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HAND DELIVERED

March 26, 2020

Board of Commissioners  
of Public Utilities  
P.O. Box 21040  
120 Torbay Road  
St. John's, NL A1A 5B2

Attention: G. Cheryl Blundon  
Director of Corporate Services  
and Board Secretary

**Re: Newfoundland Power's 2019 Net Metering Service Option Annual Report**

Ladies & Gentlemen:

In accordance with the Board's March 17, 2020 notice regarding the activation of its Business Continuity Plan to address the COVID-19 pandemic, Newfoundland Power is providing its *2019 Net Metering Service Option Annual Report* in electronic format only.

In Order No. P.U. 17 (2017), the Board ordered that Newfoundland Power file annual progress reports on its Net Metering Service Option. The Board specified that the annual report include application and take-up rates, total customer generation installed, associated costs, and any other relevant information. This report is filed in compliance with Order No. P.U. 17 (2017).

I trust the enclosed is found to be in order. If you have any questions on the enclosed, please contact the undersigned at your convenience.

Yours truly,

A handwritten signature in blue ink, appearing to read "Dennis Browne".

Enclosures

cc. Shirley Walsh  
Newfoundland and Labrador Hydro

Dennis Browne, QC  
Browne Fitzgerald Morgan & Avis

**Newfoundland Power Inc.**

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**2019 Net Metering Service Option Annual Report**

**March 26, 2020**

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## 1.0 Introduction

In Order No. P.U. 17 (2017), the Board approved Newfoundland Power's ("Newfoundland Power" or "the Company") Net Metering Service Option effective July 1, 2017.<sup>1</sup> The Net Metering Service Option provides customers with the option to generate electricity from small-scale renewable sources to offset their own use. Customers maintain a secure connection to the electricity system for times when they need to purchase electricity.

The Company's Net Metering Service Option is based on the principles outlined in the Provincial Government's Net Metering Policy Framework ("the Framework").<sup>2</sup> The Framework established a provincial subscription limit of 5.0 MW. Government, in consultation with Newfoundland Power, Newfoundland and Labrador Hydro ("Hydro"), and the Board, will monitor the response to net metering in the province and may adjust the overall capacity limit in the future.<sup>3</sup>

In Order No. P.U. 17 (2017), the Board ordered the Company to file annual progress reports on application and take-up rates, total customer generation installed, associated costs, and any additional relevant information.<sup>4</sup> This report is Newfoundland Power's 2019 progress report on its Net Metering Service Option.

## 2.0 Net Metering Service Option

Newfoundland Power's Net Metering Service Option facilitates the safe interconnection of customer-owned generating resources to the Company's electrical system. To qualify for the Net Metering Service Option, a customer's generation must (i) be designed not to exceed the customer's annual energy requirements, (ii) be 100 kW or less, and (iii) produce electricity from a renewable resource.

On a monthly basis, Net Metering Service Option customers will continue to pay the applicable basic customer charge. General Service customers will also pay demand charges, if applicable. If more energy (kWh) is used than generated in a given month, the customer will be charged for the net amount of energy used. If more energy is generated than used, the customer will avoid paying an energy charge. The surplus energy generated in that month will be banked and applied to future bills.

Net Metering Service Option customers receive a credit for any surplus energy remaining on the customer's bill for the Annual Review Billing Month.<sup>5</sup> Compensation for these credits is based on the 2<sup>nd</sup> block energy charge of Hydro's Utility Rate applicable to wholesale supply for Newfoundland Power.

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<sup>1</sup> Newfoundland and Labrador Hydro's Net Metering program was also approved in Order No. P.U. 17(2017).

<sup>2</sup> The Newfoundland and Labrador Net Metering Policy Framework was released in July 2015.

<sup>3</sup> See the Newfoundland and Labrador Net Metering Policy Framework, July 2015, Section 3.5, Page 5.

<sup>4</sup> See Order No. P.U. 17(2017), Page 6, lines 10-13.

<sup>5</sup> In accordance with the Company's October 1<sup>st</sup>, 2019 *Schedule of Rates, Rules and Regulations*, the balance of the customer's Banked Energy Credits carried forward will be settled annually by means of a credit on the customer's bill for the Annual Review Billing Month. The Annual Review Billing Month is determined by the customer, in consultation with the Company, during the process of implementing Net Metering Service.

Customers interested in participating in Newfoundland Power's Net Metering Service Option are required to submit a Net Metering Interconnection Application and sign a Net Metering Interconnection Agreement. The Company's net metering interconnection requirements, interconnection application form, and a sample interconnection agreement are available on the Newfoundland Power website.<sup>6</sup>

### 3.0 2019 Net Metering Service Option Results

Newfoundland Power received a total of 2 Net Metering Service Option applications between January 1<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2019, both of which were approved. Neither of the 2 applicants had generation systems in service by the end of 2019.

#### 3.1 2019 Applications and Take-up Rates

Table 1 shows the number of Net Metering Service Option applications received in each of the Company's 3 operating regions in 2019. It also provides a breakdown of the generation system type, and proposed generation capacity, in kW, that has been submitted, approved, and placed in service.

