DEPARTMENT OF STATE
PUBLIC SERVICE COMMISSION
3000 Energy Regulations

3012 Rules for Regulation of Net Metering

1.0 Definitions

The following words and terms, when used in this regulation, have the following meaning:

"**Annualized billing period**" means a period of 12 consecutive monthly billing periods. For net metering customers, the first annualized billing period begins on the first day of the first full monthly billing period after which the customer-generator facility is interconnected with the electric distribution company and is generating electricity.

"**Commission**" means the Delaware Public Service Commission.

"**Community-owned energy generating facilities**" or "**community energy facilities**" 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 and that meets all applicable requirements of 26 **DE Admin. Code** 3013.

"**Customer**" means a purchaser of electricity with a Delmarva account number for ultimate consumption and not for resale in Delaware, including the owner/operator of any building or facility, but not the occupants thereof, who purchases and supplies electricity to the occupants of such building or facility.

"**Customer-generator facility**" means equipment used by a customer to generate, manage, and monitor electricity. A customer-generator facility, which typically includes an electric generator or an equipment package, shall:

1. Satisfy all of the applicable requirements of 26 **DE Admin. Code** 3012 Rules for Regulation of Net Metering;
2. Meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers, and Underwriters Laboratories to ensure that net metering customers meet applicable safety and performance standards; and
3. Comply with the electric supplier's interconnection tariffs and operating guidelines.

"**Delmarva**" or "**DP&L**" means Delmarva Power & Light Company or its successor.

"**Distribution facilities**" means electric facilities located in Delaware that are owned by a public utility that operate at voltages of 34,500 volts or below and that are used to deliver electricity to customers, up through and including the point of physical connection with electric facilities owned by the customer.

"**Distribution services**" means those services, including metering, relating to the delivery of electricity to a customer through distribution facilities.

"**DNREC**" means Delaware Department of Natural Resources and Environmental Control.

"**Electric distribution company**" or "**EDC**" means a public utility owning or operating transmission or distribution facilities in Delaware.

"**Electric supplier**" means an entity or person certified by the Commission that sells electricity to customers utilizing the transmission or distribution facilities of a nonaffiliated EDC, as defined in 26 **Del.C.** §1001(14), including:

1. Affiliates of an EDC;
2. Municipal corporations which choose to provide electricity outside their municipal limits (except to the extent provided prior to February 1, 1999);
3. Electric cooperatives which, having exempted themselves from the Commission's jurisdiction pursuant to 26 **Del.C.** §§202(g) and 223, choose to provide electricity outside their assigned service territories; and
4. Any broker, marketer or other entity (including public utilities and their affiliates).

"**Eligible energy resources**" means the following energy sources located within the PJM region or imported into the PJM region and tracked through the PJM Market Settlement System:

1. Solar energy technologies that employ solar radiation to produce electricity;
2. Electricity derived from wind energy;
3. Electricity derived from ocean energy including wave or tidal action, currents, or thermal differences;

4. Geothermal energy technologies that generate electricity with a steam turbine, driven by hot water or steam extracted from geothermal reservoirs in the earth's crust;

5. Electricity generated by a fuel cell powered by renewable fuels;

6. Electricity generated by the combustion of gas from the anaerobic digestion of organic material;

7. Electricity generated by a hydroelectric facility that has a maximum design capacity of 30 megawatts or less from all generating units combined that meet appropriate environmental standards as determined by DNREC (see DNREC Regulation 7 **DE Admin. Code** 2104 Environmental Standards for Eligible Energy Resources);

8. Electricity generated from the combustion of biomass that has been cultivated and harvested in a sustainable manner as determined by DNREC, and is not combusted to produce energy in a waste to energy facility or in an incinerator (see DNREC Regulation 7 **DE Admin. Code** 2104 Environmental Standards for Eligible Energy Resources);

9. Electricity generated by the combustion of methane gas captured from a landfill gas recovery system; provided, however, that:

a. Increased production of landfill gas from production facilities in operation prior to January 1, 2004 demonstrates a net reduction in total air emissions compared to flaring and leakage;

b. Increased utilization of landfill gas at electric generating facilities in operation prior to January 1, 2004 (i) is used to offset the consumption of coal, oil, or natural gas at those facilities, (ii) does not result in a reduction in the percentage of landfill gas in the facility's average annual fuel mix when calculated using fuel mix measurements for 12 out of any continuous 15 month period during which the electricity is generated, and (iii) causes no net increase in air emissions from the facility; and

c. Facilities installed on or after January 1, 2004 meet or exceed 2004 Federal and State air emission standards, or the Federal and State air emission standards in place on the day the facilities are first put into operation, whichever is higher.

