

**RESOLUTION
R-09-484**

CITY HALL: SEPTEMBER 17, 2009

**BY: COUNCILMEMBERS MIDURA, CARTER, HEDY MORRELL, AND
WILLARD-LEWIS**

**RESOLUTION REVISING NET ENERGY METERING RULES FOR NEW ORLEANS
AND DIRECTING ENTERGY NEW ORLEANS, INC. AND ENTERGY LOUISIANA,
LLC TO REVISE TARIFF SCHEDULES NM-1 and NM-1A**

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans, the Council of the City of New Orleans ("Council") is the governmental body authorized to exercise regulatory control over the rates, charges, and general conditions under which electric and gas services are provided in New Orleans; and

WHEREAS, Entergy New Orleans, Inc. ("ENO") provides electric service to all of New Orleans, except the Fifteenth Ward ("Algiers"), and gas service to all of New Orleans; and

WHEREAS, Entergy Louisiana, LLC ("ELL") provides electric service to the Algiers section of New Orleans; and

WHEREAS, on September 21, 2006, the Council adopted Resolution R-06-402 which the Council, consistent with the Louisiana Legislature's findings that the development of a net energy metering program in Louisiana may encourage the use of renewable energy resources and renewable energy technologies as well may promote the wise use of Louisiana's natural energy resources to meet growing demand, found that a Net Energy Metering program in New Orleans may be just, reasonable, and in the public interest; and

WHEREAS, on March 15, 2007, the Council adopted Resolution R-07-132, which adopted the New Orleans Net Energy Metering Rules ("Rules"), as set forth in the Resolution as

Attachment A, and directed ENO and ELL to revise their Net Metering tariffs and proposed Standard Interconnection Agreements for Net Metering facilities to be consistent with the Rules as adopted; and

WHEREAS, on May 17, 2007, the Council adopted Resolution R-07-221 which approved ENO's Net Metering Tariffs and Standard Interconnection Agreements for Net Metering Facilities and Net Metering Tariffs as being consistent with the Rules; and

WHEREAS, Senate Bill 359 ("SB 359") was adopted in the 2008 Regular Session of the Louisiana State Legislature as Act No. 543 ("Act"), which amends and reenacts R.S. 51:3062(5)(b) and enacts R.S. 51:3063(c), relative to the definition of Net Metering Facility establishing the maximum allowable installed capacity of generating capacity allowable under the definition; and

WHEREAS, the Act established the maximum allowable installed generating capacity for commercial or agricultural net energy metering facilities of three hundred (300) kilowatts; and

WHEREAS, the Rules as adopted in Council Resolution R-06-402 and Council Resolution R-07-132 reflect a maximum allowable installed generating capacity of one hundred (100) kilowatts for commercial net energy metering facilities; and

WHEREAS, ENO's Net Metering Service Tariff, Schedule NM-1 and ELL's Net Metering Service Tariff, Schedule NM-1A also reflects a one hundred (100) kilowatts maximum allowable installed generating capacity for commercial net energy metering facilities; now therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

1. The Council of the City of New Orleans hereby amends its Rules as adopted in Council Resolution R-06-402 at page 7, (2) and Council Resolution R-07-132 at Section I.A.(1) to reflect a maximum allowable installed generating capacity of three hundred (300) kilowatts for commercial net energy metering facilities as set forth herein in Attachment A, in compliance with the provisions of the Act.

2. The Council hereby directs ENO and ELL to revise their Net Metering Tariff Schedules NM-1 and NM-1A, to reflect a maximum allowable installed generating capacity of three hundred (300) kilowatts for commercial net energy metering facilities, in compliance with the provisions of the Act, and to file subject to Council approval, a copy of each document within 90 days from the date of adoption of this Resolution.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Clarkson, Fielkow, Head, Hedge-Morrell, Willard-Lewis - 5

NAYS: 0

ABSENT: Carter, Midura - 2

AND THE RESOLUTION WAS ADOPTED.

**THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY**


CLERK OF COUNCIL

NEW ORLEANS NET ENERGY METERING RULES

I. DEFINITIONS

- A. As used in these Regulations, the following words and phrases shall have the following meaning, unless the context clearly indicates otherwise:

“Net Energy Billing” means a billing and metering practice under which a customer-generator is billed on the basis of net energy over the billing period.

“Avoided Costs” means the incremental costs to an Electric Utility of electric energy or capacity or both which, but for the purchase from the Net Energy Metering Facility, such utility would generate itself or purchase from another source.

