

INDIANA UTILITY REGULATORY COMMISSION

Final Rulemaking

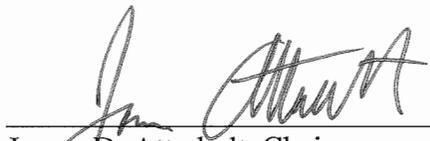
IURC RM #09-10

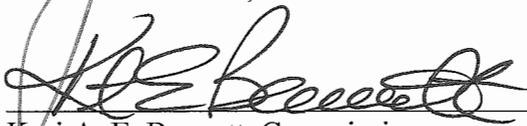
LSA #10-662(f)

Amends 170 IAC 4-4.2-1, 170 IAC 4-4.2-2, and 170 IAC 4-4.2-4 through 170 IAC 4-4.2-10 regarding net metering of electricity. Effective 30 days after filing with the Publisher.

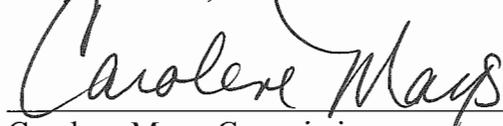
Upon prior publication of notice and a public hearing held on March 11, 2011, at 10:30 a.m. local time in Judicial Courtroom 224 of the PNC Center, 101 W. Washington Street, Indianapolis, Indiana, as required by the provisions of I.C. 4-22-2-1, *et seq.*, the Indiana Utility Regulatory Commission, on May 11, 2011, at 2:00 p.m. local time in Judicial Courtroom 222, PNC Center, Indianapolis, Indiana at which time a majority of members of said Commission were present, adopted the foregoing rule.

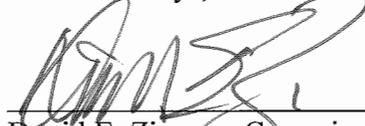
The Secretary is hereby directed to submit the aforesaid rule to the Attorney General and Governor of Indiana, for their approval of same, and thereafter to submit the aforesaid rule to the publisher, Indiana Register.

  
\_\_\_\_\_  
James D. Atterholt, Chairman

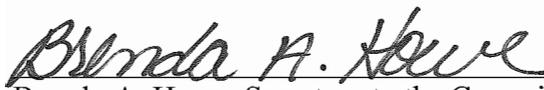
  
\_\_\_\_\_  
Kari A. E. Bennett, Commissioner

ABSENT  
\_\_\_\_\_  
Larry S. Landis, Commissioner

  
\_\_\_\_\_  
Carolene Mays, Commissioner

  
\_\_\_\_\_  
David E. Ziegner, Commissioner

ATTEST:

  
\_\_\_\_\_  
Brenda A. Howe, Secretary to the Commission

Date: MAY 11 2011

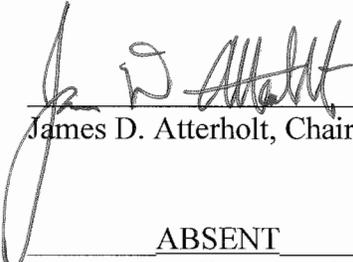
# Rule Signature Page

Rule #: LSA #10-662  
Agency: Indiana Utility Regulatory Commission  
Subject: Amends 170 IAC 4-4.2-1, 170 IAC 4-4.2-2, and 170 IAC 4-4.2-4 through 170 IAC 4-4.2-10 regarding net metering of electricity. Effective 30 days after filing with the Publisher.

## ADOPTED:

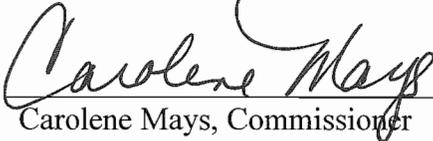
By the Indiana Utility Regulatory Commission

