

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE ADOPTION OF )  
RULES AND REGULATIONS TO IMPLEMENT )  
THE PROVISIONS OF 26 *DEL. C. CH. 10* )  
RELATING TO THE CREATION OF A )  
COMPETITIVE MARKET FOR RETAIL ) PSC REGULATION DOCKET NO. 49  
ELECTRIC SUPPLY SERVICE (OPENED )  
APRIL 27, 1999; RE-OPENED JANUARY )  
7, 2003; RE-OPENED SEPTEMBER 22, )  
2009; RE-OPENED SEPTEMBER 7, 2010) )

**JOINT REPLY COMMENTS  
OF THE  
INTERSTATE RENEWABLE ENERGY COUNCIL AND  
THE VOTE SOLAR INITIATIVE**

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## **I. INTRODUCTION**

On September 7, 2010, in Order No. 7832, the Public Service Commission (PSC) issued proposed revisions to the Net Energy Metering provisions of its Rules for Certification and Regulation of Electric Suppliers, originally adopted by PSC Order No. 5207 (Aug. 31, 1999) and subsequently revised from time to time since their original adoption. Pursuant to Order No. 7832, the Interstate Renewable Energy Council (IREC) and The Vote Solar Initiative (Vote Solar) submitted separate comments on November 1, 2010, regarding the proposed regulations to implement Senate Bill No. 267, as amended by Senate Amendment No. 1. IREC and Vote Solar now submit these joint reply comments on the same regulations.<sup>1</sup>

As noted in its November comments, IREC has worked as a non-profit organization for nearly three decades to accelerate the sustainable utilization of renewable energy resources. As part of these efforts, IREC works with stakeholders to identify best practices in the areas of net metering, interconnection and, more recently, community renewables programs. IREC has participated in proceedings before over thirty state utility commissions concerning these policies, and has developed related model rules and standards, as described in its previous comments. IREC welcomes the opportunity to participate in this proceeding in order to work with Delaware stakeholders to develop a strong community renewables program and continue to grow its renewable energy economy.

As noted in its November comments, Vote Solar is a non-profit organization with members throughout the U.S. that aims to address energy and environmental issues by bringing solar energy to the mainstream. Vote Solar works with stakeholders in many states around the country to address barriers to solar development and advance effective legislative and regulatory solar policies. It is in this regard that IREC and Vote Solar have established a close working

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<sup>1</sup> Vote Solar has authorized IREC's representative to sign and file these reply comments on Vote Solar's behalf.

relationship to advance best practices for community renewables programs. As such, IREC and Vote Solar have agreed to submit joint reply comments in this docket. Vote Solar appreciates the opportunity to participate in this proceeding, and looks forward to working with IREC and other interested stakeholders to develop an effective community renewables program and expand opportunities for Delawareans to participate in the renewable energy economy.

These reply comments are largely in response to comments that Delmarva Power & Light Company (Delmarva) submitted in this docket on November 1, 2010 (*Delmarva Comments*). Delmarva provided comments on the PSC's proposed rule changes implementing SB 267, along with proposed changes to Delmarva's existing net metering tariff incorporating aggregated net metering (ANM) (*Proposed Rider NEM*) and a new community energy facility (CEF) tariff (*Proposed Rider CEF*). IREC and Vote Solar appreciate Delmarva's detailed comments and tariff proposals, and its engagement in these issues. Nonetheless, we have some concerns with Delmarva's suggestions and positions. We offer these reply comments to alert the PSC to those concerns and to inform the rulemaking process moving forward.

## **II. NET METERING**

### **A. Number of Meters a Customer May Aggregate**

In its comments, Delmarva claims its manual billing process would be further complicated by ANM, resulting in an additional time burden and associated costs. *Delmarva Comments* § 3(b). For this reason, Delmarva proposes in its revised net metering tariff to limit the number of meters that a customer may aggregate to five, until such time that Delmarva can automate its billing process to accommodate ANM. *Proposed Rider NEM* § A(5)(i). IREC and Vote Solar believe, however, that such a limit is contrary to the legislative intent of the relevant statutory provision, and is in any case unnecessary due to the existing limits on system size. In

addition, Delmarva’s proposed tariff provision is not consistent with the policies of other states that have implemented ANM as part of their net metering programs.

