

NY PSC Raises Net Metering Limit in Hudson Valley; Considers Raising Limit Elsewhere in State

November 28, 2012

Governor Andrew Cuomo has declared that New York State is dedicated to being a leader in renewable energy production and use. [1] As a part of its efforts to encourage the private development of alternative energy technology, the legislature has adopted net metering for alternative energy producers. [2] Net metering allows consumers to obtain credit from their electric utility for any energy the customer produces from an eligible on-site alternative energy system, above the amount that the consumer uses. [3] Net metering measures the flow of power in both directions and charges or credits the customer based on the net quantity that was delivered to or from the customer. By statute, the state has established a minimum amount of net metering that utility companies must provide to consumers. [4] While utility companies are free to offer net metering above the statutory minimum, this minimum often operates as a limit on the amount of net metering that a utility company will offer.

Recently, the New York State Public Service Commission issued an order tripling the net metering “limit” for Central Hudson Gas and Electric. [5] The order was issued in response to a petition filed by Hudson Valley Clean Energy, Inc. (d/b/a Hudson Solar) in response to Central Hudson’s announcement that it had achieved its net metering limit of one percent of peak demand (12 MW) and would suspend new net metering applications. The Commission order states:

The increase will make available sufficient net metering to accommodate the anticipated contribution from Central Hudson’s service territory toward the statewide solar photovoltaic (PV) installation goals of the NY-Sun Initiative, which are currently incorporated into the Commission’s Renewable Portfolio Standard (RPS), as well as the anticipated demand for net metering related to other eligible technologies. [6]

Importantly, this Order opened the door for the possibility of a similar increase of the net metering limit in the rest of the State (except for the service territory of the Long Island Power Authority). The Commission has called for comments from the public regarding raising the net metering limit for each of state’s investor-owned public utilities. [7] The deadline for comments is December 31, 2012.

1. “New York is a national leader in renewable energy production and use. Not counting our large-scale hydropower resources, close to 2,000 megawatts of renewable energy capacity has been built in New York — a number nearly three times greater than the combined total of Massachusetts, New Jersey, and Connecticut.” Gov. Andrew Cuomo, State of the State Address (Jan. 4, 2012), *available at*

<http://www.nyenergyhighway.com/Content/pdf/Building-a-New-New-York-Book.pdf>.

2. See NY Pub. Serv. Law §§ 66-j, 66-l (McKinney 2011).
3. *Id.*
4. *Id.*; See also Pub. Serv. Comm., Case 12-E-0343, Order Raising Net Metering Limit (Oct. 22, 2012), 3 (“The statutory minimums are 1% of the electric corporation’s peak electric demand for the year 2005 under §66-j(3)(a)(iii) and 0.3% of 2005 peak demand under PSL §66-l(3)(a)(iii)”).
5. Pub. Serv. Comm., Case 12-E-0343, Order Raising Net Metering Limit (Oct. 22, 2012).
6. *Id.*, *mimeo* at 2 [*citation omitted*].
7. See *id.*; Pub. Serv. Comm., Cases 12-E-0485 to 12-E-0490, Notices Soliciting Comments (Oct. 25, 2012).

Practices

Industries

- Energy and Utilities

Attorneys

- David T. Metcalfe