

TITLE 17 PUBLIC UTILITIES AND UTILITY SERVICES
CHAPTER 10 ELECTRIC SERVICES
PART 571 NET METERING OF CUSTOMER-OWNED QUALIFYING
FACILITIES OF 10kW OR SMALLER [9-30-99]

- 1 ISSUING AGENCY:** New Mexico Public Regulation Commission, 224 East Palace Avenue, Santa Fe, NM 87501-2013. [9-30-99]
- 2 SCOPE:** This rule applies to every electric utility operating in New Mexico that is subject to the jurisdiction of the New Mexico Public Regulation Commission as provided by law. [9-30-99]
- 3 STATUTORY AUTHORITY:** The New Mexico Constitution, art. II, § 2, § 8-8-4 NMSA, the Public Regulation Commission Act, NMSA 1978, Sections 8-8-1 *et seq.*, in particular NMSA 1978, Section 8-8-15, the New Mexico Public Utility Act, NMSA 1978 Sections 62-3-1 *et seq.*, in particular NMSA 1978 Sections 62-6-1, 62-6-4, 62-6-19, 62-6-20 and 62-6-24, and regulations of the Federal Energy Regulatory Commission, 18 C.F.R. Section 292, promulgated pursuant to the Public Utility Regulatory Policies Act of 1978, Pub. L. No. 95-617, 92 Stat. 3117 (codified as amended starting at 16 U.S.C. Section 824). [9-30-99]
- 4 DURATION:** Permanent. [12-31-98]
- 5 EFFECTIVE DATE:** December 31, 1998, unless a later date is cited at the end of a section or paragraph. [12-31-98]
- 6 OBJECTIVE:** The purpose of this rule is to simplify the interconnection requirements for Qualifying Facilities of 10kW or smaller and encourage the use of small-scale customer-owned renewable or alternative energy resources in recognition of the beneficial effects the development of such resources will have on the environment of New Mexico. [9-30-99]
- 7 DEFINITIONS:** As used in this rule, unless otherwise specified:
 - 7.1 "Qualifying Facility" means a cogeneration or a small power production facility which has a design capacity of 10kW or smaller and meets the criteria for qualification contained in 18 C.F.R. Section 292.203. [9-30-99]
 - 7.2 "customer" means a customer of an electric utility who owns and/or operates a qualifying facility. [9-30-99]

7.3 “net metering” means measurement of the difference between the electricity that is supplied by an electric utility and the electricity that is generated by a Qualifying Facility and fed back to the utility over a billing period. [9-30-99]

8 **LIBERAL CONSTRUCTION:** This rule shall be liberally construed to carry out its intended purposes. [12-31-98]

9 **RELATIONSHIP TO OTHER COMMISSION RULES:** This rule is intended to supplement NMPRC Rule 570. In the case of any conflict between this rule and NMPRC 570, the provisions of this rule shall apply. [9-30-99]

10 **PROCEDURE FOR INTERCONNECTION:**

10.1 **General.** Unless otherwise specifically provided for in the standard interconnection agreement in 17 NMAC 10.571.17, the procedures in 17 NMAC 10.571.10.2 for standard interconnection agreements and interconnections shall be followed. [9-30-99]

10.2 **Conditions of interconnection.** A utility shall interconnect with any Qualifying Facility which:

10.2.1 is covered by a signed standard interconnection agreement between the customer and the utility which is consistent with the Commission approved form of agreement set forth in 17 NMAC 10.571.17. A utility shall provide a blank form of application for interconnection within ten (10) days of a written request for such form.

10.2.2 is capable of operating safely and commencing the delivery of power into the utility system;

10.2.3 has met all applicable safety and performance standards established by local and national electrical codes including the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories;

10.2.4 has met all applicable safety and performance standards adopted by the utility and filed with and approved by the Commission pursuant to this rule that are necessary to protect public safety and system reliability.

[9-30-99]

10.3 A customer whose Qualifying Facility otherwise complies with this rule may bring a complaint before the Commission pursuant to the NMPRC Utility Division Rules of Procedure, 17 NMAC 1.2 if it is unreasonably required by the

utility to meet additional interconnection requirements, perform or pay for additional tests, or pay additional interconnection-related charges.

