

## COLORADO DEPARTMENT OF REGULATORY AGENCIES

### Public Utilities Commission

#### 4 CODE OF COLORADO REGULATIONS (CCR) 723-3

#### PART 3 RULES REGULATING ELECTRIC UTILITIES

##### NET METERING

##### 3675. Applicability.

This rule shall apply to all investor owned jurisdictional electric utilities in the state of Colorado that are subject to the Commission's regulatory authority. Cooperative electric associations engaged in the distribution of electricity (i.e., rural electric associations) and cooperative electric generation and transmission associations are exempt from these rules.

##### 3676. Overview and Purpose.

The purpose of these rules is to allow qualified retail customers to implement net metering where the customer's retail electricity consumption is offset by the electricity generated from retail renewable distributed generation.

##### 3677. Definitions.

The following definitions apply to rules 3675 through 3682. In the event of a conflict between these definitions and a statutory definition, the statutory definition shall apply.

- (a) "Service entrance capacity" means the capacity of the ~~QRU's~~utility's electric service conductors that are physically connected to the customer's electric service entrance conductors.

##### 3678. Eligible Retail Renewable Distributed Generation.

- (a) The retail renewable distributed generation shall be sized to supply no more than 120 percent of the customer's average annual electricity consumption at that site, where the site includes all contiguous property owned or leased by the consumer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way; ~~and~~. An energy storage system may be paired with the retail renewable distributed generation.
- (b) The rated capacity of the retail renewable distributed generation ~~does~~shall not exceed the customer's service entrance capacity.

- (c) The customer shall enter into an interconnection agreement with the utility pursuant to the Commission's Interconnection Procedures and Standards.
- (d) ~~if the commercial customer is in a leased facility, the A~~ commercial customer in a leased facility must obtain the approval of the ~~investor-owned QRU~~ utility, which shall not be unreasonably conditioned, delayed or withheld, and either permission from the commercial customer's landlord, or other documentation evidencing the tenant's unequivocal right to install retail renewable distributed generation ~~an on-site solar system~~.
- (e) Retail renewable distributed generation ~~On-site solar systems~~ installed on an apartment building must either be owned and operated by the owner of the building or the owner of the facility must provide documentation of the right to install and maintain the retail renewable distributed generation solar panels on the apartment building premises ~~for 20 years~~. Each on-site solar system must be dedicated to a specific meter and the load at the meter must meet the size limits for net metering ~~of on-site solar systems in paragraph 3678(a)~~.
- (f) Retail renewable distributed generation ~~On-site solar systems~~ installed on condominiums must be owned by the condominium owner, or by a third party on behalf of the condominium owner, and metered to that owner's unit. The owner must provide documentation that the owner has the legal right to install and maintain the retail renewable distributed generation solar panels at the site ~~for the term of the 20-year agreement. If the on-site solar system serves a general common element common area, the contract will be with the condominium owners' association. If the on-site solar system serves a limited common element common area, the contract will be with the condominium unit owner or owners.~~
- (g) Sales of electricity may be made by an owner or operator of retail renewable distributed generation ~~an on-site solar system~~ to the end-use electric consumer located at the site of the retail renewable distributed generation ~~on-site solar system~~.

**3679. Net Metering Credits.**

- (a) If a customer with retail renewable distributed generation generates renewable energy pursuant to ~~paragraph 3664(a)~~ rule 3678 in excess of the customer's consumption, the excess kWh shall be carried forward from month to month and credited at a ratio of 1:1 against the customer's retail kWh consumption in subsequent months.
- (b) Within 60 days of the end of each calendar year, or within 60 days of when the customer terminates its retail service, the ~~investor-owned QRU~~ utility shall compensate the customer for any accrued excess kWh credits, at the ~~investor-owned QRU's utility's~~ average hourly incremental cost of electricity supply over the most recent calendar year. For customers taking retail service on time-of-use rates, the utility shall track when the excess energy was generated, apply the accumulated excess energy against the customer's retail kWh consumption for the same time periods that the excess energy was generated, and, at the end of the year, compensate the customer for any excess kWh credits at the average hourly incremental cost notwithstanding the time periods in which the excess energy was generated.
- (c) ~~However, t~~ The customer may make a one-time election, in writing, on or before the end of a calendar year, to request that the excess kWh be rolled over as a credit from month to month indefinitely until the customer terminates service with the ~~investor-owned QRU~~ utility, at which time

no payment shall be required from the ~~investor-owned QRU~~ utility for any remaining excess kWh credits supplied by the customer.

