

1 Q. The Net Metering Policy Framework states at page 2:

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3 *Therefore, the primary driver for a net metering policy in*
4 *Newfoundland and Labrador is not to encourage the*
5 *development of renewable energy, but to provide customers with*
6 *the option to offset their own energy usage through small-scale*
7 *renewable generation they develop themselves.*

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9 Would the annual expiration of the net excess generation better accomplish this
10 primary driver than annual compensation for the net excess generation? Did Hydro
11 consider this option to “zero out” any unused credits?

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14 A. Yes, the annual expiration of the net excess generation in the settlement process
15 would better accomplish the primary driver than providing annual compensation
16 for the net excess generation. However, the net excess generation provided by
17 customers has value and the proposed payment based on an estimate of marginal
18 energy costs reasonably reflects that value. While Hydro did consider the option to
19 “zero out” any unused credits, Hydro considers providing value-based
20 compensation for net excess generation to be reasonable.