 24-2-11c
- Market based or contract recovery of cost

New Law West Virginia Code

Chapter 24, Article 2F

- ARE – Alternative and Renewable Energy Portfolio Standard
- Effective July 1, 2009
- Provides for Commission, Department of Environmental Protection and Division of Energy to work together to further goals
- Legislative purpose

New Law West Virginia Code

§24-2F-3

- Alternative Energy Resources – advanced coal technology, coal bed methane, natural gas, fuel produced by a coal gasification or liquefaction facility, synthetic gas, integrated gasification combined cycle technologies, waste coal, tire derived fuel, pumped storage hydroelectric projects AND any other resource, method, project or technology certified as an alternative energy resource by the PSC

New Law West Virginia Code

§24-2F-3

- Renewable Energy Resources – solar photovoltaic or other solar electric energy, solar thermal energy, wind power, run of river hydropower, geothermal, biomass, biologically derived fuel, fuel cell, recycled energy, AND any other resource, method, project or technology certified as a renewable energy resource by the PSC

New Law West Virginia Code

§24-2F-4

Credits summary generally

- 1 credit for each MWh generated or purchased from Alternative energy resource
- 2 credits for each MWh generated or purchased from Renewable energy resource
- 3 credits for each MWh generated or purchased from a Renewable energy resource in WV and is sited on reclaimed surface mine
- 1 credit for each MWh reducing emissions or offset projects
- 1 credit for each MWh of energy efficiency and demand-side energy initiative projects

New Law West Virginia Code §24-2F-5

Compliance standards

2015-2019 equal to at least 10% of energy sold to retail customers in proceeding year

2020-2024 equal to at least 15% of energy sold to retail customers in proceeding year

2025 equal to at least 25% of energy sold to retail customers in proceeding year

Net Metering History

- Early 2000 GO 255 Electric Restructuring included net metering
- 2002 Future Generation files Complaint
- 2002 Commission GI to require largest electric utilities in the State to file tariffs including pilot net metering programs
- 2005 EPAct the Commission closed the 2002 case and initiated broader investigation

Net Metering History

- 2007 EPAct the Commission ordered all electric utilities to have net metering tariffs effective March 1, 2007
- 2010 GO 258 arising from the ARE Portfolio Act Commission initiates rulemaking for net metering rules and interconnection

New Law West Virginia Code §24-2F-8

- Net metering and interconnection standards
- Requires Commission Rule making
- New Rules provide for rebates or discount at fair value to customer-generators
- Commercial generators not to exceed 500 kW
- Industrial generators not to exceed 2 MW

New Commission Rules

- PSC Rules Title 150
- Two sets of rules
- Series 33 Rules Governing Electric Utility Net Metering Arrangements and Interconnections
- Series 34 Rules Governing Alternative and Renewable Energy Portfolio Standards

Series 33

Series 33 Rules Governing Electric Utility Net Metering Arrangements and Interconnections

- All electric utilities shall offer, first come first serve, not to exceed 3% of a utility aggregate customer peak, with at least 0.5% reserved for residential
- Customer can own or lease ARE must be contiguous or within 2 miles

Series 33

Series 33 Rules Governing Electric Utility Net Metering Arrangements and Interconnections

- Residential capacity not to exceed 25 kW
- Commercial capacity not to exceed 500 kW
- Industrial capacity not to exceed 2 MW
- Small utilities less than 30,000 customer need only offer up to 50 kilowatt capacity

Series 33

Series 33 Rules Governing Electric Utility Net Metering Arrangements and Interconnections

- Credit is for full retail rate
- But not applied to reduce any fixed monthly minimum bill, customer charge, demand charges or other charges not related to energy consumption
- Excess kW hours carried forward

Series 34

Series 34 Rules Governing Alternative and Renewable Energy Portfolio Standards

- ARE Portfolio Act requires rules for tradeable credits, verify and monitor generation and sale of electricity generated from ARE resource facilities and to govern the ARE portfolio standards
- GATS, owned and operated by PJM-Environmental Information Services, Inc., as the credit registry to track awarded, traded and retired credits

Tomorrow's Project

- Varied ownership, unregulated, utility and customer
- Distributed projects
- Emission reduction and offsets
- Siting certificates
- Regulation tracking emission reduction
- Market based or contract recovery of cost and utility rates

Resource Information

- <http://www.psc.state.wv.us>
 - Special Reports
 - 2013 Alternative and Renewable Energy Resource Planning Assessment (Annual Report to the Governor, Senate President and Speaker of the House)
 - http://www.legis.state.wv.us/Reports/Agency_Reports/AgencyReports.cfm
- Access to W. Va. Code on the internet:
<http://www.legis.state.wv.us/WVCODE/Code.cfm>