



Successful U.S. State Policies for Supporting Renewable and Distributed Generation

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Interstate Renewable Energy Council

IREC's Regulatory Work

(key policies for customer-sited generation)

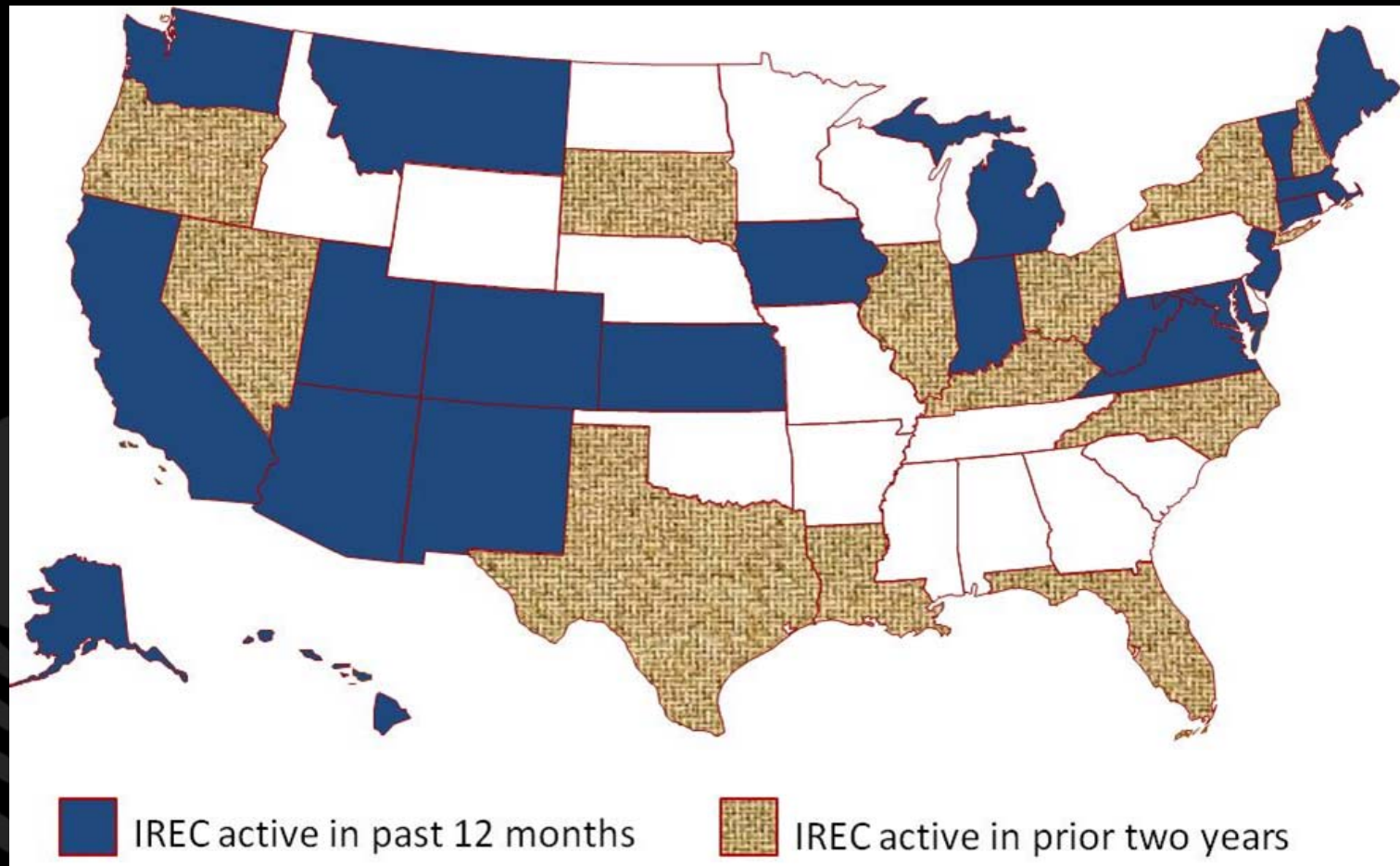
- U.S. DOE grant to participate in state utility commission rulemakings regarding:
 - net metering (NEM)
 - interconnection procedures (IC)
 - Third party ownership of distributed generation
- Commissions initiate rulemakings on their own or in response to state legislation
- No advocacy or legislative work
- Represented by Keyes & Fox, LLP
- Foundation grants for other work

