

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, D.C. 20005**

NOTICE OF PROPOSED RULEMAKING

**FORMAL CASE NO. 945, PHASE II, IN THE MATTER OF THE INVESTIGATION
INTO ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY
PRACTICES**

The Public Service Commission of the District of Columbia ("DCPSC"), pursuant to its authority under D.C. Code, 2001 Ed. § 34-1518 hereby gives notice of its intent to adopt the following new Chapter 9 of Title 15 DCMR. This chapter sets forth the policies and procedures for implementation of the net energy metering provisions of the "Retail Electric Competition and Consumer Protection Act of 1999," as amended. The Commission gives notice of its intent to take final rulemaking action not less than thirty (30) days after the publication of this Notice in the *DC Register*.

CHAPTER 9 NET ENERGY METERING

900 GENERAL PROVISIONS; SCOPE AND APPLICABILITY

900.1 The purpose of this chapter is to set forth the policies and procedures for implementation of the net energy metering provisions of the "Retail Electric Competition and Consumer Protection Act of 1999," as amended.

900.2 This chapter establishes the Public Service Commission of the District of Columbia Rules and Regulations Governing Net Energy Metering, including eligibility for participating in net energy metering, a bill crediting mechanism for participants, net metering-related equipment requirements, a standard contract requirement, and safety and performance standards. This chapter shall be cited as the "District of Columbia Net Energy Metering Rules."

900.3 The provisions of this chapter are promulgated pursuant to the authority set forth in Section 34-1518 of the D.C. Code.

901 ELIGIBLE CUSTOMER-GENERATORS

Eligible customer-generators may elect and shall be afforded the opportunity to participate in net energy metering. An eligible customer-generator's net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines shall meet all applicable safety and performance standards established by the National Electrical Code ("NEC"), National Electrical Safety Code ("NESC"), the Institute of Electrical and Electronics Engineers ("IEEE"), Underwriters Laboratories ("UL") and any other relevant standards specified by the Commission.

902 NET ENERGY BILLING

902.1 This section governs the annualized bill crediting mechanism applicable to customer-generators that generate electricity during a billing period.

902.2 If the electricity supplied during the billing period by the Standard Offer Service (SOS) Provider or Competitive Electricity Supplier exceeds the electricity generated by the customer-generator during that period, the customer-generator will be billed for the net energy supplied at the full retail rate for electricity service.

902.3 If the electricity generated by the customer-generator in a billing period exceeds that supplied by the SOS Provider or Competitive Electricity Supplier during that period (excess generation), the customer-generator's next bill(s) will be credited for the excess generation during the period in which the excess generation occurred, at the full retail rate for the kilowatt-hours provided during the billing period. The excess shall be applied to the customer-generator's bill as a reduction in the customer-generator's kilowatt-hour usage.

902.4 An eligible-customer generator may accumulate unused kilowatt-hour credits and apply them against kilowatt-hour usage over a 12-month period. All crediting of excess generation, as defined in Section 902.3 of these rules, shall terminate at the earlier of: (a) the end of a 12-month period, the first month of which shall be the first month in which the customer-generator provides excess generation to the SOS Provider or Competitive Electricity Supplier, or (b) when the customer-generator switches suppliers. A new 12-month period shall commence as of the first month following the prior 12-month period during which the customer-generator provides excess generation to the SOS provider or a Competitive Electricity Supplier.

902.5 When crediting of excess generation terminates, as provided in Section 902.4 of these rules, any remaining carry-over balance (credit) will be removed from the customer-generator's account. The customer-generator will receive no compensation for such unused kilowatt-hours.

903 NET METERING-RELATED EQUIPMENT

903.1 The metering equipment installed for net energy metering shall be capable of measuring the flow of electricity in two directions.

903.2 Nothing in this section shall prohibit the Electric Company from installing additional meters to separately record electricity supplied to an eligible customer-generator from the electric grid and the electricity generated and supplied to the electric grid by the eligible customer-generator, provided, however, that no

customer-generator that elects to be billed on a net energy basis shall be charged directly for the cost of the additional meters or other necessary equipment.

904 STANDARD CONTRACT

904.1 The Electric Company shall develop a standard contract, which shall be subject to the review and approval of the Commission. Such standard contract shall be consistent with the provisions of this chapter.

905 WAIVER

905.1 Upon request of any person subject to this chapter or upon its own motion, the Commission may, for good cause, waive any requirement of this chapter that is not required by statute or inconsistent with the purposes of this chapter.

999 DEFINITIONS

When used in this chapter, the following terms and phrases shall have the following meaning:

“Commission” means the Public Service Commission of the District of Columbia.

“Competitive Electricity Supplier” means a person, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges, or markets electricity for sale to retail customers. The term excludes the following: (A) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to occupants of the building for use by the occupants; (B)(1) Any person who purchases electricity for its own use or for the use of its subsidiaries or affiliates; or (2) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, or who does not: (a) Take title to the electricity; (b) Market electric services to the individually-metered tenants of his or her building; or (c) Engage in the resale of electric service to others; (C) Property owners who supply small amounts of power, at cost, as an accommodation to lessors or licensees of the property; and (D) A consolidator.

“Customer-generator” means a residential or commercial customer that owns and operates an electric generating facility that: (a) has a capacity of not more than 100 kilowatts; (b) uses renewable resources, cogeneration, fuel cells, or microturbines; (c) is located on the customer’s premises; (d) is interconnected with the Electric Company’s transmission and distribution facilities; and (e) is intended primarily to offset all or part of the customer’s own electricity requirements.