"**Excess kWh credit**" means the credit that electric suppliers and EDCs provide to their net metering customers for any excess production of the customer's generating facility that exceeds the customer's on-site consumption of kilowatt-hours (kWh) in a billing period.

"**Fuel cell**" means an electric generating facility that: (a) includes integrated power plant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy, and (b) may include an inverter and fuel processing system or other plant equipment to support the plant's operation or its energy conversion, including heat recovery equipment.

"**Grid-integrated electric vehicle**" means a battery-run motor vehicle that has the ability for 2-way power flow between the vehicle and the electric grid and the communications hardware and software that allow for the external control of battery charging and discharging by an electric distribution company, electric supplier, PJM Interconnection, or an aggregator.

"**Net metering**" or "**net energy metering**" means a service to a customer whereby electric energy generated by the customer, through a customer-generator facility and delivered to the local distribution facilities of an EDC, may be used to offset electric energy provided by the EDC to the customer.

"**PJM**" or the PJM Interconnection, LLC means the Regional Transmission Organization ("RTO") that is responsible for wholesale energy markets and the interstate transmission of energy throughout a multi-state area, or its successor organization.

"**Renewable energy credit**" or "**REC**" means a tradable instrument comprised of all the generation attributes equal to 1 megawatt-hour of electricity derived from eligible energy resources and that is used to track and verify compliance with the provisions of the Renewable Energy Portfolio Standards Act, 26 **Del.C.** §351 *et. seq.* A REC does not include emission reduction credits or allowances encumbered or used by a generation unit for compliance with local, state, or federal operating or air quality permits associated with the 1 megawatt-hour of electricity.

"**Residential customer**" means a retail electric customer eligible to take service classified as residential under the tariff of the customer's electric distribution company currently on file with the Commission.

2.0 Net Metering General Provisions

2.1 Net Metering Conditions

2.1.1 Net metering can occur in the following circumstances:

2.1.1.1 Condition 1 - Individual customer/single account/single premise where all net metering activity occurs at a single customer premise for a single customer account; and

2.1.1.2 Condition 2 - Individual customer/multiple accounts/single or multiple premises where a single customer can aggregate net metering for crediting to multiple accounts or premises.

2.1.2 Rules governing community energy facilities can be found in 26 **DE Admin. Code** 3013.

2.2 Each electric supplier providing electric supply service shall offer customers the option of net metering if a customer generates electricity at the customer's premises, subject to all of the following requirements:

2.2.1 The customer owns and operates; leases and operates; or contracts with a third party who owns and operates the electric generation facility with a capacity that:

2.2.1.1 Will not exceed 25 kW per DP&L meter for residential customers;

2.2.1.2 Will not exceed 2 MW per DP&L meter for non residential customers;

2.2.1.3 Will not exceed 100 kW per DP&L meter for farm customers, as those customers are described in 3 **Del.C.** §902(3); provided, however, that DNREC may grant exceptions to this limitation in accordance with 26 **Del.C.** §1014(d)(1)b;

2.2.1.4 For Condition 2, the sum of electric generation capacity will not exceed the applicable limits per meter specified in subsections 2.2.1.1 through 2.2.1.3;

2.2.2 Uses as its primary source of fuel: solar, wind, hydro, a fuel cell, or gas from the anaerobic digestion of organic material;

2.2.3 Is interconnected and operated in parallel with an electric supplier's transmission and distribution facilities; and

2.2.4 Is designed to produce no more than 110% of the host customer's expected aggregate electrical consumption, calculated on the average of the 2 previous 12-month periods of actual electrical usage at the time of installation of energy generating equipment and subject to the capacity limits specified in subsections 2.2.1.1 through 2.2.1.3 of 26 **DE Admin. Code** 3012. For new building construction or in instances where less than 2 previous 12-month periods of actual usage is available, electrical consumption will be estimated at 110% of the consumption of units of similar size and characteristics at the time of installation of energy generating equipment and subject to the capacity limits specified in subsections 2.2.1.1 through 2.2.1.3 of 26 **DE Admin. Code** 3012.

2.3 Net metering shall be accomplished through a single meter that measures net energy flow during a billing period.

2.3.1 To maintain system safety and reliability, an additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the customer, which consent may be waived by the customer. The additional metering shall be used only to provide the information necessary to accurately bill or credit the customer pursuant to subsection 2.4, or to collect system performance information.