The relevant statutory provision states: “In instances where 1 customer has multiple meters under the same account or different accounts, regardless of the physical location and rate class, the customer may aggregate meters for the purpose of net energy metering regardless of which individual meter receives energy from the energy generating facility . . . .” Del. Code tit. 26, § 1014(e)(8). The statutory provision consistently speaks in general terms of “meters,” and presents no indication of legislative intent to limit the number of meters to be aggregated. Therefore, Delmarva’s suggestion to limit the number of meters to five is inconsistent with the statute as written. In any case, since the total size of a net metering system is restricted to 25 kW to 2 MW, depending on customer class, by Del. Code tit. 26, §§ 1014(d)(1), (e)(8)(c), and (e)(9)(d), the number of meters a customer may aggregate will logically be limited regardless.

Additionally, Delmarva’s proposed ANM limitation is out of step with other states’ ANM policies. Based on IREC’s experience in the states that we know have adopted some form of ANM, only two states—Rhode Island and California—specify a limit to the number of meters. Moreover, these limits are significantly higher than what Delmarva proposes, at 10 and 50 meters, respectively. In addition, Rhode Island and California only allow governmental customers to participate in ANM. Therefore, a meter limitation may make more sense for those states’ more limited programs. Delaware has no such customer class limitation, and should join the majority of states ANM policies and not limit the number of meters that a customer can aggregate.

**B. Size Limit of 110 Percent of Customer’s Annual Consumption**

Delmarva also expresses concern in its comments that the PSC’s proposed increase of the allowable size of net-metered facilities from 100 percent to 110 percent of a customer’s annual consumption, as required by Del. Code tit. 26 §§ 1014(d)(5), (e)(8)(b), and (e)(9)(c), may result in a violation of PJM rules concerning net metering. *Delmarva Comments* § 3(c). IREC and Vote Solar would welcome additional discussion of this issue at the upcoming stakeholder workshop. We are not aware of any PJM rules regarding net metering; our understanding is that the PSC and the local distribution utility are responsible for net metering rules and regulations. However, if there are concerns about consistency between the PSC’s proposed net metering rules and any PJM rules, IREC and Vote Solar agree that those concerns should be addressed to ensure the development of robust net metering and community renewables programs in Delaware.

**III. COMMUNITY ENERGY FACILITIES (CEFs)**

**A. Disputes between CEF Customers**

**1. Delmarva Involvement in Disputes**

In its comments, Delmarva expresses concern that it may be drawn into disputes between CEF customers, including disputes related to: (1) the power consumption of the CEF host in relationship to other CEF customers; (2) the application of credits between CEF customers; and (3) CEF customer requests for the details of other CEF customers bills. *Delmarva Comments* § 4(c).

While such disputes may indeed occur, IREC and Vote Solar believe that the issues that Delmarva highlights in its comments are more appropriately handled via contracts between a CEF and its customers. Moreover, the Delaware net metering statute specifically states that

“[d]isputes shall be resolved by the Commission or appropriate governing body.” Del. Code tit. 26, § 1014(j). Therefore, Delmarva would be well within its rights to refuse to become involved in disputes between CEF customers. Instead, it can refer complaints to the PSC or other appropriate governing body. In the end, Delmarva should not have to resolve any disputes other than disputes directly between a customer and Delmarva itself, such as disputes related to the accuracy of a customer’s bill. In such cases, Delmarva is required to employ reasonable efforts, in good faith, to resolve the issue. If this is not successful, then the customer may file a formal complaint with the PSC. *Delmarva Rules and Regulations* § 1(G) (last updated Oct. 12, 2010).

## **2. PSC Involvement in Disputes**

Delmarva is also concerned that the PSC will become entangled in customer contractual disputes, which Delmarva states are outside of its jurisdiction and a waste of resources.

*Delmarva Comments* § 4(c). IREC and Vote Solar do not believe this presents a problem because the PSC can reject any filings outside of its jurisdiction and therefore avoid any waste of resources.

### **B. CEF Size**

#### **1. Size Limitation**

In its CEF tariff, Delmarva proposes system size limits for CEFs that mirror the size limits for net-metered systems for individual customers in Del. Code tit. 26, § 1014(d)(1). *Proposed Rider CEF* § A(1). According to Delmarva, these limits are consistent with the legislative intent that CEFs represent an extension of net metering benefits to a larger group of customers that would not otherwise be able to participate in net metering. *Delmarva Comments* § 5(f). IREC and Vote Solar agree with Delmarva that the legislative intent is to extend net

metering to more customers via CEFs. However, we disagree with Delmarva’s interpretation of the statutory language regarding system size limits.

