

Submitted by: Chair of the Assembly at the  
Request of the Mayor

Prepared by: Municipal Light & Power

For reading: September 28, 2010

CLERK'S OFFICE

**APPROVED**

9-28-10

ANCHORAGE, ALASKA

AR No. 2010-271

Date:

1 A RESOLUTION AUTHORIZING SUBMISSION BY MUNICIPAL LIGHT &  
2 POWER (ML&P) OF TARIFF ADVICE (TA) 308-121 REVISING ITS TARIFF  
3 TO COMPLY WITH NEWLY ADOPTED REGULATIONS 3 AAC 50.900-50.949,  
4 NET METERING, TO THE REGULATORY COMMISSION OF ALASKA  
5 (RCA).  
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7  
8 WHEREAS, the RCA has adopted new regulations 3 AAC 50.900-50.949, Net  
9 Metering, which requires electric utilities such as ML&P to include provision in their  
10 tariffs allowing customers to connect net metered generation to their loads; and  
11

12 WHEREAS, TA 308-121, if approved by the RCA, will bring ML&P's tariff into  
13 compliance with 3 AAC 50.900-50.949 while protecting ML&P's rate payers to the  
14 maximum extent allowed by those regulations; and  
15


16 WHEREAS, the ML&P Utility Board of Directors has authorized ML&P management  
17 to transmit TA 308-121 to the Assembly for approval in order to be submitted to the RCA  
18 (ML&P Board Resolution No. 2010-04 attached); now, therefore  
19

20 THE ANCHORAGE ASSEMBLY RESOLVES:

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22 Section 1. ML&P Management is authorized to submit TA 308-121 to the RCA for  
23 approval in compliance with 3AAC 50.900-50.949.  
24

25 Section 2. This resolution shall be effective immediately upon passage and approval by  
26 the Assembly.  
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28 PASSED AND APPROVED by the Anchorage Assembly this 28<sup>th</sup> day of  
29 September, 2010  
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Chair of the Assembly

ATTEST:

  
Municipal Clerk



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 503-2010

Meeting Date: September 28, 2010

1 FROM: MAYOR

2  
3 SUBJECT: A RESOLUTION AUTHORIZING SUBMISSION BY MUNICIPAL  
4 LIGHT & POWER (ML&P) OF TARIFF ADVICE (TA) 308-121  
5 REVISING ITS TARIFF TO COMPLY WITH NEWLY ADOPTED  
6 REGULATIONS 3 AAC 50.900-50.949, NET METERING, TO THE  
7 REGULATORY COMMISSION OF ALASKA (RCA).  
8

9 After an extensive public process including multiple public workshops and public meetings, the  
10 RCA has promulgated new net metering regulations, 3 AAC 50.900-50.949. These regulations  
11 became effective on June 16, and require utilities with annual retail sales of 5,000,000 kWh or more  
12 to incorporate certain new provisions in their tariffs allowing net metering by their customers. Net  
13 metering is the term generally applied to the practice of allowing customers to connect generation to  
14 their loads and operate their generation in parallel with the utility's generation, so that the revenue  
15 meter sees only the customer's load net of the customer's self-generation. The new regulations also  
16 require the utilities to allow the customer to push energy back to the utility grid through the meter,  
17 running the meter backwards. If the customer has a credit energy balance at the end of a billing  
18 month, the utility is permitted to zero the balance by purchasing the excess energy at the utility's  
19 nonfirm power purchase (Qualifying Facility) rate. The regulations adopted by the RCA include  
20 significant limitations and safeguards which ML&P believes will limit the harm to an insignificant  
21 level.  
22

23 Management has prepared TA 308-121, which will bring its tariff into compliance with the new  
24 regulations. ML&P management recommends approval of TA 308-121 for filing because (A) the  
25 changes are required to bring ML&P's tariff into compliance with newly adopted state regulations,  
26 and (B) it includes provisions that substantially protect the utility and its rate payers from any harm  
27 that might result from net metering. The ML&P Board of Directors has approved the filing, which  
28 now must be approved by the Anchorage Assembly before it can be filed with the RCA.  
29

30 The tariff revisions are not expected to require significant additional expenditure, but could result in  
31 a small (probably much less than 1%) loss of revenue, which would persist until the next general  
32 rate revision.  
33

34 The core of the proposed changes is a new rule, 10 Net Metering:

35 Rule 10.1 Eligibility sets forth the requirements for customer owned generation to be  
36 eligible for net metering, and the conditions under which the utility may deny net  
37 metering to generators that would otherwise be eligible. The limitations on the  
38 utility's obligation to allow net metering reflect limitations in the regulation, and are  
39 intended to protect the utility's customers from the severe financial burdens that  
40 would result from unlimited net metering.

41 Rule 10.2 Interconnection provides that net metered generation must be connected to  
42 the customer's facilities in accordance with Appendix A to the tariff,  
43 "*Interconnection and Operating Requirements For Non-Utility Generation Up to*  
44 *5,000 kVA.* "

45 Rule 10.3 Application provides that before a customer connects a generation system,

1 they must submit an application.