Other Successful Policies

(not discussed beyond this slide)

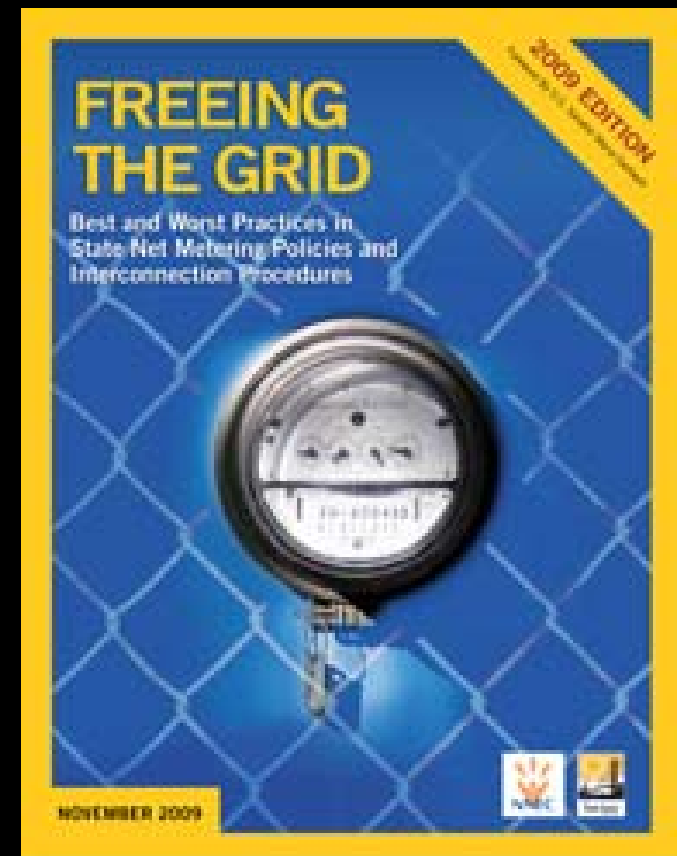
- Utility ownership – 5 GW in pipeline, typically centralized
- Tax policy – federal and state
- Direct Cash Incentives (32 states plus many utilities)
 - Typically up-front for small systems
 - Production incentives for larger systems
- Renewable Portfolio Standards (29 states plus DC & PR)
 - Some with solar or distributed generation set-asides
- Reverse Auction Mechanism (California)
- Energy storage pilot programs
- Feed-in tariffs have potential . . . and problems