Del. Code tit. 26, § 1014(e)(9)(d) states that a CEF “shall not exceed a capacity of the sum total of the individual unit allowances as defined under paragraph (d)(1) of this section among the participants of a [CEF] . . . .” This language explicitly indicates the legislature’s intention to limit CEF system size according to the *aggregate* net metering system capacity allowances of CEF participants, i.e., the aggregate of individual unit allowances, and not just to extend the two-MW limit to all CEFs. Del. Code tit. 26, § 1014(d)(1) limits net metering system capacity to 25 kW for residential systems, 100 kW for certain municipal and agricultural systems, and 2 MW for non-residential systems in Delmarva service territory. Therefore, to determine the appropriate system size limitation for a CEF, one would aggregate the appropriate capacity limits for each of the customers participating in the CEF. The resulting CEF system size limitation could well be over two MW. Thus, IREC and Vote Solar believe that Delmarva’s proposed limitation is contrary to legislative intent, and should not be included in any CEF rules or tariffs.

## **2. Additional Oversizing and Distribution System Problems**

According to Delmarva, because the PSC’s proposed regulations allow customers to net extra output with other customers that have load, the regulations may encourage customers to oversize their units, since other customers will use the extra energy produced. Delmarva claims that this oversizing may lead to distribution system problems, including: (1) an increased likelihood of concentrations occurring in areas where people install solar systems, resulting in high voltage to customers on the distribution feeder; (2) more problems with high voltage on the low side of line transformers (at the customer meter), since one or more customers with

oversized systems may be on the same transformer; and (3) increased system losses due to fewer systems supplying electricity for customers. *Delmarva Comments* § 4(d).

IREC and Vote Solar believe that these types of issues can be addressed through interconnection procedures, and specifically technical screens, which Delmarva and the PSC can then reference in their rules and regulations as necessary. In addition, the incorporation into interconnection procedures of a provision requiring access to distribution system information, as described below in Section III.I.2, would lead to mutually beneficial outcomes for Delmarva, developers, and customers. Such information access would allow customers and developers to identify preferred siting locations that are close to load, and on feeder lines and substations with available capacity, thereby avoiding Delmarva's distribution system concerns. In addition, a developer who wants to proceed under a Level 1 or Level 2 interconnection screen in order to avoid the more expensive and lengthy study process could use available distribution system information to ensure he meets the necessary requirements. Ultimately, both more informed siting decisions and improved technical screens would result in more efficient system installations and lower costs for customers.

We offer some additional comments on interconnection below in Section III.I, which are consistent with and expand on the more extensive comments IREC and Vote Solar made on interconnection in our separate November 1, 2010 comments to the PSC.

### **C. Reallocation of Excess CEF Generation**

Delmarva also expresses concern in its comments that the reallocation of excess generation from a CEF to reduce consumption of other retail customers may be in violation of the Full Requirements Service Agreements (FSAs) and PJM rules. *Delmarva Comments* § (4)(d). At this time, based on our understanding of the PJM rules and typical FSAs, we do not

see any potential violations. However, IREC and Vote Solar would welcome additional discussion at the upcoming workshop in order to ensure that these concerns are addressed, and that any possible violations or inconsistencies are resolved.

#### **D. CEF Metering**

##### **1. Meter Location**

In its proposed CEF tariff, Delmarva requires a CEF to be separately metered. *Proposed Rider CEF* § A(7). According to Delmarva, separate metering would allow CEF-generated energy to be sold into PJM markets, providing a source of revenue to offset CEF payments partially. In addition, Delmarva states that its proposed approach would enable CEFs to account for their gross generation properly, thereby avoiding CEF customer disputes. *Delmarva Comments* § 5(a).

IREC and Vote Solar believe that Delmarva's proposed metering requirement is contrary to the relevant statutory provision, which indicates that a CEF can be separately metered, stand-alone facility, or behind a customer's meter and thus not separately metered. Specifically, the statute states: "Community-owned energy generating facility' means a renewable energy generating facility that has multiple owners or customers who share the output of the generator, which may be located either as a stand-alone facility or behind the meter of a participating owner or customer. The facility shall be interconnected to the distribution system and operated in parallel with an electric distribution company's transmission and distribution facilities." Del. Code tit. 26, § 1001(5). Instead, Delmarva bases its requirement on Del. Code tit. 26, § 1014(e)(3), which merely offers one alternative payment structure for CEF customers. Therefore, Delmarva's recommendation to require CEFs to be separately metered is contrary to the statute's text and legislative intent, and it should not be included in any CEF rules or tariffs.

