

Decision No. C14-0615-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 14M-0235E

IN THE MATTER OF COMMISSION CONSIDERATION OF RETAIL RENEWABLE
DISTRIBUTED GENERATION AND NET METERING.

**INTERIM DECISION REQUESTING LEGAL BRIEFS AND
ESTABLISHING A SERIES OF PANEL DISCUSSIONS**

Mailed Date: June 9, 2014
Adopted Date: May 28, 2014

I. BY THE COMMISSION

A. Statement

1. By Decision No. C14-0294, issued March 18, 2014, the Commission opened this proceeding to consider net metering and the potential impacts of the expansion of retail renewable distributed generation in Colorado. The Commission sought input from interested persons regarding the specific issues that should be examined and potential goals for this proceeding.

2. In accordance with Decision No. C14-0294, the Commission convened a Commissioner's Information Meeting (CIM) on April 9, 2014. Presenters included: Staff of the Colorado Public Utilities Commission (Staff); the Colorado Office of Consumer Counsel (OCC); the Colorado Energy Office (CEO); Public Service Company of Colorado (Public Service); Black Hills/Colorado Electric Utility Company, LP (Black Hills); the Vote Solar Initiative (Vote Solar), on behalf of the Colorado on-site solar community; Western Resource Advocates (WRA); Ms. Karey Christ-Janer; and Ms. Leslie Glustrom.

3. Written comments in response to the presentations made at the April 9 CIM were submitted by: Staff; OCC; CEO; Public Service and Black Hills, jointly; The Alliance for Solar Choice, Vote Solar, Solar Energy Industries Association, Colorado Solar Energy Industries Association, and the Southeast Colorado Solar Coalition, jointly (Joint Solar Parties); WRA; the Sierra Club; the Interstate Renewable Energy Council; Colorado Forest and Energy, LLC; the Interwest Energy Alliance; the City and County of Denver and the City of Boulder, jointly; Climax Molybdenum Company and CF&I Steel LP; and Mr. Richard Mignogna.

4. The CIM presentations and the responsive comments reveal a range of views about what the Commission should accomplish in this proceeding and the approach we should take to achieve those goals. For instance, the Joint Solar Parties and WRA encourage the Commission to develop a standard method for determining the cost and benefits of distributed solar generation that could be applied to all utilities in a variety of future proceedings. In contrast, Black Hills, Public Service, and Staff suggest that the issues surrounding the costs and benefits of distributed solar generation are substantially different for each utility and therefore can be properly addressed only in individual utility proceedings.

B. Legal Briefs

5. Black Hills and Public Service identify certain legal issues concerning net metering and suggest that the Commission solicit legal briefs for the purpose of issuing declaratory orders. In addition, Staff, the OCC, and WRA recommend that the Commission order legal briefs addressing specific questions. While the Joint Solar Parties do not specifically recommend legal briefings, they raise several issues that could also be addressed through pleadings.

6. We agree that the solicitation of legal briefs for the purpose of issuing declaratory rulings regarding net metering may resolve certain questions as to how net metering and alternatives to net metering should be considered in future proceedings. Therefore, we invite the submission of initial and responsive briefs addressing the legal questions set forth below:

- If an on-site solar generator satisfies the interconnection requirements of Commission Rule 3667, may an investor-owned Qualifying Retail Utility (QRU) restrict or preclude the interconnection of on-site solar electric generation to the QRU grid: (1) under any circumstance; or (2) even if the on-site solar electric generation is sized to supply no more than 120 percent of the average annual consumption of electricity by the consumer at that site?
- Is an investor-owned QRU obligated under Colorado law to offer net metering to customers without regard to whether the QRU is satisfying the retail distributed generation standard under § 40-2-124(1)(c)(II), C.R.S.?
- If an investor-owned QRU provides a customer net metering under § 40-2-124(1)(e), C.R.S., is the QRU entitled to the Renewable Energy Credits produced by the on-site solar electric generation?
- May an investor-owned QRU establish separate rate classes for net metered customers under Colorado law?
- Does § 40-2-124(1)(e), C.R.S., allow investor-owned QRUs to deduct the retail rate component attributable to fixed costs from the offset to a customer's retail electricity consumption?

7. Attorneys filing briefs on behalf of their clients shall enter their appearances in this proceeding.

8. Initial briefs shall be filed no later than **July 31, 2014** and shall not exceed 30 pages. Reply briefs shall be filed no later than **August 29, 2014** and shall not exceed 15 pages.

C. Panel Discussions

9. Certain presenters and commenters suggested the Commission establish workshops facilitated by third-parties to examine the cost and benefits of distributed solar generation and the potential impact of net metering on the utilities and their systems.

Others suggested Commission-led workshops, while some dismissed informal proceedings in favor of future adjudicated processes.

10. We conclude that the Commission must gather additional information on certain topics before embarking on a specific course of action. We also want to engage in an efficient dialogue with interested persons as we seek answers to our questions. Therefore, we will convene a series of three panel discussions covering the following topics: (1) the present and expected impacts of net metering on Colorado utilities and their customers; (2) the interrelationships between utility distribution systems and net metered distributed solar generation; and (3) approaches other states have taken to address the evolution of net metering. Prior to each panel discussion, in consultation with our advisors, we will issue a decision setting forth the specific questions to be addressed during the panel discussion.¹ We anticipate that each panel will have four to six participants. While we will identify the invited participants closer to the scheduled date of each panel, each panel will include a representative from the electric utilities and a representative from the on-site solar industry. The first panel discussion will take place on **July 24, 2014**.² Interested persons seeking to serve as a panelist are directed to file a request to participate on the panel no later than **July 14, 2014**. Such filings should be made pursuant to subparagraph 1204(a)(II)(C) of the Commission's Rules of Practice and Procedure, 4 *Code of Colorado Regulations* 723-1. Interested persons are encouraged file electronically at:

<http://www.dora.state.co.us/pls/efi/EFI.homepage>.

¹ We anticipate adopting the first decision at the July 2, 2014 Commissioners' Weekly Meeting.

² The second and third panels will likely take place in September and November 2014, respectively. Guidance regarding these panels will be set forth in future decisions.

II. ORDER**A. It Is Ordered That:**

1. Consistent with the discussion above, initial legal briefs addressing the questions set forth in this Decision shall be filed no later than July 31, 2014. Responsive briefs shall be filed no later than August 29, 2014.

2. Consistent with the discussion above, a panel discussion shall be held as follows:

DATE: July 24, 2014

TIME: 10:00 a.m. until 12:00 p.m.

PLACE: Commission Hearing Room
1560 Broadway, Suite 250
Denver, Colorado

3. This Decision is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
May 28, 2014.**

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JOSHUA B. EPEL

PAMELA J. PATTON

GLENN A. VAAD

Commissioners