



KIT CARSON ELECTRIC COOPERATIVE, INC.

A Touchstone Energy® Cooperative

The power of human connections®



(575) 758-2298 • (800) 638-6780 • Fax: (575) 758-4890 or (575) 758-4611 • www.kitcarson.com

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 10 ELECTRIC SERVICES
PART 571 NET METERING OF CUSTOMER-OWNED QUALIFYING FACILITIES OF 10kW OR SMALLER

- 1 **ISSUING AGENCY:** New Mexico Public Regulation Commission, 224 East Palace Avenue, Santa Fe, NM 87501-2013. [9-30-99]
- 2 **SCOPE:** This rule applies to every electric utility operating in New Mexico that is subject to the jurisdiction of the New Mexico Public Regulation Commission as provided by law. [9-30-99]
- 3 **STATUTORY AUTHORITY:** The New Mexico Constitution, art. II, § 2, § 8-8-4 NMSA, the Public Regulation Commission Act, NMSA 1978, Sections 8-8-1 *et seq.*, in particular NMSA 1978, Section 8-8-15, the New Mexico Public Utility Act, NMSA 1978 Sections 62-3-1 *et seq.*, in particular NMSA 1978 Sections 62-6-1, 62-6-4, 62-6-19, 62-6-20, and 62-6-24, and regulations of the Federal Energy Regulatory Commission, 18 C.F.R. Section 292, promulgated pursuant to the Public Utility Regulatory Policies Act of 1978, Pub. L. No. 95-617, 92 Stat. 3117 (codified as amended starting at 16 U.S.C. Section 824). [9-30-99]
- 4 **HISTORY OF REPEALED MATERIAL:** 17 NMAC 10.571, Net Metering of Customer-Owned Energy Resources, was repealed effective September 29, 1999 and repromulgated in amended form as 17 NMAC 10.571, Net Metering of Customer-Owned Qualifying Facilities of 10kW or Smaller, effective September 30, 1999.
- 5 **DURATION:** Permanent. [9-30-99]
- 6 **EFFECTIVE DATE:** December 31, 1998, unless a later date is cited at the end of a section or paragraph. [9-30-99]
- 7 **OBJECTIVE:** The purpose of this rule is to simplify the interconnection requirements for Qualifying Facilities of 10kW or smaller and encourage the use of small-scale customer-owned renewable or alternative energy resources in recognition of the beneficial effects the development of such resources will have on the environment of New Mexico. [9-30-99]
- 8 **DEFINITIONS:** As used in this rule, unless otherwise specified:

- 8.1 "Qualifying Facility" means a cogeneration or a small power production facility which has a design capacity of 10kW or smaller and meets the criteria for qualification contained in 18 C.F.R. Section 292.203. [9-30-99]
- 8.2 "customer" means a customer of an electric utility who owns and/or operates a qualifying facility. [9-30-99]
- 8.3 "net metering" means measurement of the difference between the electricity that is supplied by an electric utility and the electricity that is generated by a Qualifying Facility and fed back to the utility over a billing period. [9-30-99]
- 8.4 Reserved. [9-30-99]
- 8.5 Reserved. [9-30-99]
- 9 **LIBERAL CONSTRUCTION:** This rule shall be liberally construed to carry out its intended purposes. [9-30-99]
- 10 **RELATIONSHIP TO OTHER COMMISSION RULES:** This rule is intended to supplement NMPRC Rule 570. In the case of any conflict between this rule and NMPRC 570, the provisions of this rule shall apply. [9-30-99]
- 11 **PROCEDURE FOR INTERCONNECTION:**
- 11.1 **General.** Unless otherwise specifically provided for in the standard interconnection agreement in 17 NMAC 10.571.17, the procedures in 17 NMAC 10.571.10.2 for standard interconnection agreements and interconnections shall be followed. [9-30-99]
- 11.2 **Conditions of interconnection.** A utility shall interconnect with any Qualifying Facility which:
- 11.2.1 is covered by a signed standard interconnection agreement between the customer and the utility which is consistent with the Commission approved form of agreement set forth in 17 NMAC 10.571.17. A utility shall provide a blank form of application for interconnection within ten (10) days of a written request for such form. [9-30-99]
- 11.2.2 is capable of operating safely and commencing the delivery of power into the utility system; [9-30-99]

- 11.2.3 has met all applicable safety and performance standards established by local and national electrical codes including the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories; [9-30-99]
- 11.2.4 has met all applicable safety and performance standards adopted by the utility and filed with and approved by the Commission pursuant to this rule that are necessary to protect public safety and system reliability. [9-30-99]
- 11.2.5 Reserved. [9-30-99]
- 11.2.6 Reserved. [9-30-99]
- 11.3 A customer whose Qualifying Facility otherwise complies with this rule may bring a complaint before the Commission pursuant to the NMPRC Utility Division Rules of Procedure, 17 NMAC 1.2 if it is unreasonably required by the utility to meet additional interconnection requirements, perform or pay for additional tests, or pay additional interconnection-related charges. [9-30-99]
- 11.4 **Professional engineers certification not required.** Qualifying facilities that meet the requirements of 17 NMAC 10.571.10.2 shall not be required by a utility to provide a certification from a professional electrical engineer. [9-30-99]
- 11.5 **Isolation transformers and disconnection switches.** A utility shall not require an isolation transformer for interconnection of single phase photovoltaic facilities meeting the requirements of 17 NMAC 10.571.10.2. If a utility determines that an isolation transformer is required for other types of qualifying facilities, the utility may file an application with the Commission requesting approval to require the transformer. The customer shall have installed and maintained in proper operable condition a separate load break disconnect switch as a visible means of disconnection, unless the customer and utility shall agree in writing to the use of the meter as a visible means of disconnecting single-phase photovoltaic facilities. [9-30-99]
- 11.6 **Use of a single meter.** When the customer is billed under a rate structure that does not include time-of-use energy pricing, a single energy meter shall be used to implement net metering of a Qualifying Facility unless an alternate metering arrangement is agreed to by the customer and utility. If either the utility or the customer requests an alternate form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternate or additional