“Electric Company” means the company that provides distribution service.

“Eligible customer-generator” means a customer-generator whose net energy metering system for renewable resources, cogeneration, fuel cells, and microturbines meets all applicable safety and performance standards.

“Net energy” means the difference between the kilowatt-hours consumed by a customer-generator and the kilowatt-hours generated by the customer-generator’s facility over any time period determined as if measured by a single meter capable of registering the flow of electricity in two directions.

“Net energy billing” means a billing and metering practice under which a customer-generator is billed on the basis of net energy over the billing period taking into account accumulated unused kilowatt-hour credits from the previous billing period.

“Standard Offer Service Provider” means a provider of standard offer service chosen pursuant to Chapter 29 of the Commission’s rules.

All persons interested in commenting on the subject matter of this proposed rulemaking action may submit written comments and reply comments not later than thirty (30) and forty-five (45) days, respectively, after publication of this notice in the *D.C. Register* with Sanford M. Speight, Acting Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., West Tower, Suite 200, Washington, D.C. 20005. Copies of the proposed rules may be obtained, at cost, by writing the Commission Secretary at the above address.

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1333 H STREET, N.W., WEST TOWER, SUITE 200
WASHINGTON, DC 20005

**NOTICE OF EMERGENCY
AND PROPOSED RULEMAKING**

**Formal Case No. 988, In the Matter of the Development of Universal Service
Standards and a Universal Service Trust Fund for the District of Columbia**

1. The Public Service Commission of the District of Columbia ("Commission"), pursuant to its authority under D.C. Code § 34-802, § 34-2003, and § 2-505 (c) (2001 Ed.), hereby gives notice of its adoption of amendments to Chapter 28 of Title 15 DCMR, "Universal Service," ("Chapter 28") on an emergency basis. Chapter 28 contains the Commission's regulations governing the District of Columbia Universal Service Trust Fund ("DC USTF" or "Trust Fund") and the provision of Universal Service and Telecommunications Relay Service in conformance with the District of Columbia Telecommunications Competition Act of 1996.

2. The DC USTF's Administrator, NECA Services, suggested the proposed amendments to Sections 2805.2, 2812.1, and 2813.2 of Chapter 28 to make the audit and administration of the Trust Fund more efficient. This emergency action is taken because the rule changes are necessary for the development of the new 2005 DC USTF budget before the end of October 2004. Adoption of these rules on an emergency basis will also provide continuity in the provision of universal service to the District's low-income, hearing-impaired, and speech-impaired telecommunications users. These emergency amendments were adopted on September 21, 2004, and will become effective upon publication in the register.

3. The Commission also gives notice of its intent to take final rulemaking action to adopt these amendments in not less than 30 days from the date of publication of this Notice of Proposed Rulemaking ("NOPR") in the *D.C. Register*. The emergency rules will expire 120 days from the date of adoption, or upon publication of the Notice of Final Rulemaking in the *D.C. Register*, whichever occurs first.

4. Currently, Section 2805.2 reads:

2805.2 The Fund Administrator shall submit to the Commission by August 31 of each year a report, which shall include an income statement of the Fund's activity for the preceding calendar year and a proposed budget for the upcoming calendar year.

The proposed amended Section 2805.2 (a)-(b) shall read:

2805.2 The Fund Administrator shall submit to the Commission:

- (a) **An income statement of the Fund's activity based on the preceding calendar year by April 15; and**
- (b) **A proposed budget for the Fund for the upcoming calendar year by October 31.**

5. Currently, Section 2812.1 reads:

2812.1 By October 31 of each year, each ETC shall submit to the Fund Administrator a report, based on the 12-month period ending September 30 of that year, containing the total revenues for local exchange service provided in the District of Columbia.

The proposed amended Section 2812.1 shall read:

2812.1 By October 31 of each year, ETCs shall submit to the Fund Administrator a report containing the total revenue for local exchange service provided in the District of Columbia based on the 12-month period beginning on July of the preceding year and ending on June of that year (e.g. July 2XXX - June 2XXX).

6. Currently, Section 2813.2 (a) - (b) reads:

2813.2 On October 31 every year after the establishment of the DC USTF, the Fund Administrator shall submit to the Commission a report, which shall include:

- (a) An audit and recommendation report of the DC USTF provided by an independent accountant; and
- (b) A proposed budget for the upcoming year.

The proposed amended Section 2813.2 shall read:

2813.2 On October 31 every year after the establishment of the DC USTF, the Fund Administrator shall submit to the Commission a report that includes a proposed budget for the upcoming year.

A new Section 2813.3 is proposed to read:

2813.3 On July 15 every year after the establishment of the DC USTF, the Fund Administrator shall submit to the Commission an audit and recommendation report of the DC USTF provided by an independent accountant.

7. Comments on the proposed amendments to Chapter 2800 must be made in writing to Sanford M. Speight, Acting Commission Secretary, Public Service Commission of the District of Columbia, 1333 H Street, N.W., Second Floor, West Tower, Washington, DC 20005. All comments must be received within 20 days of the date of publication of this NOPR in the *D.C. Register*. Persons wishing to file reply comments may do so no later than 30 days of the date publication of this NOPR in the *D.C. Register*. Once the comment and reply comment periods have expired, the Commission will take final rulemaking action.