## **2. Allocation of Metering Costs**

As for allocation of metering costs, Delmarva's tariff states that Delmarva will furnish, install, maintain and own all of the metering equipment needed for the measurement of the service supplied. Under the proposed tariff, if a CEF requires or a CEF customer requests a larger capacity meter, then the customer must pay the difference between the cost of that larger capacity meter and the metering normally provided under that customer's service classification.

*Proposed Rider CEF § E.*

Delmarva's proposed allocation of metering costs is consistent with the relevant statutory provision, Del. Code tit. 26, § 1014(e)(6). This provision essentially states that Delmarva must pay for any metering covered by a customer's service classification plus the installation (if necessary) of a bi-directional meter at the customer's net metering facility; if the customer needs or requests something beyond his service classification, such as a larger meter, the customer must pay the difference. Therefore, IREC and Vote Solar support Delmarva's proposed allocation of metering costs. Similarly, IREC and Vote Solar support Delmarva's allocation of costs between Delmarva and CEF customers for modification of Delmarva's system. *See Proposed Rider CEF § F.*

### **E. CEF Compensation**

Delmarva's proposed CEF tariff requires all CEFs to be compensated at the supply service charge, based on Delmarva's belief that CEF customers continue to receive the benefits of distribution service. *Proposed Rider CEF § B(1); Delmarva Comments § 5(b).* This proposal is supported by Del. Code tit. 26, § 1014(e)(2), which states that CEF customers can be "credited in kilowatt-hours (kWh), valued at the amount per kWh equal to supply service charges according to each account's rate schedule, for any excess production of the [CEF]."

However, this sentence in Del. Code tit. 26, § 1014(e)(2) should be read in conjunction with the following sentence, which states: “For customers that host a [CEF] or where all participating customers are located on the same distribution feeder as a [CEF], credit in kWh shall be valued according to each account’s rate schedule and the rules and regulations promulgated for net energy metering under paragraph (e)(1) or (3) of this section. . . .” Del. Code tit. 26, § 1014(e)(2). Del. Code tit. 26, § 1014(e)(1) provides that customers may be credited in kWh “valued at an amount per [kWh] equal to the sum of delivery service charges and supply service charges for residential customers and the sum of the volumetric energy (kWh) components of the delivery service charges and supply service charges for nonresidential customers for any excess production of their generating facility that exceeds the customer's on-site consumption of kWh in a billing period. . . . Any excess kWh credits shall not reduce any fixed monthly customer charges imposed by the electric supplier. . . .” These sections of the statute make clear that host CEF customers or participants in a CEF where all participants are on the same distribution feeder receive a net metering credit equivalent to the net metering credit currently received by net metering customers with a on-site systems.

Accordingly, IREC and Vote Solar believe that Delmarva’s approach to compensation is contrary to the intent of the statute to allow for a more nuanced approach to customer compensation depending on the particular CEF situation. Delmarva’s proposal to limit compensation to the supply service charge does not take into account the other options that the statute explicitly allows. Therefore, it should not be included in any future rules or tariffs. Rather, IREC and Vote Solar recommend that the PSC follow the statutory language and allow for same options in its rules and the tariffs it approves.

## **F. CEF Rates**

Delmarva expresses concern in its comments that allowing for different customer classifications under one CEF will make calculating the value for each CEF participant's share of excess kWh credits cumbersome, even when Delmarva's billing system is automated, but more so as Delmarva currently manually bills its net metering customers. *Delmarva Comments* § 5(c). Therefore, in its CEF tariff, Delmarva proposes a novel approach to calculate each CEF participant's share of credits according to Del. Code tit. 26 § 1014(e)(1). Under its proposed approach, Delmarva would provide two blended Standard Offer Service (SOS) rates each June, when it revises its SOS rates, until it updates its automated billing system or it implements a standard rate design. One rate would be for calculating individual credits for largely residential CEF groups, and the other for doing so for largely non-residential CEF groups. *Proposed Rider CEF* § (B)(1); *Delmarva Comments* § 5(c).

While IREC and Vote Solar understand Delmarva's stated concerns, the statute indicates no intent to allow for any rate modifications or blended rates. In fact, Del. Code tit. 26, § 1014(e)(4) states that the PSC must "[e]nsure that electric suppliers provide net-metered customers electric service at nondiscriminatory rates that are identical, with respect to rate structure and monthly charges, to the rates that a customer who is not net-metering would be charged."

