



Organization of PJM States, Inc. (OPSI)

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Resolution # OPSI-2012-5 RESOLUTION REGARDING PJM'S INVOLVEMENT IN NET ENERGY METERING

WHEREAS, interconnections to local distribution facilities for the purpose of Net Energy Metering (“NEM”) has been determined by the Federal Energy Regulatory Commission (“FERC”) as a retail function under state jurisdiction¹; *and*

WHEREAS, recent regulatory initiatives concerning NEM involves clean energy generation by retail customers located on state jurisdictional local distribution facilities; *and*

WHEREAS, OPSI Member Commissions have developed procedures for small generation interconnection and NEM on local distribution facilities, often as the result of legislative mandates; *and*

WHEREAS, NEM is pursued for explicit public policy goals as determined by state authorities often to obtain the benefits from an increase in the energy generated from clean energy sources as well as the reliability and other benefits of distributed generation; *and*

WHEREAS, NEM may involve hundreds, or even thousands, of individual customer generators in a given jurisdiction; *and*

WHEREAS, OPSI Member Commissions have developed, often with PJM assistance, suitable interconnection procedures for small generation interconnected on the local distribution system to recognize best practices for such interconnections, for example, IEEE 1547; *and*

NOW, therefore, be it resolved that OPSI recommends that PJM treat the energy produced by NEM generating facilities pursuant to an NEM retail tariff that results in a reduction in load as a state jurisdictional issue and develop no rules concerning

¹ E.g., 104 FERC ¶ 61,103, 18 CFR Part 35 [Docket No. RM02-1-000; Order No. 2003] Standardization of Generator Interconnection Agreements and Procedures (Issued July 24, 2003), ¶¶ 803 - 809.

NEM energy which would interfere or conflict with State regulations or Regulatory Commission oversight; *and*

BE it further resolved that OPSI recommends that PJM recognize the obligation of the Electric Distribution Company (“EDC”) to resolve reliability and other interconnection issues on the local distribution facilities as well as identify circumstances that could affect the reliability or other issues in the PJM transmission grid; *and*

BE it further resolved that OPSI recommends PJM should not implement unnecessary administrative, procedural, or other burdens imposed on NEM generating facilities to avoid creating costs that would have to be recovered from retail customers; *and*

BE it further resolved that to mitigate potential regulatory, jurisdictional, or other conflicts as a result of PJM proposals regarding NEM, PJM should adopt the maximum threshold level to exclude the greatest amount of NEM generating facilities from PJM business rules, manuals and tariffs consistent with PJM safety, reliability, and other appropriate considerations.

Adopted by the Board of Directors of the Organization of PJM States, Inc. on April 5, 2012
