



## Legislation Text

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**File #:** 120516., **Version:** 4

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### **Net Metering Policy and Practice (B)**

GRU maintains a net metering program that was most recently revised in 2009 as a requirement of the Public Utilities Regulatory Policy Act (PURPA). Under that program, customers with Solar Photovoltaic (PV) systems offset electric usage by generating their own power from the PV system and selling any power not needed on site back to GRU. In 2009 the program and the rates were developed to subsidize the high cost of solar PV and encourage solar PV growth. Since that time solar PV costs have come down significantly, some customers have oversized net metered systems and as retail rates increase, net metering costs increase, putting additional upward pressure on rates.

Staff represents that policies were developed and programs were implemented successfully to encourage competition and growth in the solar PV market. As designed, the markets have changed significantly and staff recommends adjusting the solar PV net metering programs to reduce the level of subsidization funded through the rate paid for energy not used by the solar PV customers and purchased by the utility, therefore reducing the upward rate pressures driven by the significant installed and expected growth of solar PV net metering systems.

This item was presented and discussed as part of referral item #120516 to the Regional Utilities Committee on February 19, 2013 and April 17, 2013. Chairman Poe subsequently asked staff to present a recommendation with alternatives to the full commission.

The GRU proposal for changes to the net metering program will provide savings to the utility and reduce the subsidy customers pay on the price paid per kilowatt hour for energy delivered to the system, resulting in decreased upward rate pressure. The alternate proposal will maintain approximately the same level of expense for the utility, the subsidy customers pay along with sustaining upward rate pressure.

The City Commission; 1) receive a presentation from staff; and 2) direct staff to draft an ordinance modifying the net metering policy and practice that implements the staff recommendation or the staff alternative.