

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Rule 25-6.065,
F.A.C., Interconnection of Small
Photovoltaic Systems.

DOCKET NO. 010982-EI
ORDER NO. PSC-01-1972-NOR-EI
ISSUED: October 4, 2001

NOTICE OF RULEMAKING

NOTICE is hereby given that the Florida Public Service Commission, pursuant to Section 120.54, Florida Statutes, has initiated rulemaking to adopt Rule 25-6.065, Florida Administrative Code, relating to interconnection of small photovoltaic systems.

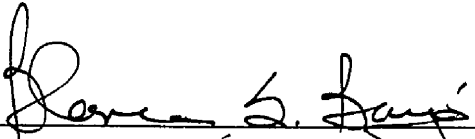
The attached Notice of Rulemaking will appear in the October 12, 2001 edition of the Florida Administrative Weekly.

If timely requested, a hearing will be held at the following time and place:

Florida Public Service Commission
1:00 p.m., December 5, 2001
Betty Easley Conference Center
Room 148, 4075 Esplanade Way
Tallahassee, Florida

Written requests for hearing and written comments or suggestions on the rule must be received by the Director, Division of the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, no later than November 2, 2001.

By ORDER of the Florida Public Service Commission, this 4th day of October, 2001.



BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

(S E A L)
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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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NOTICE OF PROPOSED RULEMAKING

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 010982-EU

RULE TITLE:

RULE NO.:

Interconnection of Small Photovoltaic Systems

25-6.065

PURPOSE AND EFFECT: To encourage customers of investor-owned electric utility to use renewable generation for their own needs by enabling the interconnection of small photovoltaic systems with the electric utility and establishing standards to protect the reliability and safety of the electric utility's system.

SUMMARY: Rule 25-6.065 establishes standards for the interconnection of small photovoltaic systems (SPS) with the electric grid and requires investor-owned electric utilities to file an interconnection agreement with the Commission.

SUMMARY OF STATEMENT OF ESTIMATED REGULATORY COST: Additional costs are expected for activities such as reviewing and processing applications for interconnection, the cost of an engineer to be present at testing and inspecting of the SPS, modification of billing systems to handle customer generated kWh credits, additional meter costs if the utility chooses to install a separate meter, and the cost of developing a new tariff. Although there is

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an additional cost in lost revenues to the utility under net metering, because the customer is essentially being compensated at the retail rate rather than the avoided cost rate, there are additional administrative costs when a second meter is installed instead of net metering. In addition to the cost of equipment, the customer will be responsible for paying the utility a fee for processing the application. Customers may also have the cost of purchasing and installing a manual disconnect switch if it is required by the host utility.

Any person who wishes to provide information regarding the statement of estimated regulatory costs, or to provide a proposal for a lower cost regulatory alternative must do so in writing within 21 days of this notice.

SPECIFIC AUTHORITY: 350.127(2), 366.05(1), FS

LAW IMPLEMENTED: 366.04(2)(c), (5), (6), 366.041, 366.05(1), 366.81,
FS

WRITTEN COMMENTS OR SUGGESTIONS ON THE PROPOSED RULE MAY BE SUBMITTED TO THE FPSC, DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES, WITHIN 21 DAYS OF THE DATE OF THIS NOTICE FOR INCLUSION IN THE RECORD OF THE PROCEEDING.

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IF REQUESTED WITHIN 21 DAYS OF THE DATE OF THIS NOTICE, A HEARING WILL BE HELD AT THE TIME, DATE, AND PLACE SHOWN BELOW (IF NOT REQUESTED, THIS HEARING WILL NOT BE HELD):

TIME AND DATE: 1:00 P.M., December 5, 2001

PLACE: Room 148, Betty Easley Conference Center, 4075 Esplanade Way, Tallahassee, Florida.

THE PERSON TO BE CONTACTED REGARDING THE PROPOSED RULE IS:
Director of Appeals, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0862, (850) 413-6245.

THE FULL TEXT OF THE PROPOSED RULE IS:

25-6.065 Interconnection of Small Photovoltaic Systems

(1) A small photovoltaic system (SPS) is a solar powered generating system that uses an inverter rated at no more than 10 kW alternating current (AC) power output and is primarily intended to offset part or all of a customer's current electricity requirements.

