
Presentation to the PJM NEMSTF Settlements Issues

3-19-12



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Settlements Issues

NJ Solar Installations by Year As of 11/30/11

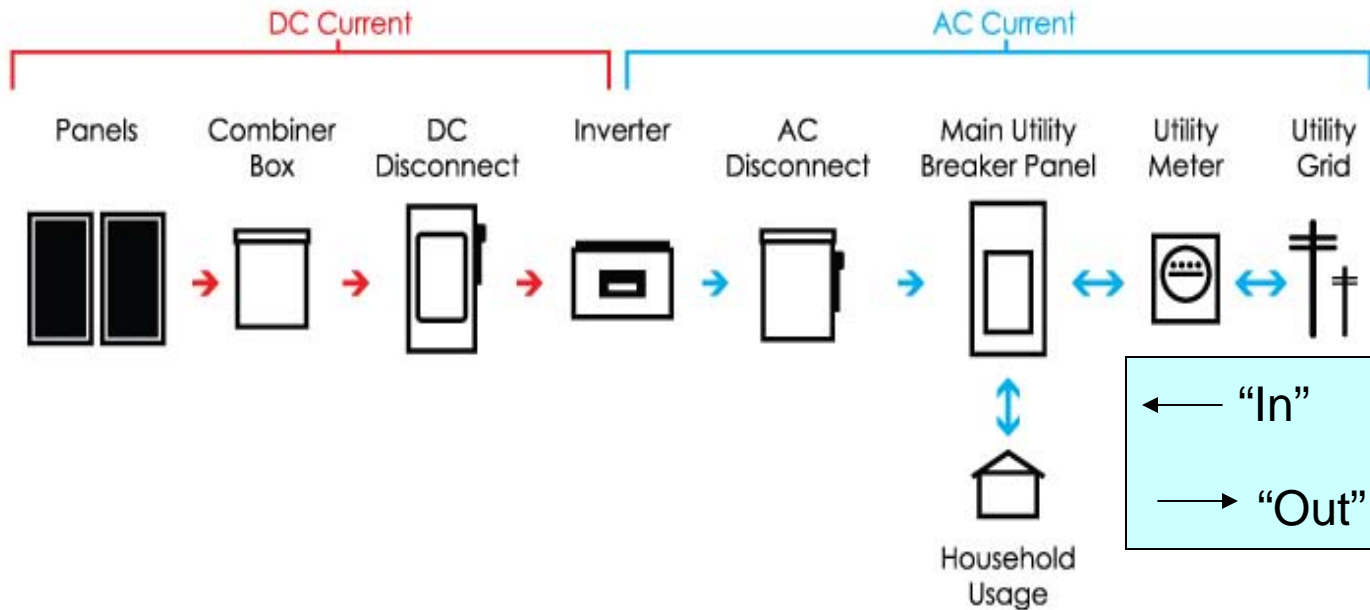
Year	# Projects
2001	3
2002	37
2003	95
2004	289
2005	729
2006	867
2007	693
2008	833
2009	1350
2010	3134
2011	4866
Total	12,896



PSE&G ~5,300 installations
-- ~ 4,000 non-interval metered
-- ~ 1,300 interval metered

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Current NJ Rules – Net Metering

- Eligible Technologies: Class 1 Renewables
- Eligible Customers: All
- All EDCs and Suppliers (BGS/TPS) must “offer net metering to their customers”
- System size limitations (capped at 100% annual energy usage)
- Current rules establish month to month netting with annual true up at anniversary period
- Current rule permits a one-time change of anniversary date
- The EDC is required to install a meter to measure net load.
- There is not a requirement for the EDC to install meters to measure the solar gross output

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Current Process – Net Metering Billing

- Residential and Small C&I customers utilize bi-directional meters (non-interval)
 - In minus Out to determine billed kWh
 - Total In and Out (cumulative) monthly data only available
 - If Out > In, 0 kWh are billed, and credit is maintained month to month to end of annual period
- Larger C&I (~>300 kW) and Time Of Day/Demand (rates) customers utilize bi-directional interval meters
 - Hourly In vs Out data utilized to determine billed kWh
 - Cumulative Data required for Delivery Rates
 - Hourly Data may be required for large C&I Commodity
- ‘Banking’ occurs in Delivery and Commodity Components
 - EDC responsible for the Delivery ‘bank’.
 - Commodity Provider responsible for the Commodity ‘bank’
 - Anniversary period credit is commodity only

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Current Process – Net Metering Load Settlements

- Net Metering (retail) treated as load in the settlements process
- Loads aggregated at LSE (PJM account) Level
- Residential and Small C&I customers utilize bi-directional meters (non-interval)
 - Net Billed kWh settled utilizing dynamic load profiles in settlements A&B
- Larger C&I and TOD customers utilize bi-directional interval meters
 - Net Billed Hourly kWh (In-Out) used in settlements A&B
- Current settlements process aligns with billing & retail access process

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Alignment Between Customer Billing and Energy Settlements

- Current settlements process aligns with billing & retail access process
 - Suppliers' load obligations is complementary with their retail billing regulatory requirements

Example:

Month	IN	OUT	NET	BILLED	Cum	Settle'd
Jan	100	75	25	25	-	25
Feb	50	90	(40)	0	(40)	(40)
Mar	60	80	(20)	0	(60)	(20)
Apr	90	30	60	0	0	60
Total	300	275	25	25	0	25

Note: The example illustrates net output of load – which is not true of all installations



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Considerations – Net Metering Load Settlements

- Current metering configurations limit the ability to provide hourly load data for many accounts (cost prohibitive to install interval meters on all net metering customers).
- If there is a consideration to treat net metered installations (in some manner) as generation – and not solely load:
 - ~75% of existing net metering installations utilize non-interval meters
 - Interval meters may not dial-in daily
 - There is not currently a requirement for EDC-owned metering for gross solar generation output
 - The current meter count for generation could increase from 100's to several 1,000's – and could vary daily
 - Increase in daily e-Meter work load (for the noon deadline)
 - Difficult to relate Net Metered accounts to specific pnodes

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Considerations – Net Metering Load Settlements

- As NJ Commodity Providers (BGS/TPS) are required to offer net metering to their customers, and bill the same in a required manner, **the load and financial settlement process must be complementary.**
 - If net metering installations are considered generation to PJM, how to accomplish the above?
 - Process should recognize that customer's can migrate between suppliers monthly.
- Administrative and other cost burdens on EDCs must be considered