

Chapter 15 Net Metering of Electricity

54-15-101 Title.

This chapter is known as "Net Metering of Electricity."

Enacted by Chapter 6, 2002 General Session

54-15-102 Definitions.

As used in this chapter:

- (1) "Annualized billing period" means:
 - (a) a 12-month billing cycle beginning on April 1 of one year and ending on March 31 of the following year; or
 - (b) an additional 12-month billing cycle as defined by an electrical corporation's net metering tariff or rate schedule.
- (2) "Customer-generated electricity" means electricity that:
 - (a) is generated by a customer generation system for a customer participating in a net metering program;
 - (b) exceeds the electricity the customer needs for the customer's own use; and
 - (c) is supplied to the electrical corporation administering the net metering program.
- (3) "Customer generation system":
 - (a) means an eligible facility that is used to supply energy to or for a specific customer that:
 - (i) has a generating capacity of:
 - (A) not more than 25 kilowatts for a residential facility; or
 - (B) not more than two megawatts for a non-residential facility, unless the governing authority approves a greater generation capacity;
 - (ii) is located on, or adjacent to, the premises of the electrical corporation's customer, subject to the electrical corporation's service requirements;
 - (iii) operates in parallel and is interconnected with the electrical corporation's distribution facilities;
 - (iv) is intended primarily to offset part or all of the customer's requirements for electricity; and
 - (v) is controlled by an inverter; and
 - (b) includes an electric generator and its accompanying equipment package.
- (4) "Eligible facility" means a facility that uses energy derived from one of the following to generate electricity:
 - (a) solar photovoltaic and solar thermal energy;
 - (b) wind energy;
 - (c) hydrogen;
 - (d) organic waste;
 - (e) hydroelectric energy;
 - (f) waste gas and waste heat capture or recovery;
 - (g) biomass and biomass byproducts, except for the combustion of:
 - (i) wood that has been treated with chemical preservatives such as creosote, pentachlorophenol, or chromated copper arsenate; or
 - (ii) municipal waste in a solid form;
 - (h) forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and to reduce wildfire risk;

- (i) agricultural residues;
 - (j) dedicated energy crops;
 - (k) landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste; or
 - (l) geothermal energy.
- (5) "Equipment package" means a group of components connecting an electric generator to an electric distribution system, including all interface equipment and the interface equipment's controls, switchgear, inverter, and other interface devices.
- (6) "Excess customer-generated electricity" means the amount of customer-generated electricity in excess of the customer's consumption from the customer generation system during a monthly billing period, as measured at the electrical corporation's meter.
- (7) "Fuel cell" means a device in which the energy of a reaction between a fuel and an oxidant is converted directly and continuously into electrical energy.
- (8) "Governing authority" means:
- (a) for a distribution electrical cooperative, its board of directors; and
 - (b) for each other electrical corporation, the Public Service Commission.
- (9) "Inverter" means a device that:
- (a) converts direct current power into alternating current power that is compatible with power generated by an electrical corporation; and
 - (b) has been designed, tested, and certified to UL1741 and installed and operated in accordance with the latest revision of IEEE1547, as amended.
- (10) "Net electricity" means the difference, as measured at the meter owned by the electrical corporation between:
- (a) the amount of electricity that an electrical corporation supplies to a customer participating in a net metering program; and
 - (b) the amount of customer-generated electricity delivered to the electrical corporation.
- (11) "Net metering" means measuring the amount of net electricity for the applicable billing period.
- (12) "Net metering program" means a program administered by an electrical corporation whereby a customer with a customer generation system may:
- (a) generate electricity primarily for the customer's own use;
 - (b) supply customer-generated electricity to the electrical corporation; and
 - (c) if net metering results in excess customer-generated electricity during a billing period, receive a credit as provided in Section 54-15-104.
- (13) "Switchgear" means the combination of electrical disconnects, fuses, or circuit breakers:
- (a) used to:
 - (i) isolate electrical equipment; and
 - (ii) de-energize equipment to allow work to be performed or faults downstream to be cleared; and
 - (b) that is:
 - (i) designed, tested, and certified to UL1741; and
 - (ii) installed and operated in accordance with the latest revision of IEEE1547, as amended.

Amended by Chapter 53, 2014 General Session

54-15-103 Net metering program -- Metering equipment -- Interconnection agreement.

- (1) Each electrical corporation shall:
- (a) except as provided in Subsection (2), make a net metering program available to the electrical corporation's customers; and