Where IREC Has Been



Freeing the Grid 2010

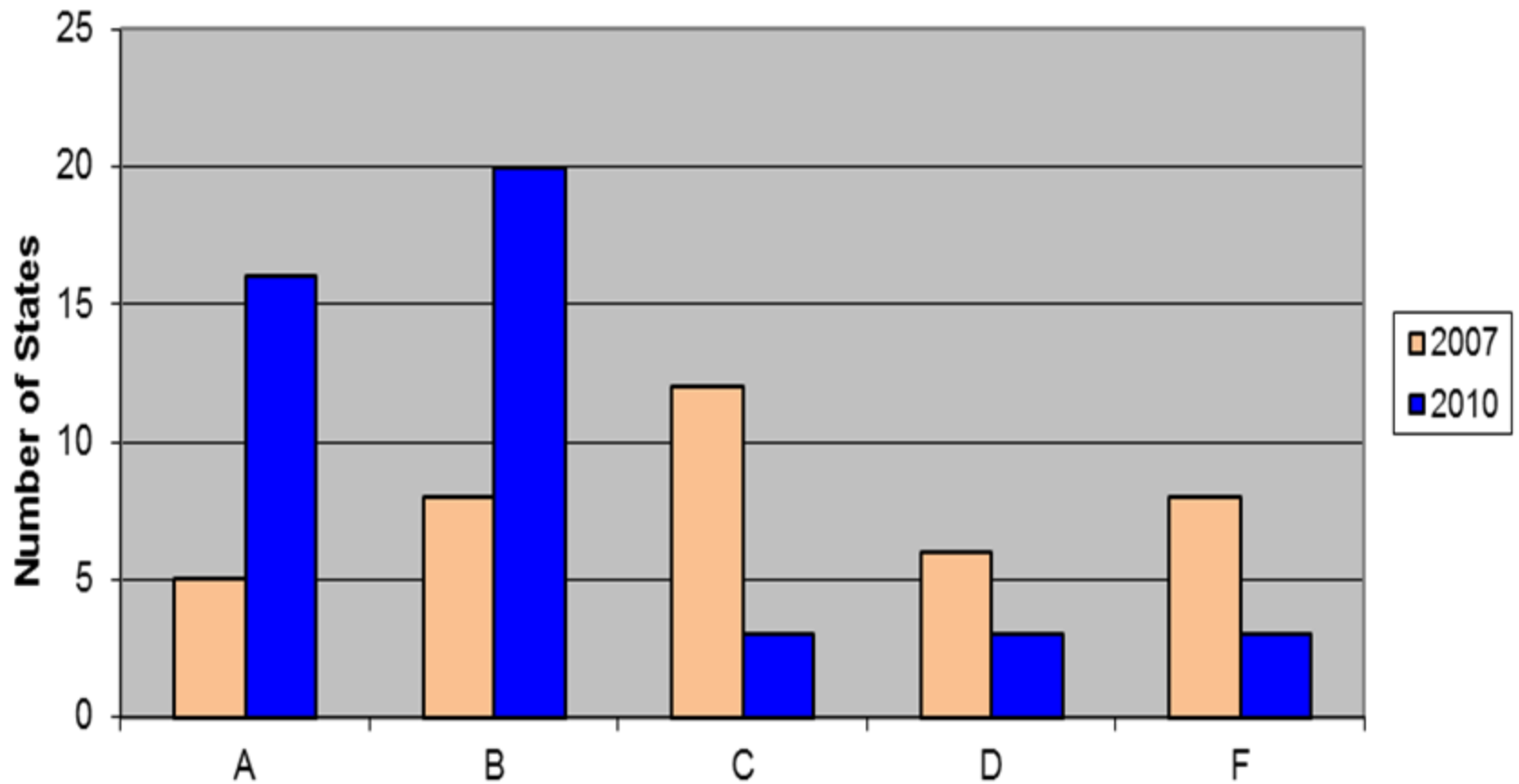
- Introduction to NEM and IC, with grades by state
- Provided to commissioners, commission staff and public
- 2009 edition out shortly
- Collaborative effort, including IREC
- www.freeingthegrid.org



Net Metering Key Issues

- Facility size cap (up to 1 MW+ in 19 states)
- Program size cap (1%+ of utility peak)
- Rollover of excess generation
- Standby charges and other fees
- Applicability (all utilities, all customers)
- Meter aggregation
- (*Community Net Metering*)