[9-30-99]

10.4 Professional engineers certification not required. Qualifying facilities that meet the requirements of 17 NMAC 10.571.10.2 shall not be required by a utility to provide a certification from a professional electrical engineer. [9-30-99]

10.5 Isolation transformers and disconnection switches. A utility shall not require an isolation transformer for interconnection of single phase photovoltaic facilities meeting the requirements of 17 NMAC 10.571.10.2. If a utility determines that an isolation transformer is required for other types of qualifying facilities, the utility may file an application with the Commission requesting approval to require the transformer. The customer shall have installed and maintained in proper operable condition a separate load break disconnect switch as a visible means of disconnection, unless the customer and utility shall agree in writing to the use of the meter as a visible means of disconnecting single-phase photovoltaic facilities. [9-30-99]

10.6 Use of a single meter. When the customer is billed under a rate structure that does not include time-of-use energy pricing, a single energy meter shall be used to implement net metering of a Qualifying Facility unless an alternate metering arrangement is agreed to by the customer and utility. If either the utility or the customer requests an alternate form of metering or additional metering that is not required to accomplish net metering or is for the convenience of the party, the party requesting the change in metering shall pay for the alternate or additional metering arrangement. If the customer elects to take electric service under any rate structure, including time-of-use, that requires the use of metering apparatus or a metering arrangement that is more costly than would otherwise be necessary absent the requirement for net metering, the customer shall be required to pay the additional incremental cost of the required metering equipment. Within ten (10) days of receiving notification from the customer of the intent to interconnect, the utility will notify the customer of any metering costs. Charges for special metering costs shall be paid by the customer, or arrangements for payment agreed to between the customer and utility, prior to the utility authorizing interconnected operation.

10.7 Liability insurance. All customers are urged to obtain adequate liability insurance to cover risks, liabilities, and consequences which may arise as a result of interconnection with a utility system. For good cause shown, upon the petition of a utility the Commission may require a customer to obtain general liability insurance. [9-30-99]

10.8 Provision of interconnection agreement. The utility shall provide a blank form of the standard interconnection agreement in the form set out in Section 17 of this rule within ten (10) days of a request for such form. When a customer enters into an interconnect agreement pursuant to this rule, the utility shall provide the customer with a copy of that interconnect agreement. The utility shall file with the Commission a copy of each interconnect agreement entered into by the utility within 30 days of the date of the agreement. [9-30-99]

11 NET METERING CALCULATION: The electric company shall calculate each customer's bill for the billing period using net metering and with the following conditions: [9-30-99]

11.1 Customers shall be billed for service in accordance with the rate structure and monthly charges that the customer would be assigned if the customer had not interconnected a Qualifying Facility. Net energy produced or consumed on a monthly basis shall be measured in accordance with standard metering practices. [9-30-99]

11.2 If electricity supplied by the utility exceeds electricity generated by the customer during a billing period, the customer shall be billed for the net energy supplied by the utility under the rates applicable under 17 NMAC 10.571.11.1. [9-30-99]

11.3 If electricity generated by the customer exceeds the electricity supplied by the grid during a billing period, the utility shall credit the customer on the next bill for the excess kilowatt-hours generated, by:

11.3.1 crediting or paying the customer for the net energy supplied to the utility at the utility's energy rate pursuant to NMPRC Rule 570.17; or

11.3.2 crediting the customer for the net kilowatt-hours of energy supplied to the utility. Unused credits shall be carried forward from month to month. [9-30-99]

11.4 If a utility opts to credit customers under 17 NMAC 10.571.11.3.2, and the customer leaves the system, customer's unused credits for excess kilowatt-hours generated shall be paid to the customer at the utility's energy rate pursuant to NMPRC Rule 570.17. [9-30-99]

12 COMPLAINTS AND INVESTIGATIONS: The procedures set forth in NMSA 1978 Sections 62-8-7 and 62-10-1, and the complaint and investigation provisions of the NMPRC Utility Division Rules of Procedure, 17 NMAC 1.2, shall be applicable for the resolution of complaints and investigations arising out of the implementation and conduct of this rule. The customer and utility are encouraged to use alternative dispute resolution mechanisms as provided in 17 NMAC 1.2. [9-30-99]