2 Rule 10.4 Metering defines the standard metering for a net metered service and  
3 provides that ML&P may, at its own cost, install additional metering.

4 Rule 10.5 Billing and Charges defines how net metered customers will be charged for  
5 services rendered by the utility, and how they will be credited for excess generation  
6 from their facility during a month.

7 Rule 10.6 Demand and Capacity Information sets forth the utility's average retail  
8 demand for the previous year, and 1.5% of that average. It also shows the total net  
9 metered capacity connected to ML&P's system as of the date of filing. This  
10 information is required by the regulation, and provides information to potential net  
11 metering customers about the risk that the utility will deny their application because it  
12 already has as much net metered generation as it is required to accept. It will be  
13 revised with current information within the first two months of every year.

14 In addition to these core changes, the following revisions are required:

15 Sheets 28 and 29, Rule 6.5 Access to Customer's Premises is revised to clarify the  
16 requirement that any ML&P customer must provide ML&P with access to its  
17 equipment and required interconnection equipment and that refusal to provide access  
18 may result in disconnection. This requirement has always been important, but it  
19 assumes critical importance when the customer is operating generation  
20 interconnected to the grid.

21 Sheet 32.1, Rule 6.11.2 Notification Policy is revised at B. Without Notice to provide  
22 that connection to another electrical system except as allowed in Section 6.12  
23 constitutes an immediate hazard threatening the safety of ML&P's Personnel. This  
24 clarifies that ML&P can immediately disconnect a customer that has connected  
25 unauthorized generation to the grid.

26 Sheet 33, Rule 6.12 Connection to other Systems is revised to allow customers to  
27 connect to net metered generation, or other generation by special contract, in addition  
28 to being allowed to connect to a stand-by system.

29 **THE ADMINISTRATION RECOMMENDS APPROVAL OF A RESOLUTION**  
30 **AUTHORIZING SUBMISSION BY MUNICIPAL LIGHT & POWER (ML&P) OF**  
31 **TA 308-121 REVISING ITS TARIFF TO COMPLY WITH NEWLY ADOPTED**  
32 **REGULATIONS 3 AAC 50.900-50.949, NET METERING, TO THE REGULATORY**  
33 **COMMISSION OF ALASKA (RCA).**

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35 Prepared by: James M. Posey, General Manager, ML&P  
36 Concur: George J. Vakalis, Municipal Manager  
37 Respectfully submitted: Daniel A. Sullivan, Mayor  
38

**MUNICIPAL LIGHT & POWER BOARD OF DIRECTORS**  
Resolution No. 2010- 04

1 A RESOLUTION OF THE ANCHORAGE MUNICIPAL LIGHT AND POWER (ML&P)  
2 BOARD OF DIRECTORS AUTHORIZING ML&P MANAGEMENT TO FILE PROPOSED  
3 TA 308-121 AT THE EARLIEST POSSIBLE TIME WITH THE REGULATORY  
4 COMMISSION OF ALASKA  
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7 **WHEREAS:** The Regulatory Commission of Alaska (RCA) has issued new regulations 3  
8 AAC 50.900 - 949, which became effective June 16, 2010; and  
9

10 **WHEREAS:** The new regulations require ML&P and other large electric utilities to allow  
11 customers to connect and operate net metered generation; and  
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13 **WHEREAS:** The new regulations provide certain safeguards for utilities required to offer  
14 net metering to customers; and  
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16 **WHEREAS:** The new regulations require ML&P and other utilities to include  
17 interconnection standards in their tariffs; and  
18


19 **WHEREAS:** TA 308-121 proposed by ML&P management is designed to comply with the  
20 requirements of 3 AAC 50.900 - 949 and to incorporate the safeguards  
21 provided therein; and  
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23 **WHEREAS:** Assembly approval of this tariff is required by ML&P's Board of Director's  
24 by-laws;  
25

26 **NOW THEREFORE, THE ML&P BOARD OF DIRECTORS RESOLVES** that ML&P  
27 management is authorized to forward TA 308-121 to the Assembly for approval and file  
28 proposed TA 308-121 at the earliest possible time with the RCA.  
29

30 **PASSED AND APPROVED** by the ML&P Board of Directors this 25<sup>th</sup> day of August, 2010.  
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32  
33 ATTEST:

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35 Linda R. Davidovics  
36 ML&P Board Secretary  
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Mark C. Wiggin, Chairman  
ML&P Board of Directors

**Content ID:** 009382**Type:** AR\_AllOther - All Other Resolutions

**Title:** A RESOLUTION AUTHORIZING SUBMISSION BY MUNICIPAL LIGHT & POWER (ML&P) OF TARIFF ADVICE (TA) 308-121 REVISING ITS TARIFF TO COMPLY WITH NEWLY ADOPTED REGULATIONS 3 AAC 50.900-50.949, NET METERING, TO THE REGULATORY COMMISSION OF ALASKA (RCA).

**Author:** maglaquijp**Initiating Dept:** MLP**Prepared:** 9/7/10 4:04 PM**Director Name:** James M. Posey**Assembly Meeting Date:** 9/28/10

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