

## **Recommended Decision on Standards 14 and 15 of the Energy Policy Act of 2005 (EPAct 2005)**

### Introduction

This document represents the Staff recommended findings, for final consideration and determination and adoption of Standards 14 and 15 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(14) and (15). These findings will be adopted, modified or rejected by the City Commission at the July 9, 2007 Gainesville City Commission meeting, to meet the August 8, 2007 deadline to consider time based metering and communications, and interconnection standards for distributed resources.

The Public Utility Regulatory Policies Act of 1978 (PURPA) was enacted as part of the National Energy Act by President Jimmy Carter. The Energy Policy Act of 2005 (EPAct 2005) adds five additional PURPA standards that state commissions and nonregulated utilities must consider. These include (1) net metering; (2) fuel diversity; (3) fossil fuel generation efficiency; (4) time based metering and communications; and (5) interconnection standards for distributed resources. The City Commission took initial action to meet the PURPA requirements on July 31, 2006. The City Commission received a presentation on the schedule and public participation procedure for consideration and determination of Standards 14 and 15 on June 11, 2007. The City Commission held a public hearing on June 25, 2007 and received staff considerations and determinations and public input. No public input was submitted in writing by the June 25, 2007 deadline.

### Standard for Time Based Metering and Communications

PURPA requires consideration by each electric utility of offering each of its customer classes, and providing to individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule, if adopted, would enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

### Standard for Interconnection for Distributed Resources

The PURPA interconnection standard requires consideration of the interconnection of electric utility distribution facilities to certain customers who have on-site generation. Each electric utility shall make available upon request interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph the term interconnection service means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities.

Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standards 1547 for interconnecting distributed resources with electric power systems as they may be amended from time to time. In addition agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for the distributed generation, including, but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable and not unduly discriminatory or preferential.

### **Time Based Metering and Communications (Standard 14)**

#### *Considerations*

- Currently a voluntary Residential Time of Use rate is offered (Attachment A). GRU proposes to offer a Time of Use rate for all other rate classes on October 1, 2008.
- Advanced Metering Infrastructure (AMI) has been evaluated by GRU in 2007. A staff team published and reviewed Requests for Proposal responses (Attachment B). A metering solution that met GRU needs to incorporate multiple utility uses was not forthcoming for a pilot study. Additional rate structures will be investigated and evaluated, which may or may not need advanced metering technologies.
- Peer utility rate structures will be evaluated for time differentiated rate structures.
- Load data will be reviewed to determine the best way to design time differentiated rates
- Staff recommends that standards implementing procedures for time based metering and communications should be adopted to promote conservation and the efficient use of utility resources.
- Staff recommends that GRU should propose voluntary time differentiated rates for all classes, effective October 1, 2008.

#### *Staff recommends the Gainesville City Commission find:*

1. Time based metering and communications promote conservation and the efficient use of utility resources; and,
2. Standards implementing procedures for time based metering and communications should be adopted; and,
3. Voluntary time differentiated rates for all classes should be developed for implementation October 1, 2008.

**Staff recommended Determinations for Time Based Metering and Communications (Standard 14)**

The Gainesville City Commission determines, based on consideration and findings, that Standard 14 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(14) should be implemented through the adoption of voluntary time differentiated rates for all classes of customer by October 1, 2008.

**Interconnection Standards for Distributed Resources (Standard 15).**

*Considerations*

- GRU currently has a standard interconnection agreement for large customers at the transmission level and small generating entities.
- A 10KW photovoltaic interconnection standard for the distribution system has been available for customers for several years.
- The two distributed generation interconnection agreements have been combined and modified to accommodate any size of distributed generation unit and to meet all the requirements of the Energy Policy Act of 2005 (EPAAct 2005). (Attachment C – undergoing final technical review to be made available by October 1, 2007).
- The adoption of standards requires the distribution system to be available for interconnection and qualifying customers would be required to meet certain engineering requirements.
- Staff recommends that standards implementing interconnection for distributed resources should be adopted to establish terms and conditions for the ease of connection to support distributed generation. The interconnection of distributed generation is an efficient and effective way to supporting the distribution system.
- Staff will finalize the Interconnection Agreement. Staff will adopt and implement the revised Interconnection Agreement to support distributed generation at any scale, effective October 1, 2007.

*Staff recommends the Gainesville City Commission find:*

1. Standards will assist customers in determining requirements for interconnection; and,
2. The interconnection of distributed generation is an efficient and effective way to support the electrical systems; and,

3. Standards implementing interconnection for distributed resources should be adopted to establish terms and conditions to facilitate the interconnection to the electric systems, effective October 1, 2007.

**Staff recommended Determinations for Interconnection Standards for Distributed Resources (Standard 15).**

The Gainesville City Commission determines, based on consideration and findings, that Standard 15 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(15) should be implemented through the adoption of interconnection standards to support distributed generation at any scale, by October 1, 2007.

**Recommended City Commission Action**

*The Gainesville City Commission find as to Standard 14 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), the following:*

1. Time based metering and communications promote conservation and the efficient use of utility resources; and,
2. Standards implementing procedures for time based metering and communications should be adopted; and,
3. Voluntary time differentiated rates for all classes should be developed for implementation October 1, 2008.

*The Gainesville City Commission find as to Standard 15 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), the following:*

1. Standards will assist customers in determining requirements for interconnection; and,
2. The interconnection of distributed generation is an efficient and effective way to support the electrical systems; and,
3. Standards implementing interconnection for distributed resources should be adopted to establish terms and conditions to facilitate the interconnection to the electric systems, effective October 1, 2007.

*The Gainesville City Commission makes the following determinations:*

- a) Standard 14 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(14) should be implemented through the adoption of voluntary time differentiated rates for all classes of customer by October 1, 2008; and,



- b) Standard 15 of the Public Utility Regulatory Policies Act of 1978 (as amended by the Energy Policy Act of 2005), 16 U.S.C. §2621(d)(15) should be implemented through the adoption of interconnection standards to support distributed generation at any scale, by October 1, 2007.