In addition, IREC and Vote Solar understand that there are software solutions that can simplify the billing process and will alleviate Delmarva's concerns. For example, Clean Energy Collective (CEC) has developed RemoteMeter™, which provides seamless utility billing integration.<sup>2</sup> IREC and Vote Solar have spoken extensively with CEC and it is our understanding that their services are operational today in Colorado as described further on their

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<sup>2</sup> For more information, see <http://www.cleanenergycollective.com/learn4.aspx>.

website. It is also our understanding that other software solutions are being developed that are similar to CEC's solution. In sum, while we are sensitive to the concerns that Delmarva raises, careful implementation can ensure that any additional workload is minimized.

#### **G. CEF Location**

Delmarva correctly points out that the CEF statute is not clear on the requirements for the physical location of CEFs. *Delmarva Comments* § 5(e). In its proposed CEF tariff, Delmarva explicitly requires CEFs to be “located in Delmarva Power’s Delaware service territory,” which Delmarva believes is in line with the intent of the legislation. *Proposed Rider CEF*, Intro. Paragraph; *Delmarva Comments* § 5(e). Del. Code tit. 26, § 1014(e)(9)(b) supports Delmarva’s understanding on this issue when it states: “Electric suppliers, DEC, DP&L, and municipal electric companies shall only allow meter aggregation for customer accounts of which they provide electric supply service . . . .” Therefore, IREC and Vote Solar agree with Delmarva’s assessment and support its proposed language on this point.

#### **H. Administrative Charges**

Delmarva’s proposed CEF tariff adds residential and non-residential administrative charges, intended to capture its typical minimum Customer Charge and Demand Day Charge (DDC). *Proposed Rider CEF* § B(4); *Delmarva Comments* § 5(g). According to Delmarva, these administrative charges should ensure that other customers do not subsidize a CEF’s distribution expenses. *Delmarva Comments* § 5(g). IREC and Vote Solar do not believe that Delmarva’s proposed administrative charges are necessary or appropriate.

There appear to be two relevant statutory provisions governing the type of fee that Delmarva proposes. Del. Code tit. 26, § 1014(e)(4) states that “. . . [e]lectric suppliers shall not charge a net-metering customer any stand-by fees or similar charges, with the exception that the

Delaware Energy Office shall promulgate rules that allow DEC and municipal electric companies to request to assess *nonresidential* net-metering customers a fee or charge if the electric utility's direct costs of interconnection and administration of net-metering for these customer classes outweigh the distribution system, environmental, and public policy benefits of allocating the costs among the electric supplier's entire customer base.” (emphasis added) In addition, Del. Code tit. 26, § 1014(f) allows for the PSC to “periodically review the impact of net-metering rules in this section and recommend changes or adjustments necessary for the economic health of utilities.”

These statutory provisions illuminate several problems with Delmarva’s proposed administrative charges. First, Delmarva proposes to levy a residential administrative charge. However, Del. Code tit. 26, § 1014(e)(4) explicitly only allows for non-residential charges. Therefore, Delmarva’s proposed residential charge is contrary to the language of the statute.

Second, the Del. Code tit. 26, § 1014(e)(4) only allows for additional fees or charges “if the electric utility’s direct costs of interconnection and administration” outweigh the “distribution system, environmental, and public policy benefits of allocating the costs among the electric supplier’s entire customer base.” Delmarva presents no evidence showing that this is the case; in fact, it provides hardly any information at all about the costs that it lists. Indeed, in our view, the distribution system, environmental, and public policy benefits of net metering—and in particular of CEFs—are great, and could easily outweigh the general types of costs Delmarva claims. At this point, however, it is difficult to make any kind of comparison because of the lack of detail from Delmarva about these costs.

Third, according Del. Code tit. 26, § 1014(e)(4), the appropriate entity to promulgate rules that allow utilities to request to assess such fees is the Delaware Energy Office, not the

PSC. IREC has not seen any such rules from the Energy Office. The PSC's role regarding additional fees appears to be limited in this case to the periodic review and recommendation of changes described in Del. Code tit. 26, § 1014(f). Therefore, Delmarva's proposal is misplaced in this proceeding and should be made separately to the Energy Office.