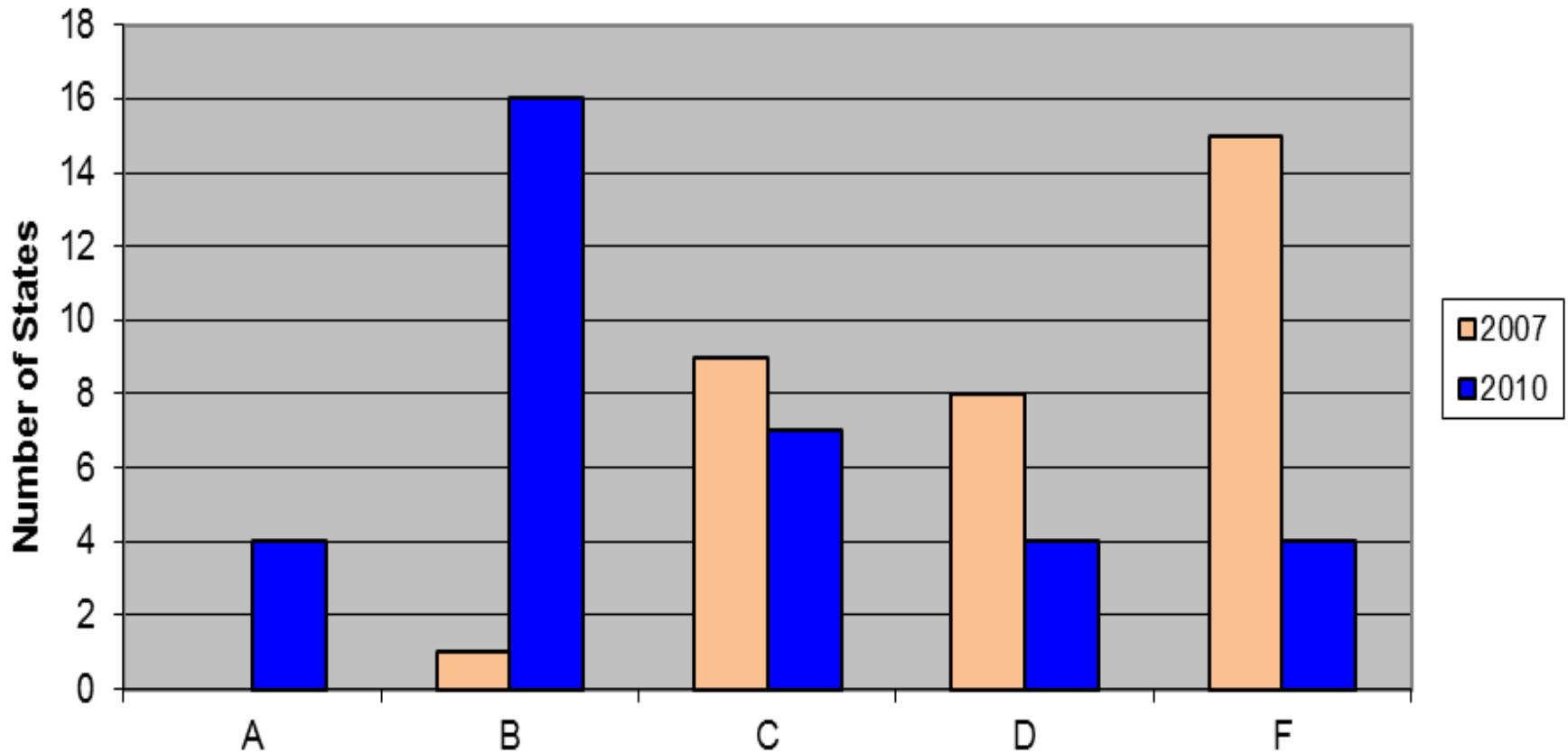
Net Metering Grades



Interconnection Key Issues

- Facility size
- Insurance
- Differentiation (easier procedures for easier ICs)
- Costs (including metering)
- Time for review (& on-line processing)
- Disconnect switch
- Network interconnections
- Dispute resolution
- Standard form agreements

