



# Net Energy Metering

TOA-AC  
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- Based on Order No. 2003, FERC has jurisdiction over an interconnection when the Interconnection Customer plans to:
  - Interconnect to the transmission system; or
  - Interconnect to the distribution system to engage in a sale for resale in interstate commerce.

- FERC does not have authority over the physical interconnection of:
  - A net metering project;
  - An interconnection request at a non-OATT point on the distribution system; or
  - A QF selling directly to the Transmission Owner under a state's avoidable cost rate.
- However, even though FERC does not have jurisdiction over the *physical* interconnection it does have jurisdiction over any wholesale sales, including **excess** sales by a net metering project or a QF.

- Several states have adopted net energy metering legislation or regulations proposing changes to net metering. Specifically,
  - Maryland: The eligible customer-generator's proposed electric generating system may not exceed *200 percent* of the eligible customer-generator's baseline annual usage.
  - Delaware: The eligible customer-generator's proposed electric generating system may not exceed *110 percent* of the eligible customer-generator's baseline annual usage.
  - Pennsylvania: The proposed legislation proposes that the eligible customer-generator's proposed electric generating system may not exceed *110 percent* of the eligible customer-generator's baseline annual usage.

- The Delaware law also provides for:
  - Aggregate net metering
  - Virtual net metering
  - Community energy facility

- If there is excess output at the end of the annual billing period, that excess is considered a wholesale sale subject to FERC jurisdiction and the generator would have to come in to the PJM queue.
- Regardless, these net energy metering projects will also have impacts to settlements, operations and planning.
- PJM has met with TOs to consider developing a process to handle generators who proposes a net energy metering unit in excess of its load needs.