2.3.2 If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter.

2.3.3 Non-residential customers shall be responsible for paying the reasonable cost of any new, replacement, or modified meter or meters installed for net-metering purposes. Residential customers shall not be responsible for paying more than $200.00 toward the reasonable cost of any new, replacement, or modified meter or meters installed for net-metering purposes. Non-residential and residential customers shall not own the meter or meters, which shall remain the property of the electric distribution company.

2.4 Electric suppliers and EDCs shall credit excess kWh credits to the customer's subsequent monthly billing periods to offset the customer's consumption in those billing periods.

2.4.1 Excess kWh credits shall be credited to subsequent billing periods to offset a customer's consumption in those billing periods until all credits are used. During any subsequent billing period prior to the end of the annualized billing period, the crediting of excess energy kWh will result in the reduction of cost paid by the customer for the equivalent volumetric energy kWh of delivery service charges, if applicable, and supply service charges.

2.4.2 At the end of the annualized billing period, a customer may request a payment from the electric supplier for any excess kWh credits. The payment for residential customer accounts shall be calculated by multiplying the excess kWh credits by the customer's supply service charges based on a weighted average of the first block of the summer (June through September) and winter supply service charges (October through May) in effect at the end of the customer's annualized billing period and the preceding 11 billing periods, excluding non-volumetric charges, such as the transmission capacity charge or demand charges. The

payment for non-residential customer accounts shall be calculated by multiplying the excess kWh credits by the customer's supply service charges that would otherwise be applicable at the end of the customer's annualized billing period. If such payment would be less than $25, the electric supplier may credit the customer's account through monthly billing. Effective January 1, 2023, a net metering customer may elect to change the end of the annualized billing period on 1 occasion, in order to better utilize excess generation even if they have changed it 1 time in the past.

2.4.3 Any excess kWh credits shall not reduce any fixed monthly customer charges imposed by the EDC.

2.4.4 The customer shall retain ownership of all RECs associated with electric energy produced from all eligible energy resources of the customer-generator facility and consumed by the customer unless the customer has relinquished such ownership by contractual agreement with a third party or by other means.

2.4.5 Subsections 2.4 through 2.4.4 shall not apply to community energy facilities, which are addressed in 26 **DE Admin. Code** 3013.

2.4.6 Excess kWh credits for supply service are the responsibility of the entity providing supply to the customer rather than solely the responsibility of the EDC.

2.4.7 In the event that a net energy metering customer abandons the property where the energy generating equipment is located, the equipment may remain connected to the electric distribution system, unless the equipment presents a risk to the safety and reliability of the electric distribution system.

2.4.8 Electric suppliers and EDCs shall provide net-metered customers electric service at non-discriminatory 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. Electric suppliers shall not charge a net metering customer any stand-by fees or similar charges.

2.4.9 If a net metering customer terminates its service with the EDC or changes electric supplier, the electric supplier terminating service shall treat the end of service period as if it were the end of the annualized billing period for any excess kWh credits.

2.4.10 If the total generating capacity, measured in megawatts (MW) of alternating current (AC), of all customer-generation using net metering systems served by an electric utility exceeds 8.0% of the capacity necessary to meet the EDC's average Delaware transmission peak demand for the preceding 3 years, the EDC may elect not to provide net metering services to additional customers.

2.4.11 Where applicable, the requirements established in subsection 2.7 of this regulation shall apply to this subsection 2.4.

2.5 [Reserved.]

2.6 [Reserved.]

2.7 Subject to the applicable net metering provisions of 26 **DE Admin. Code** 3012, in instances where one 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 metering regardless of which individual meter receives energy from a customer-generator facility, provided that:

2.7.1 DP&L shall only allow meter aggregation for customer accounts of which it provides electric supply service; and

2.7.2 The customer-generator facility is designed to produce no more than 110% of the customer's aggregate electrical consumption of the individual meters or accounts that the customer is entitled to aggregate under this subsection 2.7 calculated on the average of the 2 previous 12-month periods of actual electrical usage. For new building construction or in instances where less than 2 previous 12-month periods of actual usage is available, electrical consumption will be estimated at 110% of the consumption of units of similar size and characteristics at the time of installation of energy generating equipment; and

2.7.3 A customer-generator facility shall not exceed the sum total of the capacity limits among the participants of a customer-generator facility as defined under subsections 2.2.1.1 through 2.2.1.3 of this regulation; and