“Billing Period” means same billing period applicable under the customer’s applicable standard rate schedule.

“Biomass” means:

- (1) Any organic matter that is available on a renewable or recurring basis (excluding old-growth timber), including dedicated energy crops and trees, agricultural food and feed crop residues, wood and wood wastes and residues, aquatic plants, grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.
- (2) Biomass shall not include:
 - (a) Wood contaminated with plastic or metals; exceptions such as construction debris may be allowed by the Council only after a specific request is made of the Council, in writing, submitted to the Clerk of the Council, and only after the applicant has obtained any and all additional approvals from other state and/or federal regulatory agencies.
 - (b) Recyclable post-consumer waste paper; exceptions may be allowed on a case by case basis by the Council only after a specific request is made of the Council, in writing, submitted to the Clerk of the Council, and only after the applicant has obtained any and all additional approvals from other state and/or federal regulatory agencies.

“Biomass Facility” means a facility that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable,

environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

“Commercial Customer” means a customer served under any of a utility’s rate schedules applicable to commercial service.

“Council” means the Council of the City of New Orleans.

“Electric Utility” means a public or investor-owned electric utility that engages in the business of supplying electric energy to the ultimate customer or any customer class within Orleans Parish. The electric utility must fall under the jurisdiction of the Council in order to be required to comply with the provisions set forth herein.

“Fuel Cell Facility” means a facility that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

“Geothermal Facility” means an electric generating facility in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth’s magma.

“Hydroelectric Facility” means a facility in which electricity is generated by the mechanical energy of naturally moving water transferred by a rotating device to a generator, where it is converted to electric energy.

“Interconnection Costs” means the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions and administrative costs incurred by the Electric Utility directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations with a Net Energy Metering Facility, to the extent the costs are in excess of the corresponding costs which the Electric Utility would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources. Interconnection costs do not include any costs included in the calculation of avoided costs.

“Micro Turbine Facility” means a facility that uses a small combustion turbine to produce electricity.

“Net Energy Metering” means the measurement of the difference between electricity supplied by an Electric Utility and the electricity generated by a net

metering customer and fed back to the Electric Utility over the applicable billing period.

“Net Energy Metering Facility” means a facility for the production of electrical energy that:

- (1) Uses solar, hydroelectric, wind, geothermal, or biomass resources to generate electricity including, but not limited to, fuel cells and micro turbines that generate electricity if the fuel source is entirely derived from renewable resources;
- (2) Has a generating capacity of not more than twenty five (25) kilowatts for Residential Customers or three hundred (300) kilowatts for Commercial Customers
- (3) Is located in New Orleans;
- (4) Can operate in parallel with an Electric Utility’s existing transmission and distribution facilities;
- (5) Is intended primarily to offset part or all of the net-metering customer requirements for electricity; and
- (6) Meets all applicable safety and performance standards.

“Parallel Operation” means the operation of on-site generation by a customer while the customer is connected to and synchronized with the utility’s distribution system.

“Residential Customer” means a customer served under a utility’s standard rate schedule applicable to residential service.

“Solar Facility” means a facility in which electricity is generated through the collection, transfer and/or storage of the sun’s heat or light.

“Wind Facility” means a facility in which an electric generator is powered by a wind-driven turbine.

II. GENERAL PROVISIONS; SCOPE AND APPLICABILITY

- A. The purpose of the New Orleans Net Energy Metering Rules (“Rules”) are to establish the City Council of New Orleans’ rules, policies and procedures for net energy metering and interconnection in Orleans Parish, including eligibility for participating in net energy metering, a bill crediting mechanism for participants, net metering-related equipment requirements, a standard contract requirement, and safety and performance standards. These rules shall be cited as the “New Orleans Net Energy Metering Rules.”
- B. These Rules shall apply to all electric utilities, as defined in these Rules that provide electric service in New Orleans.
- C. The Net Energy Metering Rules are not intended to, and do not affect or replace any Council-approved regulation, policy, procedure, rule or service application of any utility, which address items other than those covered in these Rules.