- (d) For the purpose of applying rolled-over kWh credits as dollar credits in customer bills, the utility shall:
- (I) not offset the monthly service and facilities charge;
  - (II) multiply the excess kWh by billing period to be applied against the customer's retail kWh consumption times the energy components (per kWh) of the rates under which the customer receives retail service; and
  - (III) for customers on a time-of-use rate, track when the excess energy was generated and apply the prevailing energy components (per kWh) of the rates for the same time periods that the excess energy was generated.

### 3680. Metering Requirements.

- (a) A customer's retail renewable distributed generation shall be equipped with metering equipment that can measure the flow of electric energy in both directions. ~~The investor-owned QRU shall utilize a single bi-directional electric meter.~~ If the customer's existing electric meter does not meet ~~the this~~ requirements of these rules, the ~~investor-owned QRU~~ utility shall install and maintain a new meter for the customer, at the ~~company's utility's~~ expense. Any subsequent meter change necessitated by the customer shall be paid for by the customer.
- (b) ~~The investor-owned QRU shall not require more than one meter per customer to comply with this rule 3664. Nothing in this rule 3664 shall preclude the QRU utility may from placing place a second meter to measure the output of a solar the retail renewable distributed generation:energy system for the counting of RECs subject to the following conditions.~~
- ~~(I) For customer facilities over ten kW, a production meter shall be required to measure the solar renewable energy system output for the counting of RECs.~~
  - ~~(II) For systems ten kW and smaller, a production meter may be installed under either of the following circumstances:~~
    - ~~(A) the QRU may install a production meter on the solar renewable energy system output at its own expense if the customer consents; or~~
    - ~~(B) the customer may request that the QRU install a production meter on the solar renewable energy system output in addition to the meter at the customer's expense.~~
      - (I) if the retail renewable distributed generation is owned by the electric consumer, the customer shall pay the cost of installing the production meter.
      - (II) If-if the retail renewable distributed generation on-site solar system is not owned by the electric consumer, the investor-owned QRU shall pay for the RECs on a metered basis. The owner or operator of the retail renewable distributed generation on-site solar system shall pay the cost of installing the production meter.

~~(III) If the on-site solar system is not owned by the electric consumer, the owner or operator of the on-site solar system shall pay the cost of installing the production meter.~~

(c) If more than one meter is used to measure the electricity consumption of a customer with retail renewable distributed generation at the premises where the retail renewable distributed generation is installed, the following provisions apply:

(I) ~~An investor-owned QRU~~The utility must, upon request from such customer, aggregate for billing purposes a meter to which the retail renewable distributed generation is physically attached (the designated meter) with one or more meters (the additional meters) in the manner set out in this paragraph when:

- (A) each additional meter is located on the customer's contiguous property; and
- (B) each additional meter is used to measure only the customer's own electricity consumption.

(II) A net metering customer must give at least 30 days' notice to the ~~QRU~~utility to request that additional meters be aggregated pursuant to this paragraph. The specific designated and additional meters must be identified at the time of such request. In the event that more than one additional meter is identified, the utility shall apply the net metering kWh credits to the sum of the kWh consumption as measured by the designated and additional meters.

(III) If, in a monthly billing period, the customer's retail renewable distributed generation generates more renewable energy than the customers' consumption as measured by the designated and additional meters, the excess kWh credits will be rolled over as a credit from month to month indefinitely until the customer terminates service with the ~~investor-owned QRU~~utility, at which time no payment shall be required from the ~~investor-owned QRU~~utility for any remaining excess kWh credits supplied by the customer.

(IV) All meters aggregated pursuant to this paragraph must be on the same rate schedule.