metering arrangement. If the customer elects to take electric service under any rate structure, including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, the customer shall be required to pay the additional incremental cost of the required metering equipment. Within ten (10) days of receiving notification from the customer of the intent to interconnect, the utility will notify the customer of any metering costs. Charges for special metering costs shall be paid by the customer, or arrangements for payment agreed to between the customer and utility, prior to the utility authorizing interconnected operation. [9-30-99]

11.7 **Liability insurance.** All customers are urged to obtain adequate liability insurance to cover risks, liabilities, and consequences which may arise as a result of interconnection with a utility system. For good cause shown, upon the petition of a utility the Commission may require a customer to obtain general liability insurance. [9-30-99]

11.8 **Provision of interconnection agreement.** The utility shall provide a blank form of the standard interconnection agreement in the form set out in Section 17 of this rule within ten (10) days of a request for such form. When a customer enters into an interconnect agreement pursuant to this rule, the utility shall provide the customer with a copy of that interconnect agreement. The utility shall file with the Commission a copy of each interconnect agreement entered into by the utility within 30 days of the date of the agreement. [9-30-99]

12 **NET METERING CALCULATION:** The electric company shall calculate each customer's bill for the billing period using net metering and with the following conditions: [9-30-99]

12.1 Customers shall be billed for service in accordance with the rate structure and monthly charges that the customer would be assigned if the customer had not interconnected a Qualifying Facility. Net energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices. [9-30-99]

12.2 If electricity supplied by the utility exceeds electricity generated by the customer during a billing period, the customer shall be billed for the net energy supplied by the utility under the rates applicable under 17 NMAC 10.571.11.1. [9-30-99]

12.3 If electricity generated by the customer exceeds the electricity supplied by the grid during a billing period, the utility shall credit the customer on the next bill for the excess kilowatt-hours generated, by: [9-30-99]

12.3.1 crediting or paying the customer for the net energy supplied to the utility at the utility's energy rate pursuant to NMPRC Rule 570.17; or [9-30-99]

12.3.2 crediting the customer for the net kilowatt-hours of energy supplied to the utility. Unused credits shall be carried forward from month to month. [9-30-99]

12.4 If a utility opts to credit customers under 17 NMAC 10.571.11.3.2, and the customer leaves the system, customer's unused credits for excess kilowatt-hours generated shall be paid to the customer at the utility's energy rate pursuant to NMPRC Rule 570.17. [9-30-99]

13 **COMPLAINTS AND INVESTIGATIONS:** The procedures set forth in NMSA 1978 Sections 62-8-7 and 62-10-1, and the complaint and investigation provisions of the NMPRC Utility Division Rules of Procedure, 17 NMAC 1.2, shall be applicable for the resolution of complaints and investigations arising out of the implementation and conduct of this rule. The customer and utility are encouraged to use alternative dispute resolution mechanisms as provided in 17 NMAC 1.2. [9-30-99]

14 **SEVERABILITY:** If any part of this rule or any application thereof is held invalid, the remainder of this rule or its application to other situations or persons shall not be affected. [9-30-99]

15 **EXEMPTION OR VARIANCE:**

15.1 Any interested person may file an application for an exemption or a variance from the requirements of this rule. Such application shall:

15.1.1 describe the situation which necessitates the exemption or variance;

15.1.2 set out the effect of complying with this rule on the utility and its customers if the exemption or variance is not granted;

15.1.3 identify the section of this rule for which the exemption or variance is requested;

15.1.4 define the result which the request will have if granted;

15.1.5 state how the exemption or variance will promote the achievement of the purposes of this rule;

15.1.6 state why no other reasonable alternative is available.

15.2 If the Commission determines that the exemption or variance is consistent with the purposes of this rule, the exemption or variance may be granted. The Commission may at its option require an informal conference or formal evidentiary hearing prior to the granting of the variance. [9-30-99]

16 **MOTION FOR STAY PENDING AMENDMENT, EXEMPTION, OR VARIANCE:** An application for an amendment, exemption, or a variance may include a motion that the Commission stay the application of the affected portion of this rule for the transaction specified in the motion. [9-30-99]

17 **CUSTOMER INFORMATION:** The utility shall provide clear and concise information to all customers regarding this rule, including, but not limited to, contact persons and a description of net metering. The information shall be provided in a bill insert or separate mailing and at the following intervals:

17.1 the first month following the effective date of this rule and substantive amendments to this rule; and

17.2 at least every year thereafter.

[9-30-99]