

Net Metering Proposed Regulations

July 8, 2009

Operations Meeting

Application of Proposed Regulation

- Regulations based on RCA staff proposal with collaboration from Chugach, other utilities, and net metering proponents.
- Generally, applies to all economically regulated utilities.
 - Exceptions are utilities that produce all power from alternative energy systems, or utilities that have less than 5,000,000 kWh annual sales.
- Applies to all Railbelt utilities, except Seward.

The Net Metering Program

- Requires utility to offer net metering program to its retail consumers.
 - Limited to 1.5% of average retail demand (1.4 MW for Chugach)
 - Revenue neutral to Chugach; issue is equitable treatment among retail members for cost recovery
- Net metering limited to a monthly billing period
 - Net consumption (kWh) billed by Chugach at full tariffed rate
 - Net generation purchased by Chugach at non-firm (avoided cost) rate
 - Customer earnings from net generation carried over as a credit on next period billing; no expiration date.

Eligible Customer Generation Systems

- 25 KW capacity limit for any one location.
- Must be on or adjacent to customer premises.
- Must meet approved interconnection guidelines
- Must be a renewable project or with similar environmental impacts.

Moving Towards Implementation

- Public / utility comments on proposal due on July 13th.
- Reply to comments due on July 27th.
- Following will be a commission decision.
- Implementation date should be set at the time of decision.