In sum, there are no statutory provisions that specifically mention additional administrative or other fees for CEFs. In our opinion, this indicates that the legislature did not intend for such additional fees for CEFs. Moreover, Delmarva has presented no evidence concerning the propriety of such fees consistent with Del. Code tit. 26, § 1014(e)(4). Accordingly, at this time, IREC and Vote Solar recommend that the Commission reject Delmarva's request.

**I. Interconnection**

**1. Separation of Interconnection Procedures from Net Metering and CEF Rules**

In its proposed CEF tariff, Delmarva indicates that interconnection requirements "shall be dealt with in a manner consistent with a standard tariff filed with the" PSC which will be developed "using [IREC's] Model Interconnection Rules and best practices identified by the U.S. Department of Energy." *Proposed Rider CEF* § C(3). IREC and Vote Solar appreciate Delmarva's interest in developing better interconnection procedures and its intent to use IREC's *Model Interconnection Procedures*. We also commend Delmarva in its general effort to separate its interconnection procedures from its CEF rules.

However, IREC and Vote Solar note that Delmarva included some detail on CEF interconnection application requirements in its proposed CEF tariff. *Proposed Rider CEF* § A(3)(iii). We recommend that any information concerning interconnection procedures be placed

within the interconnection procedures and that Delmarva simply reference those procedures in the CEF tariff, as is done elsewhere.

**2. Incorporation of Best Practices into Interconnection Procedures  
including Access to Distribution System Information**

As IREC and Vote Solar stated in our separate November 1, 2010 comments to the PSC, robust and consistent interconnection procedures are essential to successful state-level renewable energy programs, including community renewables programs, and a healthy renewable energy industry. Although Delaware has been a leader in net metering for years, its interconnection procedures have lagged significantly behind other states' procedures. In the past three years, Delaware has received a D (2009) or an F (2008 and 2010) for its procedures in *Freeing the Grid: Best and Worst Practices in State Net Metering Policies and Interconnection Procedures*, which ranks each state's net metering and interconnection policies with a letter grade using criteria based on best practices. These low grades are largely due to Delaware's lack of statewide interconnection procedures, and deviation between the procedures in place in Delaware and the best practices that *Freeing the Grid* highlights, as described in our November 1, 2010 comments. IREC and Vote Solar wish to reiterate our interest in working with Delaware stakeholders to incorporate best practices into the State's interconnection procedures.

In particular, IREC and Vote Solar believe that Delaware's interconnection procedures should include a provision related to access to distribution system information, an issue not yet raised in this proceeding. Access to distribution system information can significantly reduce interconnection costs by helping to identify preferred areas with high peak load where a CEF would help relieve grid congestion. It is important that this information is sufficiently detailed so that customers and developers can maximize its utility, and minimize the risk of unanticipated

interconnection costs. An applicant can use available capacity, projected load growth information, and up-to-date generator interconnection queue information at the substation distribution feeder level to make more efficient siting decisions based on the likelihood that a project will pass the Level 1 or Level 2 screens at a particular location. As discussed above, we believe that such access to distribution system information will also help to alleviate Delmarva's concerns that customers or developers may oversize project systems or inefficiently cluster these projects in a way that creates distribution system problems. *See Delmarva Comments* § 4(d).

Publication of this type of distribution system information is something that states with higher penetration of distributed generation have begun to implement or are considering. For example, the three major investor-owned utilities in California now publicly provide distribution system information access online for "preferred areas," and will ultimately provide this information on a system-wide basis.<sup>3</sup> Colorado is also considering disclosure of distribution system information as part of its efforts to implement Colorado House Bill 10-1342, which authorized Community Solar Gardens.

To incorporate such a publication requirement, IREC and Vote Solar suggest that the PSC could modify section L of IREC's *Model Interconnection Procedures* by adding a second subsection, the goal of which would be to facilitate developer access to distribution system information. Our proposed language is in bold:

- (L) Utility Reporting Requirement
  - (1) Each Utility shall electronically make available a spreadsheet listing all interconnected Generating Facilities with their respective resource types, Generating Capacities, year of interconnection, and zip code of geographic location. At a minimum, such information shall be provided to the Commission by March 1 of each year. Such information shall be submitted in both a database format for data analysis and in an image format that is legible and intuitive when printed.**

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<sup>3</sup> See Cal. Pub. Utils. Comm'n, Docket No. R.08.08.009, *Decision Adopting the Renewable Auction Mechanism*, D.10-12-048 § 11.1.2 (Dec. 16, 2010).