13 SEVERABILITY: If any part of this rule or any application thereof is held invalid, the remainder of this rule or its application to other situations or persons shall not be affected. [9-30-99]

14 EXEMPTION OR VARIANCE:

14.1 Any interested person may file an application for an exemption or a variance from the requirements of this rule. Such application shall:

14.1.1 describe the situation which necessitates the exemption or variance;

14.1.2 set out the effect of complying with this rule on the utility and its customers if the exemption or variance is not granted;

14.1.3 identify the section of this rule for which the exemption or variance is requested;

14.1.4 define the result which the request will have if granted;

14.1.5 state how the exemption or variance will promote the achievement of the purposes of this rule;

14.1.6 state why no other reasonable alternative is available.

[9-30-99]

14.2 If the Commission determines that the exemption or variance is consistent with the purposes of this rule, the exemption or variance may be granted. The Commission may at its option require an informal conference or formal evidentiary hearing prior to the granting of the variance. [9-30-99]

15 MOTION FOR STAY PENDING AMENDMENT, EXEMPTION, OR VARIANCE: An application for an amendment, exemption, or a variance may include a motion that the Commission stay the application of the affected portion of this rule for the transaction specified in the motion. [9-30-99]

16 CUSTOMER INFORMATION: The utility shall provide clear and concise information to all customers regarding this rule, including, but not limited to, contact persons and a description of net metering. The information shall be provided in a bill insert or separate mailing and at the following intervals:

16.1 the first month following the effective date of this rule and substantive amendments to this rule; and

16.2 at least every year thereafter.
[9-30-99]

17 STANDARD INTERCONNECTION AGREEMENT:

[NAME OF UTILITY]

STANDARD INTERCONNECTION AGREEMENT FOR
QUALIFYING FACILITIES 10 kW OR LESS

_____ (Customer) and _____ (Utility), referred to collectively as parties and individually as party, agree as follows:

1. QUALIFYING FACILITY 10 kW OR LESS:

Customer's electric service account number _____

Type of generating facility
(solar, wind, etc.) _____

Rated generating capacity _____ (kW)

Customer and facility address _____

Facility will be ready for operation on or about _____ (date)

Operating option

Customer has elected to operate its Qualifying Facility in parallel with Utility's system.

Customer understands that if this agreement is accepted connection and operation of customer Qualifying Facility must meet at all times all applicable safety and performance standards, including those established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, and all additional safety and performance standards of Utility or adopted by the Commission pursuant to this rule that are necessary to protect public safety and system reliability.

Customer shall be subject to the terms and conditions set forth in 17 NMAC 10.571, a copy of which is attached to this agreement. Customer hereby acknowledges that Customer has read 17 NMAC 10.571.

1. CREDIT FOR NET ENERGY. Credit for net energy shall be in accordance with 17NMAC10.571.11.
2. INTERRUPTION OR REDUCTION OF DELIVERIES.

Utility shall not be obligated to accept or pay for and may require Customer to interrupt or reduce deliveries of available energy:

when necessary in order to construct, install, maintain, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or

if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices.

Whenever possible, Utility shall give Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required.

Notwithstanding any other provision of this agreement, if at any time Utility reasonably determines that either:

the facility may endanger Utility personnel or other persons or property, or

the continued operation of Customer's facility may endanger the integrity or safety of Utility's electric system,

Utility shall have the right to disconnect and lock out Customer's facility from Utility's electric system. Customer's facility shall remain disconnected until such time as Utility is reasonably satisfied that the conditions referenced in this section have been corrected.

5. INTERCONNECTION.

Customer shall deliver the as-available energy to Utility at the Utility's meter.

Customer shall pay for designing, installing, operating, and maintaining the electric generating facility in accordance with all applicable laws and regulations.

Utility shall furnish and install a standard kilowatt-hour meter. Customer shall provide and install a meter socket and any related interconnection equipment per Utility's requirements.

Utility may meter the customer's usage using two meters for measurement of energy flows in each direction at the point of delivery. Additional metering shall be at the expense of the party choosing to install additional meters, unless net metering cannot be accomplished otherwise; provided, however, that Customer's and Utility's responsibility for metering costs will be in accordance with the provisions of 17 NMAC 10.571.10.6.