(2) Each investor-owned electric utility (utility), within 30 days of the effective date of this rule, shall file for Commission approval a Standard Interconnection Agreement for interconnecting an SPS. Where a utility refuses to interconnect with an SPS or attempts to impose unreasonable standards or conditions, the SPS

customer may petition the Commission for relief. The utility shall have the burden of demonstrating to the Commission why interconnection with the SPS should not be required or that the standards or conditions the utility seeks to impose on the SPS are reasonable. The SPS Standard Interconnection Agreement shall, at a minimum, contain the following:

(a) A list of standards approved by nationally recognized professional organizations that address the design, installation, and operation of the SPS. It is the customer's responsibility to ensure compliance with such standards.

(b) A requirement that the SPS must be inspected and approved by local code officials prior to its operation in parallel with an investor-owned electric utility to ensure compliance with applicable local codes.

(c) A requirement for general liability insurance for personal and property damage in the amount of no more than \$100,000. A homeowner's policy that furnishes at least this level of liability coverage will meet the requirement for insurance.

(d) Identification of a reasonable charge for processing the application for interconnection.

(e) Provisions that permit the utility to inspect the SPS and its component equipment, and the documents necessary to ensure compliance with subsections (a) through (d). The utility has the right to have personnel present at the initial testing of customer equipment and protective apparatus.

(f) A provision that the customer who operates an SPS is responsible for protecting its generating equipment, inverters, protection devices, and other system components from damage from the normal and abnormal conditions and operations that occur on the utility system in delivering and restoring system power; and is responsible for ensuring that the SPS equipment is inspected, maintained, and tested in accordance with the manufacturer's instructions to insure that it is operating correctly and safely.

(3) The SPS Interconnection Agreement may require the customer to:

(a) Install, at the customer's expense, a manual disconnect switch of the visible load break type to provide a separation point between the AC power output of the SPS and any customer wiring connected to the utility's system. The manual disconnect switch shall be mounted separate from the meter socket and shall be readily accessible to the utility and capable of being locked in

the open position with a utility padlock. The utility may open the switch, isolating the SPS, without prior notice to the customer. To the extent practicable, however, prior notice shall be given.

(b) Provide a written agreement to hold harmless and indemnify the utility from all loss resulting from the operation of the SPS, except in those cases where loss occurs due to the negligent actions of the utility.

(4) The utility shall provide the customer with written notice that it has received the documents required by the Standard Interconnection Agreement within 10 business days of receipt. The customer shall not begin parallel operations until the customer has received this written notice.

(5) Any of the following conditions shall be cause for the utility to disconnect the SPS from its system:

(a) Utility system emergencies or maintenance requirements;

(b) Hazardous conditions existing on the utility system due to the operation of the customer's SPS generating or protective equipment as determined by the utility;

(c) Adverse electrical effects (such as power quality problems) on the electrical equipment of the utility's other

electric consumers caused by the SPS as determined by the utility;

or

(d) Failure of the customer to maintain the required insurance.

The SPS shall be reconnected to the utility grid as soon as practical once the conditions causing the disconnection cease to exist.

(6) The utility may install, at its own expense, an additional meter or metering equipment on the customer's premises capable of measuring any excess kilowatt-hours produced by the SPS and delivered back to the utility. The value of such excess generation shall be credited to the customer's bill based on the host utility's COG-1 tariff, or by other applicable tariffs approved by the Florida Public Service Commission. If the utility does not install such a meter or metering equipment, the utility shall permit the customer to net meter any excess power delivered to the utility by use of a single standard watt-hour meter capable of reversing directions to offset recorded consumption by the customer. If the kilowatt-hour of energy produced by the SPS exceeds the customer's kilowatt-hour consumption for any billing period, such that when the meter is read the value displayed on the

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register is less than the value displayed on the register when it was read at the end of the previous billing period, the utility shall carry forward credit for the excess energy to the next billing period. Credits may accumulate and be carried forward for a 12-month period specified by the utility in the SPS Interconnection Agreement. In no event shall the customer be paid for excess energy delivered to the utility at the end of the 12-month period.

NAME OF PERSON ORIGINATING PROPOSED RULE: Roland Floyd

NAME OF SUPERVISOR OR PERSONS WHO APPROVED THE PROPOSED RULE:
Florida Public Service Commission.

DATE PROPOSED RULE APPROVED: October 2, 2001

DATE NOTICE OF PROPOSED RULE DEVELOPMENT PUBLISHED IN FAW: Volume
26, Number 47, November 22, 2000

If any person decides to appeal any decision of the Commission with respect to any matter considered at the rulemaking hearing, if held, a record of the hearing is necessary. The appellant must ensure that a verbatim record, including testimony and evidence forming the basis of the appeal is made. The Commission usually makes a verbatim record of rulemaking hearings.

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Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least 48 hours prior to the hearing. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at: 1-800-955-8771 (TDD).