

1 Q. (Reference 2017 GRA Volume I, page 2.16) With respect to the net metering  
2 program, how are customers compensated for energy provided to the system that  
3 is over and above their purchases from Hydro, and what is the time interval for such  
4 compensation; i.e., monthly, annually, etc?

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7 A. The compensation provided for energy provided to the system that is over and  
8 above the net metering customer purchases from Hydro is provided in the Net  
9 Metering Service Option Regulations approved by the Board in Order No. P.U.  
10 17(2017). Compensation, referred to as “Settlement of Banked Energy Credits”, will  
11 be calculated on an annual basis on the anniversary date of the net metering  
12 customer coming on line. Please refer to CA-NLH-104, Attachment 1 for the Board  
13 approved regulations (pages NM-1 to NM-4).

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**Net Metering Service Option**

**I. Availability:**

1. For Customers who use generation on their Serviced Premises to offset part or all of the electrical energy requirements of the Serviced premises. Energy generated in excess of the requirements of the Serviced Premises is permitted to be credited against the Customer's energy purchases from Hydro in accordance with this rate option.
2. Net Metering Service Option is available for any Serviced Premises that is supplied from Hydro's distribution system, is billed under one of Hydro's metered service rates, and which has generation electrically connected to it that meets the requirements of these provisions. Net Metering Service is not available for un-metered service accounts.
3. In order to avail of the Net Metering Service Option, Customers must submit a completed Net Metering Service Application to Hydro demonstrating the Customer's eligibility for Net Metering Service.
4. Availability of the Net Metering Service Option will be closed once the provincial aggregate generating capacity for Net Metering Service of 5.0 MW has been met.
5. Customers that avail of the Net Metering Service Option must maintain compliance with all requirements of this Option. Hydro shall have the right to verify compliance through inspection or testing.

**II. Metering:**

1. Net Metering Service will ordinarily be metered using a Company-supplied single meter capable of registering the flow of electrical energy in two directions. The meter will separately capture both the energy supplied to the Customer by Hydro and the energy supplied to Hydro by the Customer.
2. At Hydro's option, the output of the Customer's generation may be metered separately. In that case, the Customer shall provide Hydro with the access necessary to install and maintain the required metering equipment.

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3. The Customer shall pay all costs to upgrade the metering equipment for Net Metering Service if the existing electrical meter at the Serviced premises is not capable of safely and reliably measuring both the energy supplied to the Customer by Hydro and the energy supplied to Hydro by the Customer.

**III. Billing:**

1. Each account availing of Net Metering Service will be billed on the rate normally applicable to the Customer's class of Service.
2. The Customer's net monthly bill will be determined by deducting the Customer Generation Credit from the total of all charges for Service. The Customer Generation Credit equals the Generation Energy Credit, in kilowatt-hours ("kWh") multiplied by the rate applicable to the Customer's class of Service during the billing month.
3. The "Generation Energy Credit" is the sum of the kWh energy supplied by the Customer to Hydro during the billing month plus Banked Energy Credits. The Generation Energy Credit for a billing month shall not exceed the energy supplied by Hydro to the Customer during that month.
4. "Banked Energy Credits" are the amount of kWh energy supplied by the Customer to Hydro that exceeds the kWh energy supplied by Hydro to the Customer. Banked Energy Credits in excess of those used to calculate the Generation Energy Credit for a billing month will be carried forward to the following month.
5. Settlement of Banked Energy Credits will be computed based upon the Company's marginal wholesale rate that applies to sales to Newfoundland Power for Island Interconnected customers, the imbalance rate for Labrador Interconnected customers and the excess energy rate for diesel customers, during the calendar month in which billing occurs.
6. Whenever a Customer's participation in the Net Metering Service Option is discontinued, any unused Banked Energy Credits will be settled with a credit on the Customer's next bill.

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7. All customers must pay Harmonized Sales Tax (HST) on the energy supplied by Hydro to the Customer during the billing month. If a Customer availing of the Net Metering Service Option is required by law to collect HST on the energy they supply to Hydro, Hydro will pay HST to the Customer based on the amount of the Customer Generation Credit. It is the Customer's responsibility to notify Hydro in writing if they are required to collect HST on the energy they supply to Hydro.

**IV. Special Conditions:**

1. Special conditions in this clause do not supersede, modify or nullify the conditions accompanying the metered rate schedules applicable to the Customer's class of Service.
2. To avail of Net Metering Service, a single Customer must own and maintain responsibility for the Serviced Premises, the generation and the electrical facilities connecting it to Hydro's distribution system.
3. To qualify for Net Metering Service, the Customer's generation must meet the following requirements:
  - i) be designed not to exceed the annual energy requirements of the buildings and facilities metered together on the Serviced Premises;
  - ii) have a manufacturer's nameplate capacity rating totaling not more than 100 kW, except where a lower rating is stipulated by Hydro for technical reasons;
  - iii) be electrically connected through Customer-owned electrical facilities to the Serviced Premises to which Net Metering Service is being provided;
  - iv) produce electrical energy from a renewable energy source, including wind, solar, photovoltaic, geothermal, tidal, wave, biomass energy or other renewable energy sources that may be approved by Hydro on a case-by-case basis; and
  - v) meet all applicable safety and performance standards established by the Canadian Electrical Code, the Public Safety Act and Hydro's Interconnection Requirements.

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4. All Customer-owned wiring, equipment and devices associated with generation utilized for Net Metering Service shall conform to Hydro's interconnection requirements.
5. The Customer will retain the rights to any renewable energy credits or greenhouse gas-related credits arising from the use of renewable energy sources to generate electricity in accordance with this Option.
6. A Customer availing of Net Metering Service is responsible for all costs associated with their own facilities. The Customer shall also be required to pay all costs incurred by Hydro to modify the utility supply for the provision of Net Metering Service, and for necessary engineering or technical studies required in connection with the provision of Net Metering Service to the Customer.
7. The approval of an application for Net Metering Service will be subject to the applicant entering into a Net Metering Interconnection Agreement with Hydro.
8. If an applicant approved for Net Metering Service does not proceed with operation of its generation in accordance with its approval within two years from the date of Hydro's approval of the application, the approval will be rescinded.
9. Approval of Net Metering Service may be revoked if a Customer is found to be in violation of provisions of Hydro's Rules and Regulations.
10. If participation in the Net Metering Service Option is discontinued, the Customer must re-apply to Hydro to avail of the Net Metering Service Option.