Customer shall provide a clearly understandable sketch or one-line diagram showing the Qualifying Facility, the interconnection equipment, breaker panel(s), disconnect switches and metering, to be attached to this Agreement.

[Utility agrees with Customer's written election, attached to this Agreement, to use the meter as the visible means of disconnect rather than installing a separate load break disconnect switch.]

Customer shall not commence parallel operation of the generating facility until written approval of the interconnection facilities has been given by Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, Utility approval to operate Customer's Qualifying Facility in parallel with Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee or representation concerning the safety, operating characteristics, durability or reliability of Customer's Qualifying Facility. Utility shall have the right to have its representatives present at the initial testing of Customer's protective apparatus.

6. MAINTENANCE AND PERMITS. Customer shall:

maintain the generating facility and interconnection facilities in a safe and prudent manner and in conformance with all applicable laws and regulations including, but not limited to, Utility's interconnection requirements as set out in Appendix A to this Agreement, and

obtain any governmental authorizations and permits required for the construction and operation of the electric generating facility and interconnection facilities.

7. ACCESS TO PREMISES. Utility may enter Customer's premises:

to inspect at all reasonable hours Customer's protective devices and read or test meter; and

to disconnect, without notice, the interconnection facilities if Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or Utility's facilities, or property of others from damage or interference caused by Customer's facilities, or lack of properly operating protective devices.

8. INDEMNITY AND LIABILITY.

Each party shall indemnify the other party, its directors, officers, agents and employees against all loss, damages expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering design, construction ownership or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such party's works or facilities used in connection with this agreement by reason of omission or negligence, whether active or passive. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity. It is the intent of the parties hereto that, where negligence is determined to have been contributory, principles of comparative negligence will be followed and each party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that party's negligence.

Nothing in this agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a party to this agreement. Neither Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design construction, ownership, maintenance or operation of, or making of replacements, additions or betterment to, customer's facilities by customer or any other person or entity.

Neither Utility, its officers, agents or employees shall be liable for damages to the electrical generating equipment caused by an electrical disturbance on the Utility system or on the system of another, whether or not the electrical disturbance results from the negligence of Utility.

9. GOVERNING LAW. This agreement shall be interpreted, governed, and construed under the laws of the state of New Mexico as if executed and to be performed wholly within the state of New Mexico.
10. AMENDMENT, MODIFICATIONS OR WAIVER. Any amendments or modifications to this agreement shall be in writing and agreed to by both parties. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term or covenant contained in this agreement, whether by conduct or otherwise, shall be deemed to be construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant unless such waiver is in writing.
11. NOTICES. All written notices shall be directed as follows:

Attention: [Utility Agent or Representative]
[Utility Name and Mailing Address]

Attention: CUSTOMER
Name: _____

Address: _____
City: _____

Customer notices to Utility pursuant to section 12 of this Agreement shall refer to the Customer's electric service account number set forth in section 1 of this agreement.

- 12. TERM OF AGREEMENT. This Agreement shall be in effect when signed by the Customer and Utility and shall remain in effect thereafter month to month unless terminated by either party on thirty (30) days' prior written notice in accordance with section 11.
- 13. ASSIGNMENT. This Agreement and all provisions hereof shall inure to and be binding upon the respective parties hereto, their personal representatives, heirs, successors, and assigns. Customer shall not assign this Agreement or any part hereof without the prior written consent of Utility, and such unauthorized assignment may result in the termination of this Agreement in accordance with section 12.
- 14. APPENDICES. This Agreement includes the following appendices or attachments, as labeled and incorporated herein by reference:

Utility's Interconnection Standards for Qualifying Facilities 10kW or Less.

Customer's written request to Utility of intent to interconnect Qualifying Facility.

Customer's written election to use meter as visible means of disconnect.

Customer's sketch or one line diagram and site drawing, and generation and protection equipment specifications.

Utility's written authorization to interconnect.

IN WITNESS WHEREOF, the parties have caused two originals of this agreement to be executed by their duly authorized representatives. This agreement is effective as of the last date set forth below.

CUSTOMER

By: _____

Name: _____

Title: _____

Date: _____

UTILITY

By: _____

Name: _____

Title: _____

Date: _____

[9-30-99]