(d) For eligible energy resources greater than 250 kW, the owner shall provide, at the ~~QRU's~~utility's request, real time electronic access to the ~~QRU~~utility to system operation data. In the event that an eligible energy resource greater than 250 kW also collects meteorological data, the owner shall provide, at the QRU's request, real time electronic access to the ~~QRU~~utility to such meteorological data.

### **3681. Rates for Net Metering.**

(a) ~~An investor-owned QRU~~The utility shall provide net metering service at non-discriminatory rates to customers with retail renewable distributed generation.

(b) A customer shall not be required to change the rate under which the customer received retail service in order for the customer to install retail renewable distributed generation. The rate under which the customer received retail service prior to installing the retail renewable distributed generation shall be the applicable rate used by the utility for calculating the net metering credits pursuant to rule 3679.

- (c) ~~Nothing in this rule shall prohibit an investor-owned QRU. The utility may from requesting changes in the applicable rates under which the customer receives retail service at any time. The applicable rate used by the utility for calculating the net metering credits pursuant to rule 3679 shall be equivalent to the applicable rate for retail service that would be received by the customer in the absence of the retail renewable distributed generation. The utility may not prohibit a customer from electing to take service on a time-of-use rate.~~
- (d) Unless the Commission approves under § 40-2-124(1)(g)(IV)(B), C.R.S., an alternative surcharge for net metered customers served by ~~an investor-owned QRU~~the utility, the ~~investor-owned QRU utility~~ shall bill a retail customer receiving net metering service a surcharge to supplement that customer's contribution toward the ~~investor-owned QRU's utility's~~ RESA account.
- (I) For retail renewable distributed generation that is production metered, the surcharge shall increase the customer's total contribution to the ~~investor-owned QRU's utility's~~ RESA account to the calculated level it would have been had all of the customer's consumption been billed at the ~~investor-owned QRU's utility's~~ applicable rates.
- (II) For retail renewable distributed generation that is not production metered, the utility shall estimate the production from the retail renewable distributed generation to calculate the surcharge ~~shall increase the customer's total contribution to the investor-owned QRU's RESA account~~ as follows, based upon the size of the customer's system:-:
- (A) For customers with a system that is from 500 watts to five kW, a 500 kWh volume proxy shall be used. The 500 kWh volume proxy will be multiplied by the current monthly per kWh effective residential energy rate and effective riders. That product will then be multiplied by ~~two percent~~the effective RESA to obtain the customer's RESA contribution amount.
- (B) For customers with a system that is from five kW up to ten kW, a 1,000 kWh volume proxy shall be used. The 1,000 kWh volume proxy will be multiplied by the current monthly per kWh effective residential energy rate and effective riders. That product will then be multiplied by the effective RESA ~~two percent~~ to obtain the customer's RESA contribution amount.
- (C) For customers with a system that is from ten kW up to 25 kW, a 2,000 kWh volume proxy shall be used. The 2,000 kWh volume proxy will be multiplied by the current monthly per kWh effective residential energy rate and effective riders. That product will then be multiplied by the effective RESA to obtain the customer's RESA contribution amount.

**3682. Colorado Division of Parks and Outdoor Recreation.**

- (a) Pursuant to § 24-33-115(2), C.R.S., for the Colorado Division of Parks and Outdoor Recreation (CDPOR) as the customer of ~~an investor-owned QRU~~the utility, the ~~investor-owned QRU utility~~ may, on a case-by-case or project-by-project basis:
- (I) waive any existing limits on the net metering of electricity generated on contiguous property constituting the CDPOR customer's site;

- (II) waive any existing limits on generating capacity or customer service entrance capacity if the customer proposes to make any necessary upgrades to its service entrance capacity at its own expense; and
- (III) have the right of first refusal to purchase, and the right not to purchase, electricity from retail renewable distributed generation that is sized to provide more than 120 percent of the average annual consumption of electricity by the CDPOR customer at that site. If the ~~investor-owned QRU~~ Utility exercises its option to purchase excess generation under this subparagraph ~~3664(i)~~ 3682(a) (III), it may claim the RECs based on such purchases.
- (IV) This paragraph does not confer upon CDPOR the right to make retail sales of electricity or distribute electricity to other state agencies or to noncontiguous properties.

**3683. – 3699. [Reserved].**