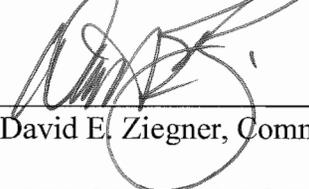
Date: MAY 11 2011

  
James D. Atterholt, Chairman

  
Kari A. E. Bennett, Commissioner

ABSENT  
Larry S. Landis, Commissioner

  
Carolene Mays, Commissioner

  
David E. Ziegner, Commissioner

## APPROVED AS TO FORM AND LEGALITY:

By: \_\_\_\_\_  
Gregory F. Zoeller  
Attorney General, State of Indiana

Date: \_\_\_\_\_

## APPROVED:

By: \_\_\_\_\_  
Mitchell E. Daniels, Jr.  
Governor, State of Indiana

Date: \_\_\_\_\_

## ACCEPTED FOR FILING:

By: \_\_\_\_\_  
Indiana Register  
Legislative Services Agency

Date: \_\_\_\_\_

# TITLE 170 INDIANA UTILITY REGULATORY COMMISSION

## Final Rule LSA Document #10-662

### DIGEST

Amends 170 IAC 4-4.2-1, 170 IAC 4-4.2-2, and 170 IAC 4-4.2-4 through 170 IAC 4-4.2-10 regarding net metering of electricity. Effective 30 days after filing with the Publisher.

**170 IAC 4-4.2-1; 170 IAC 4-4.2-2; 170 IAC 4-4.2-4; 170 IAC 4-4.2-5; 170 IAC 4-4.2-6; 170 IAC 4-4.2-7; 170 IAC 4-4.2-8; 170 IAC 4-4.2-9; 170 IAC 4-4.2-10**

SECTION 1. 170 IAC 4-4.2-1 IS AMENDED TO READ AS FOLLOWS:

#### 170 IAC 4-4.2-1 Definitions

**Authority:** IC 8-1-1-3

**Affected:** IC 8-1-2-1; IC 8-1-8.8-10

Sec. 1. (a) The definitions in this section apply throughout this rule.

(b) "Commission" means the Indiana utility regulatory commission.

(c) "Customer" means ~~any~~ a person, firm, corporation, municipality, or other government agency that has agreed, orally or otherwise, to pay for electric service received from an investor-owned electric utility.

(d) "Eligible net metering customer" means a customer in good standing that owns and operates a solar, wind, or hydroelectrical generating facility that:

(1) has a nameplate capacity less than or equal to ten (10) kilowatts (kW);

(2) is located on the eligible net metering customer's premises; and

(3) is used primarily to offset all or part of the eligible net metering customer's own electricity requirements.

(d) "Eligible net metering energy resource" means the following:

(1) A renewable energy resource as defined in IC 8-1-37-4(a)(1) through IC 8-1-37-4(a)(1)(8).

(2) Other emerging renewable energy technologies the commission determines appropriate.

(e) "In good standing" means a customer:

(1) whose account is not more than thirty (30) days in arrears; and

(2) who does not have any legal orders outstanding pertaining to his or her investor-owned electric utility.

(f) "Interconnection" or "interconnected" means the physical, parallel connection of a net metering facility with a distribution facility of an investor-owned electric utility.

(g) "Investor-owned electric utility" or "utility" means a utility:

(1) that is financed by the sale of securities; and

(2) whose business operations are overseen by a board representing their shareholders.

(h) "Name plate capacity" means the full-load continuous rating of a generator under specified conditions as designated by the manufacturer. **For an inverter-based net metering facility, name plate capacity means the aggregate output rating of all inverters in the facility, measured in kW.**

(i) "Net metering" means measurement of the difference between the electricity that is supplied by the investor-owned electric utility to an eligible net metering customer and the electricity that is supplied back to the investor-owned electric utility by an eligible net metering customer.

(j) "Net metering customer" means a customer in good standing that owns and operates an eligible net metering

energy resource facility that:

- (1) has a nameplate capacity less than or equal to one (1) megawatt (MW), or more at the investor-owned electric utility's sole discretion;
- (2) is located on the net metering customer's premises; and
- (3) is used primarily to offset all or part of the net metering customer's own annual electricity requirements.

(j) (k) "Net metering facility" means an arrangement of equipment for the production of electricity from the movement of water or wind, or by photoelectric transformation, an eligible net metering energy resource, that is owned and operated by an eligible a net metering customer.

(k) (l) "Parallel" means the designed operation of the net metering facility, interconnection equipment, and the investor-owned electric utility's system where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the net metering facility and the electrical investor-owned electric utility's distribution system.

(l) (m) "System emergency" means a condition on a an investor-owned electric utility's system reasonably likely to result in any at least one (1) of the following:

- (1) A significant disruption of service to a customer.
- (2) A substantial deviation from a normal service standard.
- (3) An endangerment to life or property.