III. ELECTRIC UTILITY REQUIREMENTS

- A. An Electric Utility, subject to the jurisdiction of this Council, that offers residential or commercial electrical service, or both, shall allow any of its customers to establish Net Energy Metering Facilities to be interconnected with the Electric Utility using a standard meter capable of registering the flow of electricity in two (2) directions. A two-channel meter or other type meter(s) that is capable of determining the net energy can be utilized, as well.
- B. If the meter that is currently installed on the Net Energy Metering Facility is incapable of registering the flow of electricity in two directions, an additional meter or meters may be installed by the Electric Utility so long as collectively the meters are capable of registering the flow of electricity in two directions.
- C. The cost of the meter shall not be borne by the net metering customer, unless the additional meter(s) is not required by the Electric Utility, but instead requested by the net metering customer. A customer charge for any installations where the meter will not register in both directions may be assessed by the utility in conformity with Section IV(B) below.
- D. If an additional meter or meters are installed, as described in Section III(C) above, the net energy metering calculation shall yield the same result as when a single meter is used.

IV. METERING REQUIREMENTS

- A. The metering equipment installed for net energy metering shall be capable of accurately measuring the flow of electricity in two directions.

- B. Notwithstanding the provisions of Section VIII below, the cost of the meter is the responsibility of the Electric Utility, but the utility will be allowed to assess a one-time customer charge to cover the installation costs. The utility may also assess a customer charge for any additional meter installations if the additional installations are requested by the net metering customer. Metering equipment shall be installed to both accurately measure the electricity applied by the Electric Utility to each net-metering customer and also to accurately measure the electricity generated by each net-metering customer that is fed back to the Electric Utility over the applicable billing period.
- C. A meter or meters operating in both forward and reverse registration modes shall be considered to be accurate when a meter test discloses that its average registration is in the range of 98% to 102%, inclusive, of current average registration. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net Energy Metering Facility is placed in operation in accordance with these Rules. The costs associated with the test may be included in the customer charge, as set out in Section IV(B) or it may be a separate customer charge, to be assessed to the net metering customer prior to the initiation of net energy metering service.
- D. The utility will regularly test its meters and maintain their accuracy of registration in accordance with good practice that shall be consistent with the use of service, elapsed time, nature of the load metered, and these rules. The utility also will make a special test of the customer's meter upon the written request of the customer. The first such test in any twelve-month period shall be performed at the expense of the utility. Any subsequent tests performed at the request of the customer in the same twelve-month period shall be performed at the expense of the customer, provided the meter is found to register within the range prescribed in Section IV(C) above. Tests that disclose meter registration to be outside such range shall be performed at the expense of the utility.
- E. To the extent that a faulty meter has resulted in a net metering customer receiving insufficient credits or payments, pursuant to Section VI(B) and Section VI(C) below, the Electric Utility shall make the appropriate credits or payments in the next billing cycle. If the faulty meter has resulted in the net metering customer receiving excess credits or payments, pursuant to Section VI(B) and Section VI(C) below, then the utility shall reduce any future credits or payments by the excess amount in the next billing cycle.

V. NEW OR ADDITIONAL CHARGES

- A. Any new or additional charge that would increase a net metering customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Council for approval. The filing shall be supported by cost/benefit analyses.

- B. Following notice and opportunity for public comment, the Council may authorize an Electric Utility to assess a net metering customer a greater fee or customer charge, of any type, if the Electric Utility's direct costs of interconnection and administration of net-metering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the Electric Utility's entire customer base.
- C. An Electric Utility shall be reimbursed by the net metering customer for interconnection costs at the time the costs are incurred. Upon petition by any party involved and for good cause shown, the Council may allow for reimbursement of the interconnection costs over a reasonable period of time and upon such conditions as the Council may determine; provided, however, that no other customers of the utility shall bear any of the costs of interconnection.

VI. BILLING FOR NET METERING

- A. On a monthly basis, the net metering customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under net metering, only the kilowatt-hour (kWh) units of a customer's bill are affected.
- B. The kWh generated by a net metering customer and fed back to the Electric Utility shall be credited against the kWh supplied to the net metering customer by the Electric Utility during the billing period. The net metering customer shall be billed for the net kWh in accordance with the rates and charges under the customer's standard rate schedule if the amount of kWh supplied by the Electric Utility exceed the amount of kWh generated by the Net Energy Metering Facility and that are fed back to the Electric Utility.
- C. When the amount of kWh generated by a net metering customer and fed back to the Electric Utility exceeds the electricity supplied by the Electric Utility, the net excess generation shall be rolled-over and credited against a customer's future consumption continuously until the excess generation is erased by customer's future electric utility consumption or until the customer's electric service is terminated. For the final month in which the net metering customer takes service from the Electric Utility, the Electric Utility shall issue a check to the net metering customer for the balance of any credit due in excess of amounts owed by the customer to the Electric Utility. The payment for any remaining credits shall be at the Electric Utility's avoided cost as follows; however, at no time, shall a Net Metering Customer be paid capacity charges or demand charges:
 - 1. For Solar Facilities, the payment shall be based on the on-peak, seasonal avoided cost rate as provided for in the Electric Utility's tariff, as set out below in Section IX, below.