- (b) allow customer generation systems to be interconnected to the electrical corporation's facilities using, except as provided in Subsection (4), a kilowatt-hour meter capable of net metering.
- (2) An electrical corporation may discontinue making a net metering program available to customers not already participating in the program if:
 - (a) the cumulative generating capacity of customer generation systems in the program equals at least .1% of the electrical corporation's peak demand during 2007; or
 - (b) the electrical corporation serves fewer than 1,000 customers in the state.
- (3)
 - (a) Notwithstanding Subsection (2)(a), the governing authority may establish a higher amount of generating capacity from customer generation systems than .1% of the electrical corporation's peak demand during 2007 before a net metering program may be discontinued under Subsection (2).
 - (b) Before acting under Subsection (3)(a), the governing authority shall provide public notice of its proposed action and an opportunity for public comment.
- (4)
 - (a) Notwithstanding Subsection (1)(b), an electrical corporation may require a customer participating in the electrical corporation's net metering program to use metering equipment other than a standard kilowatt-hour meter if the governing authority, after appropriate notice and opportunity for public comment:
 - (i) determines that the use of other metering equipment is necessary and appropriate to monitor the flow of electricity from and to the electrical corporation; and
 - (ii) approves the requirement for other metering equipment, after considering the benefits and costs associated with the other metering equipment.
 - (b) If the governing authority approves the requirement for other metering equipment under Subsection (4)(a), the governing authority shall determine how the cost of purchasing and installing the other metering equipment is to be allocated between the electrical corporation and the customer.
- (5) An electrical corporation may require a customer to enter into an interconnection agreement before connecting the customer generation system to the electrical corporation's facilities.

Amended by Chapter 244, 2008 General Session

54-15-104 Charges or credits for net electricity.

- (1) Each electrical corporation with a customer participating in a net metering program shall measure net electricity during each monthly billing period, in accordance with normal metering practices.
- (2) If net metering does not result in excess customer-generated electricity during the monthly billing period, the electrical corporation shall bill the customer for the net electricity, in accordance with normal billing practices.
- (3) Subject to Subsection (4), if net metering results in excess customer-generated electricity during the monthly billing period:
 - (a)
 - (i) the electrical corporation shall credit the customer for the excess customer-generated electricity based on the meter reading for the billing period at a value that is at least avoided cost, or as determined by the governing authority; and
 - (ii) all credits that the customer does not use during the annualized billing period expire at the end of the annualized billing period; and

- (b) as authorized by the governing authority, the electrical corporation may bill the customer for customer charges that otherwise would have accrued during that billing period in the absence of excess customer-generated electricity.
- (4) At the end of an annualized billing period, an electrical corporation's avoided cost value of remaining unused credits described in Subsection (3)(a) shall be granted:
 - (a) to the electrical corporation's low-income assistance programs as determined by the governing authority; or
 - (b) for another use as determined by the governing authority.

Amended by Chapter 324, 2015 General Session

54-15-105.1 Determination of costs and benefits -- Determination of just and reasonable charge, credit, or ratemaking structure.

The governing authority shall:

- (1) determine, after appropriate notice and opportunity for public comment, whether costs that the electrical corporation or other customers will incur from a net metering program will exceed the benefits of the net metering program, or whether the benefits of the net metering program will exceed the costs; and
- (2) determine a just and reasonable charge, credit, or ratemaking structure, including new or existing tariffs, in light of the costs and benefits.

Enacted by Chapter 53, 2014 General Session

54-15-106 Customer to provide equipment necessary to meet certain requirements -- Governing authority may adopt additional reasonable requirements -- Testing and inspection of interconnection.

- (1) Each customer participating in a net metering program shall provide at the customer's expense all equipment necessary to meet:
 - (a) applicable local and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories; and
 - (b) any other utility interconnection requirements as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
- (2) After appropriate notice and opportunity for public comment, the governing authority may by rule adopt additional reasonable safety, power quality, and interconnection requirements for customer generation systems that the governing authority considers to be necessary to protect public safety and system reliability.
- (3)
 - (a) If a customer participating in a net metering program complies with requirements referred to under Subsection (1) and additional requirements established under Subsection (2), an electrical corporation may not require that customer to:
 - (i) perform or pay for additional tests; or
 - (ii) purchase additional liability insurance.
 - (b) An electrical corporation may not be held directly or indirectly liable for permitting or continuing to permit an interconnection of a customer generation system to the electrical corporation's system or for an act or omission of a customer participating in a net metering program for loss, injury, or death to a third party.

- (4) An electrical corporation may test and inspect an interconnection at times that the electrical corporation considers necessary to ensure the safety of electrical workers and to preserve the integrity of the electric power grid.
- (5) The electrical function, operation, or capacity of a customer generation system, at the point of connection to the electrical corporation's distribution system, may not compromise the quality of service to the electrical corporation's other customers.

Amended by Chapter 53, 2014 General Session

54-15-107 Application to out-of-state electrical corporation.

An electrical corporation with fewer than 5,000 customers in this state that is headquartered in another state is considered to be in compliance with this chapter if the electrical corporation offers net metering to its customers in Utah in accordance with a tariff, schedule, or other requirement of the appropriate authority in the state in which the electrical corporation's headquarters are located.

Enacted by Chapter 244, 2008 General Session

54-15-108 Damages and fines for connecting a customer generation system to more than one customer.

If an independent energy producer that is supplying energy to a customer described in Subsection 54-2-201(3)(a) violates the limitation described in Subsection 54-2-201(3)(b)(i), the commission may:

- (1) award damages to an electrical corporation for actual and consequential damages to the electrical corporation; and
- (2) assess a fine against the independent energy producer or person responsible for the violation.

Amended by Chapter 267, 2016 General Session