*(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-1; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 2. 170 IAC 4-4.2-2 IS AMENDED TO READ AS FOLLOWS:

#### **170 IAC 4-4.2-2 Applicability**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2**

Sec. 2. These rules shall apply to any an investor-owned electric utility, subject to the jurisdiction of the commission, that may now or hereafter be engaged in the production, transmission, sale, or distribution of electric service and all net metering facilities as defined in section 1 of this rule that are interconnected with such the investor-owned electric utilities. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-2; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 3. 170 IAC 4-4.2-4 IS AMENDED TO READ AS FOLLOWS:

#### **170 IAC 4-4.2-4 Availability**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-34.5**

Sec. 4. An investor-owned electric utility shall offer net metering to residential customers and K-12 schools a customer that install installs a net metering facility. The utility may offer net metering to other customers at its discretion. The investor-owned electric utility may limit the aggregate amount of net metering facility nameplate capacity under the net metering tariff to one-tenth one percent (0.1%) (1%) of the most recent summer peak load of the utility, with at least forty percent (40%) of the capacity reserved solely for participation by residential customers. However, the investor-owned electric utility may increase the limit on the aggregate amount of net metering facility nameplate capacity at the investor-owned electric utility's sole discretion. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-4; filed Oct 22, 2004, 11:00 a.m.: 28 IR 786; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 4. 170 IAC 4-4.2-5 IS AMENDED TO READ AS FOLLOWS:

#### **170 IAC 4-4.2-5 Interconnection**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-4**

Sec. 5. (a) A net metering interconnection agreement between the investor-owned electric utility and the eligible net metering customer must be executed before the net metering facility may be interconnected with the investor-owned electric utility's system.

(b) The net metering facility shall comply with the technical interconnection requirements approved by the commission as outlined in section 9(a) of this rule. Inverter based systems listed by Underwriters Laboratories (UL) to UL standard 1741, published May 7, 1999, as revised ~~January 17, 2001~~ **January 28, 2010** (UL 1741), shall be accepted by the investor-owned electric utility as meeting the technical interconnection requirements tested by UL 1741. The net metering facility shall comply with the applicable requirements of 170 IAC 4-4.3. (*Indiana Utility Regulatory Commission; 170 IAC 4-4.2-5; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; filed Mar 6, 2006, 9:45 a.m.: 29 IR 2169*)

SECTION 5. 170 IAC 4-4.2-6 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 4-4.2-6 Metering**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2**

Sec. 6. (a) One (1) of the following metering options, if not already present, shall be installed on the eligible net metering customer's premises by the **investor-owned electric** utility to properly record the net kilowatt hours (kWh) of a net metering facility:

(1) One (1) main watt-hour meter capable of measuring net kWh.

(2) One (1) main watt-hour meter measuring kWh to the eligible net metering customer and a second watt-hour meter measuring kWh to the investor-owned electric utility. The reading of the second meter will be subtracted from the reading of the main meter to obtain net kWh for billing.

(b) An investor-owned electric utility shall not charge the eligible net metering customer ~~any~~ costs or fees for the following:

(1) Additional metering for single-phase configurations installed by the **investor-owned electric** utility.

(2) Eligible Net metering customer's request to participate in net metering program.

(3) Initial net metering facility inspection.

(*Indiana Utility Regulatory Commission; 170 IAC 4-4.2-6; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA*)

SECTION 6. 170 IAC 4-4.2-7 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 4-4.2-7 Billing**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-34.5; IC 8-1-2-38**

Sec. 7. An investor-owned electric utility shall determine an eligible a net metering customer's monthly bill as follows:

(1) Bill charges, credits, rates, and adjustments shall be in accordance with the **investor-owned electric** utility's tariff and administrative rules that would apply if the eligible net metering customer did not participate in net metering.

(2) The **investor-owned electric** utility shall measure the difference between the amount of electricity delivered by the **investor-owned electric** utility to the eligible net metering customer and the amount of electricity generated by the eligible net metering customer and delivered to the **investor-owned electric** utility during the billing period, in accordance with normal metering practices. If the kilowatt hours (kWh) delivered by the **investor-owned electric** utility to the eligible net metering customer exceeds exceed the kWh delivered by the eligible net metering customer to the **investor-owned electric** utility during the billing period, the eligible net metering customer shall be billed for the kWh difference at the rate applicable to the eligible net metering customer if it was not an eligible a net metering customer. If the kWh generated by the eligible net metering customer and delivered to the **investor-owned electric** utility exceeds exceed the kWh supplied by the **investor-owned electric** utility to the eligible net metering customer during the billing period, the eligible net metering customer shall be credited in the next billing cycle for the kWh difference.