- (2) Each utility shall publish detailed distribution system information on its website. Distribution system information should include data at the substation and circuit level that details the available capacity—defined as the total capacity minus allocated and queued capacity—and any available estimates of anticipated load growth or system upgrades. Each utility shall provide information on pending Generator Facility applications in the interconnection queue at the substation and circuit level including Generator Capacities and their respective resource types. Each utility shall publish a map on its website with this detailed distribution system information and shall update the information on at least a monthly basis.**

We look forward to working with Delaware stakeholders, especially Delmarva, to refine this language. In particular, we recognize that the rule should balance the level of detail required and the frequency of information updates with Delmarva’s current informational capabilities. IREC and Vote Solar believe such information-sharing and cooperation can lead to decreased interconnection costs for developers and more efficient siting of CEF projects, which would benefit Delmarva and its customers.

**J. Customer Removal from CEF Aggregated Meters List**

In describing the process by which a community with a CEF can remove an individual participant from its list of aggregated meters, Delmarva’s proposed CEF tariff offers three options: (1) replace the removed customer with another customer; (2) reduce the CEF’s generating capacity; or (3) default to the monthly average Locational Marginal Price (LMP), or the hourly LMP if advanced metering technology is installed, for any excess kWh credit.

*Proposed Rider CEF § A(5).*

IREC and Vote Solar believe that the third option that Delmarva offers in its proposed CEF tariff is contrary to the relevant statutory provision, which states: “If the community removes individual customers from the aggregate, the community shall either [1] replace the removed customers, [2] reduce the generating capacity of the community-owned energy

generating facility to remain compliant with the provisions provided under paragraphs (e)(9)c. and d. of this section, or [3] negotiate with the electric supplier, DP&L, DEC, or the appropriate municipal electric company to establish a mutually acceptable agreement for any excess kWh credit . . . .” Del. Code tit. 26, § 1014(e)(9)(h). That is, the statute specifies that the community should negotiate with Delmarva to establish a “mutually acceptable agreement for any excess kWh credit,” not default to the monthly or hourly LMP. IREC and Vote Solar are concerned that setting the price of excess kWh at the avoided cost of non-renewable energy will greatly undervalue the energy received by Delmarva. Accordingly, IREC and Vote Solar support discussion of this issue at the upcoming workshop, and request that, in the interim, the Commission not adopt Delmarva’s proposal.

#### **K. Power Factor Requirement**

Delmarva’s proposed CEF tariff requires that the CEF must furnish, install and maintain, at its own expense, a corrective apparatus that results in an average power factor of not less than 90 percent lagging. *Proposed Rider CEF § D*. In its *Model Interconnection Procedures*, which are based on best practices across the United States, IREC recommends a power factor within the range of 95 percent leading to 95 percent lagging.<sup>4</sup> IREC and Vote Solar urge that the PSC require a 95 percent power factor in Delaware, as well.

#### **IV. CONCLUSION**

IREC and Vote Solar welcome this opportunity to work with Delaware stakeholders to develop rules implementing SB 267 and to ensure a strong community renewables program in the State. We believe that the November 1, 2010 stakeholder comments and this round of reply comments will offer the PSC a solid foundation for revising its proposed net metering and CEF

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<sup>4</sup> *IREC Model Interconnection Procedures*, Attachment 3: Level 2, 3 and 4 Interconnection Agreement § 2.5 (2009), available at <http://irecusa.org/wp-content/uploads/2010/01/IREC-Interconnection-Procedures-2010final.pdf>.

rules, as well as developing statewide interconnection procedures based on best practices. We appreciate the PSC's decision to hold a workshop prior to a hearing to allow stakeholders to delve more deeply into some of the more complex issues in this proceeding. We look forward to participating in that workshop, and in future hearings and comment opportunities.

Respectfully submitted,

/s/ Erica M. Schroeder

Erica M. Schroeder

for the INTERSTATE RENEWABLE ENERGY COUNCIL

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Dated: January 14, 2011

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing “Joint Reply Comments of the Interstate Renewable Energy Council and The Vote Solar Initiative” upon the Delaware Public Service Commission via overnight mail and upon each additional person on the Parties Served list below via electronic copy to each person’s e-mail address.

Dated at Oakland, California, this 14th day of January 2011.

/s/ Erica M. Schroeder

Erica M. Schroeder

## **PARTIES SERVED**

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