

Talking points HB393 Keam Electric utilities; net energy metering, program cap.

Reason to support:

HB393 lifts the 1% cap on net-metered renewable energy projects, removing a looming threat to the health of Virginia's solar industry.

Today the amount of electricity that can be net metered from distributed solar is limited to 1% of each electric distribution company's adjusted peak-load forecast for the previous year. There is no known technical reason for this 1% limitation. In fact, the larger grid operator, PJM, has determined that it is technically feasible for the grid to accommodate up to 30% renewable energy without adverse effects.

Solar installers say the 1% limit will constrain sales well before the limit is reached. That's because prospective customers will worry that the 1% limit will be reached between their own contract signing and the date of deployment, leaving the customer unable to net meter.

- HB393 requires the Department of Mines, Minerals and Energy to make information about the amount of net metered energy readily available on its website so that prospective solar customer can be assured that there is head room for their excess generation.
- HB393 also requires the State Corporation Commission to undertake a study of the value of solar to the grid, utilities and the public when the 1% cap is reached. When the study is completed, the SCC is directed to make recommendations to the General Assembly as to what changes, if any, should be made to the net energy metering program.
- The value of solar study provision will give the SCC the ability to ensure that higher levels of net metered solar will provide an overall benefit, and it ensures the General Assembly will be the decision-maker for any changes to the program.

HB393 repeals the existing requirement that the net metering standard contract or tariff shall be available to eligible customer-generators or eligible agricultural customers on a first-come, first served basis in each electric distribution company's Virginia service area until the one percent cap is met.