(3) **The credit shall roll over indefinitely for net metering customers, except that** when the eligible net metering customer elects to no longer participate in the net metering tariff, ~~any~~ **all** unused credit shall revert to the

**investor-owned electric utility.**

*(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-7; filed Oct 22, 2004, 11:00 a.m.: 28 IR 787; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 7. 170 IAC 4-4.2-8 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 4-4.2-8 Liability insurance and indemnity**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-33; IC 8-1-2-34**

Sec. 8. (a) ~~An eligible~~ **A net metering customer operating a net metering facility shall maintain homeowners, commercial, or other insurance providing coverage in the amount of at least one hundred thousand dollars (\$100,000) for the liability of the insured against loss arising out of the use of a net metering facility. Eligible** Net metering customers shall not be required by the utility to obtain liability insurance with limits higher than that which is stated in this section, nor shall such ~~eligible~~ net metering customers be required by the utility to purchase additional liability insurance, for example, insurance coverage that exceeds one hundred thousand dollars (\$100,000) where the ~~eligible~~ net metering customer's existing insurance policy provides coverage against loss arising out of the use of a net metering facility by virtue of not explicitly excluding coverage for such loss.

(b) The utility and the ~~eligible~~ net metering customer shall indemnify and hold the other party harmless from and against all claims, liability, damages, and expenses, including attorney's fees, based on any injury to any person, including loss of life or damage to any property, including loss of use thereof, arising out of, resulting from, or connected with, or that may be alleged to have arisen out of, resulted from, or connected with an act or omission by such other party, its employees, agents, representatives, successors, or assigns in the construction, ownership, operation, or maintenance of such party's facilities used in net metering. **This indemnification provision is not applicable in the case of governmental net metering customers that are restricted from entering into indemnification provisions.** *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-8; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 8. 170 IAC 4-4.2-9 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 4-4.2-9 Tariff and reporting requirements**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2**

Sec. 9. (a) Within sixty (60) days of the effective date of this rule, ~~all investor-owned~~ **investor-owned** electric utilities shall submit for approval under the commission's thirty (30) day filing process a net metering tariff. The net metering tariff shall:

- (1) include the technical interconnection requirements of the investor-owned electric utility; and shall**
- (2) comply with the requirements of this rule.**

(b) Within sixty (60) days of the effective date of this rule, ~~all investor-owned~~ **investor-owned** electric utilities shall submit for approval via the commission's thirty (30) day filing process a generic interconnection agreement applicable to net metering facilities. An interconnection agreement shall include the following:

- (1) The name of the ~~eligible~~ net metering customer.
- (2) The location of the proposed net metering facility.
- (3) Type of the proposed net metering facility.
- (4) Size or inverter power rating, or both, of the proposed net metering facility.
- (5) Inverter manufacturer and model number.
- (6) A description of the electrical installation of the inverter and associated electrical equipment.

(c) On or before March 1 of ~~each every~~ **each** year, ~~each the~~ **the** investor-owned electric utility shall file with the commission a net metering report. The net metering report shall contain the following:

- (1) The total number of ~~eligible~~ net metering customers and facilities.
- (2) The number, size, and type (~~solar, wind, hydro~~) of net metering facilities.
- (3) The number of new ~~eligible~~ net metering customers interconnected during the previous calendar year.
- (4) The number of existing ~~eligible~~ net metering customers that ceased participation in the net metering tariff during the

previous calendar year.

(5) If available, data on the amount of electricity generated by net metering facilities.

(6) A list of any system emergency disconnections that occurred in accordance with section 5(f) of this rule and an explanation of each the system emergency.

*(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-9; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*

SECTION 9. 170 IAC 4-4.2-10 IS AMENDED TO READ AS FOLLOWS:

**170 IAC 4-4.2-10 Customer complaints**

**Authority: IC 8-1-1-3**

**Affected: IC 8-1-2-34.5**

Sec. 10. In the event an investor-owned electric utility and an eligible a net metering customer are unable to agree on matters relating to net metering, either party may raise a customer complaint to the commission in accordance with the commission's consumer complaint rules. *(Indiana Utility Regulatory Commission; 170 IAC 4-4.2-10; filed Oct 22, 2004, 11:00 a.m.: 28 IR 788; readopted filed Nov 12, 2010, 2:53 p.m.: 20101208-IR-170100605RFA)*