2. For all Net Energy Metering Facilities other than Solar Facilities, the payment shall be based on the average of the on-peak and off-peak, seasonal avoided cost rate as provided for in the Electric Utility's tariff, as set out below in Section IX, below.

VII. INITIAL INTERCONNECTION OF NET ENERGY METERING FACILITY

- A. The Net Energy Metering Facility, at the net metering customer's expense, shall meet all safety and performance standards established by local and national electric codes including the National Electric Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electric Safety Code (NESC), and Underwriters Laboratories (UL) and any other relevant standards specified by the Council.
- B. The Net Energy Metering Facility, at the net metering customer's expense, shall meet all reasonable safety and performance standards that are necessary to assure safe and reliable operation of the Net Energy Metering Facility when connected to the Electric Utility's system and that have been adopted by the Electric Utility and approved by the Council pursuant to these rules.
- C. A Net Energy Metering Facility shall be capable of safely operating in parallel prior to commencing the delivery of power into the utility system at a single point of interconnection.
- D. At least 90 days prior to the date the net metering customer intends to interconnect with the Electric Utility, the customer shall notify the Electric Utility of its intentions ("Notification Date"), and provide engineering plans and drawings describing the Net Metering Facility for the utility's review, and showing it is capable of safely operating in parallel with the utility's local system at a single point of interconnection. The Electric Utility shall begin a review of the proposed Net Metering Facility at this time.
- E. At least 75 days prior to the date the net metering customer intends to interconnect with the Electric Utility (i.e., 15 days after the Notification Date) the Utility shall provide the customer with a Standard Interconnection Agreement pursuant to Section VIII, along with a copy of the Electric Utility's Council-approved its performance and safety standards applicable to the Net Energy Metering Facility.
- F. At least 60 days prior to the date the net metering customer intends to interconnect with the Electric Utility, the utility shall provide the customer with the written results of its review including detailed explanations of any items that may prevent safe parallel operation of the facility with the utility's local system. The Electric Utility will also provide the customer with proposed corrections to such items.
- G. At least 45 days prior to the date the net metering customer intends to interconnect with the Electric Utility the customer will return a signed Standard

Interconnection Agreement to the utility and provide evidence that all utility-proposed corrections to the facility have been satisfactorily remedied.

- H. A Net Energy Metering Facility shall have a visibly open, lockable, manual disconnection switch that is accessible by the Electric Utility and clearly labeled, unless this requirement is waived by the Electric Utility.
- I. If the Electric Utility's existing facilities are not adequate to interconnect with the Net Energy Metering Facility, any changes will be performed in accordance with the Electric Utility's Extension of Facilities Tariff.

VIII. STANDARD INTERCONNECTION AGREEMENT

- A. Each Electric Utility shall develop a Standard Interconnection Agreement for Net Metering Facilities, which shall be subject to the review and approval of the Council. Each Electric Utility shall file a proposed Standard Interconnection Agreement for Net Metering Facilities within 90 days from the effective date of these rules. The proposed Standard Interconnection Agreement shall be consistent with the provisions of these rules and shall describe any and all interconnection expenses, and other customer charges in conformity with Sections IV and V above, for which the net metering customer shall be responsible.
- B. The Electric Utility shall provide a copy of the Council-approved Standard Interconnection Agreement to the customer as indicated in VII.E. above. The customer shall submit a Standard Interconnection Agreement to the Electric Utility at least forty-five (45) days prior to the date of the customer intends to interconnect the net metering facilities to the utility's facilities as indicated in VII.G. above.
- C. If the Standard Interconnection Agreement is mailed by customer, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The burden to prove the date upon which the notification was mailed to the Electric Utility shall be on the customer.

IX. NET METERING TARIFF

- A. Each Electric Utility shall file, for approval by the Council, a Net Metering Tariff in standard tariff format within 90 days from the effective date of these rules.

X. FILING AND REPORTING REQUIREMENTS

- A. Each Electric Utility shall file a report annually with the Council Utility Regulatory Office listing all existing Net Metering Facilities and the generator rating and, where applicable, the inverter power rating of each Net Energy Metering Facility as of the end of the previous calendar year.

XI. WAIVER

- A. Upon request of any person subject to these Rules or upon its own motion, the Council may, for good cause, waive any requirement of these Rules that is not required by the Act or inconsistent with the purposes of these Rules.