2.7.4 At least 90 days before a customer commences construction of a customer-generator facility or a customer is entitled to aggregate multiple meters, the customer shall file with DP&L the following information:

2.7.4.1 A list of individual meters the customer is entitled to aggregate, identified by name, address, rate schedule, and account number, and ranked according to the order which the customer desires to apply credit for excess energy to each individual meter; and

2.7.4.2 A description of the customer-generator facility, including the facility's location, capacity, and fuel type or generating technology; and

2.7.4.3 A complete interconnection application to facilitate a transmission and distribution analysis, including an evaluation of potential reliability, safety and stability impacts, and determination of whether infrastructure upgrades are necessary and appropriate allocation of applicable interconnection costs.

2.7.5 The customer may change its list of aggregated meters specified in subsection 2.7.4.1 no more than once annually by providing 90 days' written notice; and

2.7.6 Credit shall be applied first to the meter through which the customer-generator facility supplies electricity, then through the remaining meters for the customer's accounts according to the rank order as specified in accordance with subsection 2.7.4.1; and

2.7.7 Credit in kilowatt-hours (kWh) shall be valued according to subsection 2.4 of 26 **DE Admin. Code** 3012 and each account's rate schedule as specified in subsection 2.7.4.1; and

2.7.8 DP&L may require that a customer's aggregated meters as specified in subsection 2.7.4.1 be read on the same billing cycle.

2.8 [Reserved.]

2.9 Nothing in this regulation is intended in any way to limit eligibility for net energy metering services based upon direct ownership, joint ownership, or third-party ownership or financing agreement related to an electric generation facility, where net energy metering would otherwise be available.

2.10 For public utilities regulated by the Commission, net metering aggregation disputes limited to the correct application of Commission-approved tariffs shall be resolved by the Commission. All other disputes with an electric supplier, DEC, or municipal electric companies shall be resolved by the appropriate governing body with jurisdiction over such disputes.

2.11 Any requirements necessary to permit interconnected operations between the customer generator facility and the electric supplier, and the costs associated with such requirements, shall be dealt with in a manner consistent with a standard tariff filed with the Commission by the electric supplier. An electric supplier's interconnection rules shall be developed by using the Interstate Renewable Energy Council's Model Interconnection Rules and best practices identified by the U.S. Department of Energy. electric suppliers shall not require eligible net metering customers who meet all applicable safety and performance standards to install excessive controls, perform or pay for unnecessary tests, or purchase excessive liability insurance.

2.12 Annual Net-Metering Report

2.12.1 Each electric supplier shall submit an annual net-metering report to the Commission 90 days after the end of the calendar year. Such report shall include the following information from the previous calendar year:

2.12.1.1 The total number of customer-generator facilities;

2.12.1.2 The total estimated rated generating capacity of its net-metered customer-generator facilities;

2.12.1.3 The total estimated net kilowatt-hours received from customer-generator facilities; and

2.12.1.4 The total estimated amount of energy produced by customer-generator facilities, using a methodology approved by the Commission.

2.12.2 The annual net-metering report may be revised as necessary to reflect changes in information available from net metered facilities upon consultation and agreement between the electric supplier and the staff of the Commission.

2.13 The Commission shall periodically review the impact of net-metering rules in 26 **DE Admin. Code** 3012 and recommend changes or adjustments necessary for the economic health of utilities.

2.14 A retail electric customer having on its premises 1 or more grid-integrated electric vehicles shall be credited in kilowatt-hours (kWh) for energy discharged to the grid from the grid-integrated electric vehicle's battery at the same kWh rate that customer pays to charge the battery from the grid, as determined in subsection 2.4 of this regulation. Excess kWh credits shall be handled in the same manner as net metering as described in subsection 2.4 of this regulation. To qualify, the grid-integrated electric vehicle must meet the requirements in subsections 2.2.1.1, 2.2.1.2, and 2.2.2 of this regulation. Connection and metering of grid-integrated electric vehicles shall be subject to the rules and regulations found in subsections 2.4, 2.11, and 2.12 of this regulation.

2.15 The Commission may adopt tariffs for regulated electric utilities that are not inconsistent with subsection 2.14 of this regulation. Such tariffs may include rate and credit structures that vary from those set forth in subsection 2.14 of this regulation, as long as alternative rate and credit structures are not inconsistent with the development of grid-integrated electric vehicles.