

Staff Draft/Straw Proposal –

**What does it mean to be “on the customer’s side of the meter” for net metering purposes?**

For the purposes of this subchapter, class I renewable energy that meets all of the following criteria shall be deemed to be generated on the customer’s side of the meter:

1. The renewable energy generation facility is located either:
  - i. Within the legal boundaries of the property on which the energy is consumed (The legal boundary of a property is set forth in the deed for the property.); or
  - ~~ii.~~ Within the legal boundaries of a property that is contiguous to the property on which the energy is consumed. The property on which the energy is consumed and the property on which the renewable energy generation facility is located shall be considered contiguous if they are geographically located next to each other, but may be otherwise separated by an easement, public thoroughfare, transportation or utility-owned right-of-way. A property shall be considered contiguous if it shares a common boundary with the property on which energy is consumed, or if the two properties are separated by no more than one easement, public thoroughfare, transportation right-of-way or utility-owned right-of-way;
  - ~~iii.~~ ii. way and, but for that separation, would share a common boundary. The fact that a public thoroughfare may be encumbered by third party easements does not alter a determination as to whether two properties would be considered contiguous.
2. The renewable energy is delivered from the generation facility to the property on which the energy is consumed through wires and/or other equipment installed, owned and operated by an entity other than the EDC; and
3. The renewable energy generation facility serves only one net metering customer of record, as defined in this section. If a property contains more than one generation facility, each facility shall:
  - i. Serve a separate net metering customer of record; and

**Comment [b1]:** In their response to staff's straw, Rate Counsel argues that other ratepayers subsidizing this arrangement. But if an entity other than EDC is providing the equipment, then this argument is void.

**STAFF DRAFT – September 16, 2011**

- ii. Meet the requirement at N.J.A.C. 14:8-4.3(a) that the generation facility's capacity not exceed the electricity supplied to the customer over an annualized period.

"Customer-generator" means an electricity customer [~~such as an industrial, large commercial, residential or small commercial customer~~], as defined at N.J.A.C. 14:3-1.1, that generates electricity on the customer's side of the meter, using a class I renewable energy source. Within the limits at N.J.A.C. 14:8-4.1, the Board may deem a pair of entities acting together – that is, a net metering generator and a net metering customer of record – to constitute one customer-generator.

"Net metering customer of record" means a customer of record, as defined at N.J.A.C. 14:3-1.1, that owns and/or operates electrical wires and/or equipment that is connected to the EDC's electric distribution system through a meter used for net metering. The net metering customer of record may or may not be the same entity as the net metering generator; and may or may not be located on the same property as the net metering generator, as these terms are defined in this section.

"Net metering generator" means an entity that owns and/or operates a renewable energy generation facility, the electricity from which is delivered to a net metering customer of record, as defined in this section. The net metering generator may or may not be the same entity as the net metering customer of record; and may or may not be located on the same property as the net metering customer of record, as these terms are defined in this section.

The Board shall hold the net metering customer of record responsible for ensuring compliance with this subchapter. Noncompliance with this subchapter, whether due to the action or inaction of the net metering generator or the net metering customer of record, will be deemed a violation by the net metering customer of record.