**Table 1**  
**Net Metering Service Option**  
**2019 Customer Applications and Capacity (kW)**

Location	Generation System Type	Submitted		Approved		In Service <sup>7</sup>	
		Projects	kW	Projects	kW	Projects	kW
<b>St. John's Region</b>	Solar (0-25kW)	-	-	-	-	1	3.0
	Wind (0-25kW)	-	-	-	-	-	-
<b>Eastern Region</b>	Solar (0-25kW)	-	-	-	-	2	21.4
	Wind (0-25kW)	-	-	-	-	1	5.0
<b>Western Region</b>	Solar (0-25kW)	2	17.2	2	17.2	1	11.4
	Wind (0-25kW)	-	-	-	-	-	-
	Wind (>25 kW)	-	-	-	-	-	-
<b>Total</b>		<b>2</b>	<b>17.2</b>	<b>2</b>	<b>17.2</b>	<b>5</b>	<b>40.8</b>

The 2 applications received and approved in 2019 proposed a total generation capacity of 17.2 kW. The total generation capacity of actual installations in 2019 was 40.8 kW.

<sup>6</sup> Information relating to Newfoundland Power's Net Metering Service Option is available to customers at: <https://www.newfoundlandpower.com/My-Account/Usage/Electricity-Rates/Net-Metering>.

<sup>7</sup> Projects installed in 2019, including projects approved in previous years.

### **3.2 2019 Costs**

The total cost of administering Newfoundland Power's Net Metering Service Option in 2019 was \$8,105. This includes costs associated with responding to customer inquiries, reviewing and assessing applications, site visits for commissioning, initial setup costs, and incremental and recurring metering and billing costs.

### **3.3 2019 Net Metering Energy Deliveries, Credits, and Payments**

In 2019, the total amount of energy delivered to Newfoundland Power by Net Metering Service Option customers was 29,813 kWh. By December 31<sup>st</sup>, 2019, 3 customers had reached their Annual Review Billing Month. Two of the customers were eligible to receive an annual settlement of Banked Energy Credits for energy delivered to the Company's electrical system. The total amount of Energy Credits for which a billing credit was applied in 2019 was 7,463 kWh.

## **4.0 Total Net Metering Service Option Results**

Newfoundland Power's Net Metering Service Option was made available to customers on July 1<sup>st</sup>, 2017. Out of the 24 applications received by December 31, 2019, the Company had a total of 8 customers with generation systems installed with approximately 78 kW of aggregate capacity. This represents approximately 1.6% of the 5.0 MW aggregate capacity limit for net metering generation within the province.<sup>8</sup>

### **4.1 Total Applications and Take-up Rates**

Table 2 provides a summary of the customers that applied for the Net Metering Service Option, projects that were approved, and projects that came into service in 2017 through 2019. This table also provides a regional breakdown of each project and the generation system type.

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<sup>8</sup>  $(0.0780 \text{ MW} / 5.0 \text{ MW}) \times 100\% = 1.6\%$ .

**Table 2**  
**Total Net Metering Activities from**  
**July 1, 2017 to December 31, 2019**

Location	Generation System Type	Submitted		Approved		In Service	
		Projects	kW	Projects	kW	Projects	kW
<b>St. John's Region</b>	Solar (0-25kW)	8	85.0	8	85.0	2	17.4
	Wind (0-25kW)	1	20.0	1	20.0	0	-
<b>Eastern Region</b>	Solar (0-25kW)	4	44.2	4	44.2	3	34.2
	Wind (0-25kW)	2	15.0	2	15.0	2	15.0
<b>Western Region</b>	Solar (0-25kW)	5	48.6	4	38.6	1	11.4
	Wind (0-25kW)	2	25.5	2	25.5	0	-
	Wind (>25kW)	2	180.0	1	90.0	0	-
<b>Total</b>		<b>24</b>	<b>418.3</b>	<b>22</b>	<b>318.3</b>	<b>8</b>	<b>78.0</b>

Table 3 shows the Net Metering Service Option capacities, in kW, for all applications approved and projects placed in service, as a percentage of the 5.0 MW provincial aggregate generating capacity as of December 31<sup>st</sup>, 2019.

**Table 3**  
**Net Metering Service Option**  
**Percentage of 5.0 MW Provincial Limit**

Year	Approved		In Service	
	kW	%	kW	%
2017	66.0	1.3	0.0	0.0
2018	235.1	4.7	37.2	0.7
2019	17.2	0.3	40.8	0.8
<b>Total</b>	<b>318.3</b>	<b>6.4</b>	<b>78.0</b>	<b>1.6</b>

#### 4.2 Total Program Administration Costs

Table 4 reflects the costs incurred to administer Newfoundland Power's Net Metering Service Option since implementation in 2017.

**Table 4**  
**Net Metering Service Option**  
**Program Administration Costs**

<b>Year</b>	<b>Costs</b>
2017	\$11,700
2018	\$16,575
2019	\$8,105

The year over year cost fluctuation indicated in Table 4 is attributed to the changes in customer participation in the program. This includes a decline in customer applications and an increase in active Net Metering Service Option customers in 2019 compared to 2018.

## **5.0 Summary**

Newfoundland Power's Net Metering Service Option became available on July 1<sup>st</sup>, 2017. Throughout 2019, the Company received 2 applications from customers planning to install solar generation systems of less than 25kW each. Both applications were approved for construction.

By December 31<sup>st</sup>, 2019, 8 customers had completed their generation systems and began availing of the Company's Net Metering Service Option. The total amount of energy generated and delivered to the Company's electrical system was 29,813 kWh. The cost of administering the Net Metering Service Option to these customers was \$8,105. To date, 3 of the Net Metering Service Option customers have reached the Annual Review Billing Month required to settle any Banked Energy Credits for energy delivered to the Company's electrical system. The total amount of Energy Credits for which a billing credit was applied in 2019 was 7,463 kWh.