



Interconnecting Distributed Resources and Examining Net Metering

S. 1219 ensures the reliable interconnection of distributed resources, as well as just and reasonable electricity rates.

Background

A combination of federal and state policies, along with market forces, has led to an increasing amount of variable energy resources being connected to the nation's grid system. At the retail level, the rise of distributed generation, such as solar rooftop panels, has resulted in a new, bi-directional flow of electricity, where customers both receive power and transmit power back onto the system. As a result, the grid is now being operated in ways for which it was not designed. These transformative changes require closer consideration of ancillary services, such as generation imbalance and frequency response, that are necessary to maintain grid reliability. Today's grid must operate at all times – as it is also evolving – at a level of performance that is no less reliable and affordable for all consumers.

Key Provisions

- Directs state utility commissions to examine the degree to which distributed resources contribute ancillary services and prescribe appropriate measures so that grid interconnection is safe, reliable and efficient.
- Directs state utility commissions to examine the effects of net metering, an accounting mechanism whereby owners of distributed generation can offset their electricity purchases from the grid with the energy they generate behind the retail meter. This review by state utility commissions will also consider the effects on customers who do not use net metering, and determine whether the rates established for net metering services are “just and reasonable” and “not unduly preferential or discriminatory.”