Interconnection Grades



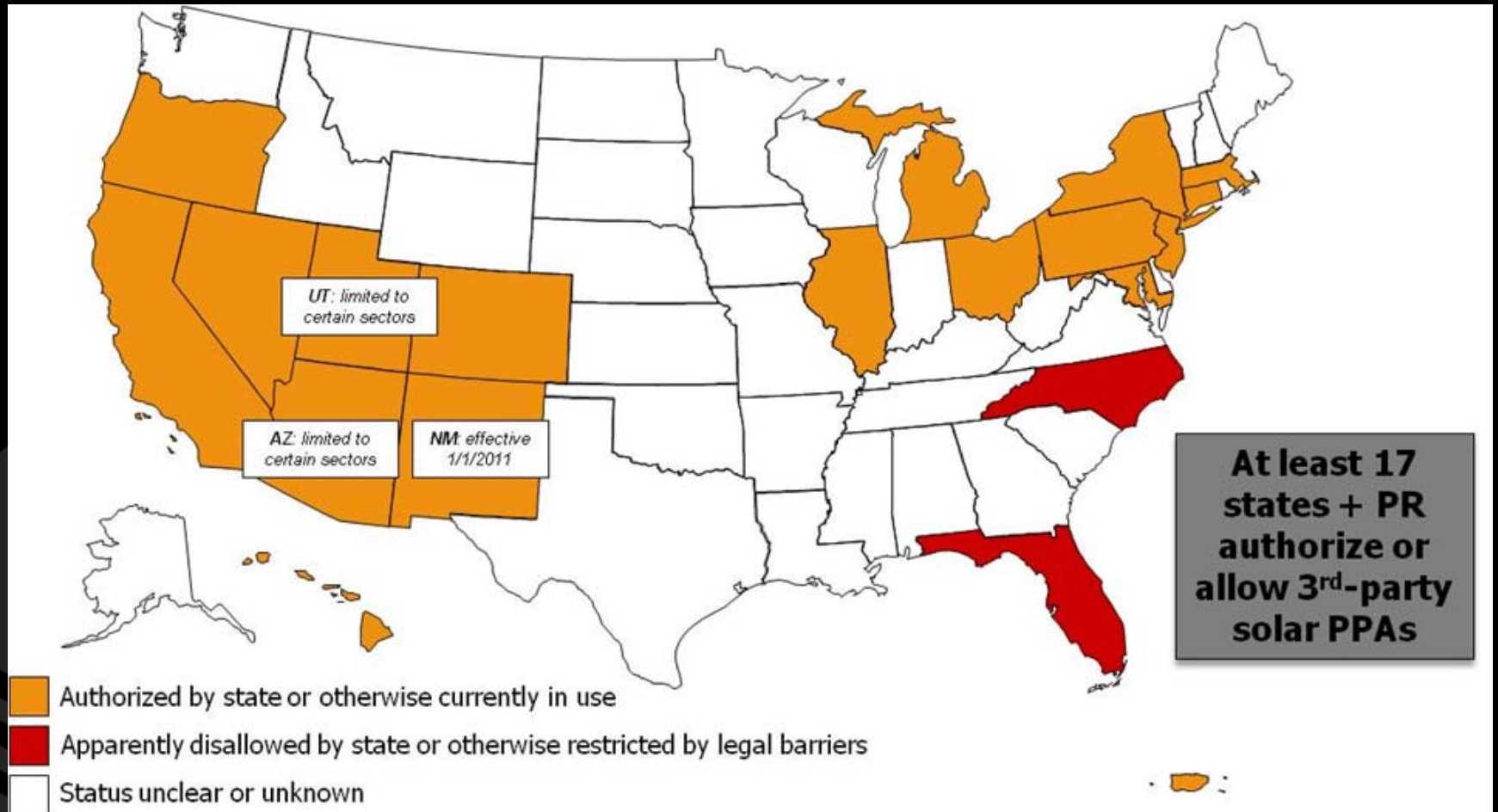
IREC NEM and IC Resources

- At www.irecusa.org, “Publications” tab:
 - IREC model NEM and IC rules
 - Connecting to the Grid Guide
- *Freeing the Grid 2010* grading of state NEM and IC procedures, soon to be at:
www.newenergychoices.org
- Solar ABCs report comparing leading IC procedures at: www.solarabcs.org/interconnection

Third Party Ownership

- Impacts how widely net metering is used
- Third party ownership is common for larger commercial facilities to monetize federal tax credits and depreciation (Treasury grants are a good alternative in 2010)
- Now being applied in residential sector as well
- Challenged on the basis that a third party owner would be a “public utility” prohibited from operating in exclusive service territory of the existing utility
- Where it is unsettled, third party owners don’t participate – severely limiting market potential

Third Party Power Purchase Agreements from www.dsireusa.org/July, 2010



Community Renewables

- Developed Community Renewable Power Proposal to stimulate feedback from stakeholders
- Published articles in relevant industry publications and held a webinar to disseminate findings
- Used feedback to develop Model Program Rules
- Assisting with implementation of community renewables in California, Colorado, Delaware, New York City, Washington State and the District of Columbia

California Issues

- California has 2/3 of the US solar
- Participated in California alternative fuel vehicle rulemaking to ensure compatibility between solar and plug-in electric vehicle policy
- Participating in California long term procurement planning proceeding to ensure that PV is incorporated into California's long term resource planning
- Assisting with California wholesale program development for distributed PV systems

Thank You

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