

“Spot network” has the same meaning as assigned to the term under IEEE Standard 1547 Section 4.1.4, (published July 2003), which is incorporated herein by reference, as amended and supplemented. IEEE standard 1547 can be obtained through the IEEE website at [www.ieee.org](http://www.ieee.org). As of October 4, 2004, IEEE Standard 1547 defined “spot network” as “a type of electric distribution system that uses two or more inter-tied transformers to supply an electrical network circuit.” A spot network is generally used to supply power to a single customer or a small group of customers.

#### 14:8-4.3 Net metering general provisions

(a) All electric distribution companies (EDCs) and supplier/providers, as defined at N.J.A.C. 14:4-1.2 and 14:8-1.2, respectively, shall offer net metering to their residential and small commercial customers, as defined at N.J.A.C. 14:8-4.2, that generate electricity, on the customer’s side of the meter, using class I renewable energy sources, provided that the generating capacity of the customer-generator’s facility does not exceed two megawatts, and does not exceed the amount of electricity supplied by the electric power supplier or basic generation service provider to the customer over an annualized period.

(b) The EDC shall develop a tariff providing for net metering. Each supplier/provider and EDC shall make net metering available to eligible customer-generators on a first-come, first-served basis.

(c) If, in a given monthly billing period, a customer-generator supplies more electricity to the electric distribution system than the EDC or supplier/provider delivers to the customer-generator, the EDC and supplier/provider shall credit the customer-generator for the excess. To do this, the EDC or supplier/provider shall reduce the customer-generator’s bill for the next monthly billing period to compensate for the excess electricity from the customer-generator in the previous billing period.

(d) The EDC and supplier/provider shall carry over credit earned under (c) above from monthly billing period to monthly billing period, and the credit shall accumulate until the end of the annualized period, as defined at N.J.A.C. 14:8-4.2.

(e) At the end of each annualized period, the supplier/provider shall compensate the customer-generator for any excess kilowatt hours generated, at the electric power supplier’s or basic generation service provider’s avoided cost of wholesale power, as defined at N.J.A.C. 14:8-4.2.

(f) If a customer-generator switches electric suppliers, the electric power supplier or basic generation service provider with whom service is terminating shall treat the end of the service period as if it were the end of the annualized period.

(g) Each supplier/provider or EDC shall submit an annual net metering report to the Board. The report shall be submitted by June 30th of each year, and shall include the following

information for the one-year period ending May 31st of that year:

1. The total number of customer-generator facilities;
2. The total estimated rated generating capacity of its net metering customer-generators;
3. The total estimated net kilowatt-hours received from customer-generators; and
4. The total estimated amount of energy produced by the customer-generators, which shall be calculated in accordance with customary industry standards.

(h) A customer-generator that is eligible for net metering owns the renewable attributes of the electricity it generates unless there is a contract with an express provision that assigns ownership of the renewable attributes.

(i) A customer-generator that owns renewable attributes may trade or sell the attributes to another person, or may apply to the Board in accordance with N.J.A.C. 14:8-2.9 for issuance of Solar Renewable Energy Certificates, or SRECs, based on solar electric generation. Once the PJM’s Generation Attribute Tracking System (GATS), or another tracking system approved by the Board, is operational, the owner of renewable attributes may apply for issuance of class I renewable energy RECs. If RECs or SRECs are issued, the customer-generator or other recipient of the RECs or SRECs may trade or sell the REC or SREC, or may trade or sell the REC or SREC through an aggregator, or through a trading program authorized by the Board.

(j) A supplier/provider or EDC shall provide net metering at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that a customer-generator would be charged if not a customer-generator, except that a supplier/provider or EDC may use a special load profile for the customer-generator, which incorporates the customer-generator’s real time generation, provided the special load profile is approved by the Board.

(k) A supplier/provider or EDC shall not charge a customer-generator any fee or charge, or require additional equipment, insurance or any other requirement, unless the fee, charge, or other requirement is specifically authorized under this subchapter, or the fee would apply to other customers that are not customer-generators.

(l) Nothing in this subchapter shall abrogate any person’s obligation to comply with all applicable Federal or State laws, rules or regulations.

#### 14:8-4.4 Meters and metering

(a) A customer-generator facility used for net metering shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate. This

is typically accomplished through use of a single bi-directional meter.

(b) A customer-generator may choose to use an existing electric revenue meter if the following criteria are met:

1. The meter is capable of measuring the flow of electricity both into and out of the customer-generator's facility at the same rate; and

2. The meter is accurate to within plus or minus five percent when measuring electricity flowing from the customer-generator facility to the electric distribution system.

(c) If the customer-generator's existing electric revenue meter does not meet the requirements in (b) above, the EDC shall install a new revenue meter for the customer-generator, at the company's expense. Any subsequent revenue meter change necessitated by the customer-generator, whether because of a decision to stop net metering or for any other reason, shall be paid for by the customer-generator.

(d) The electric distribution company shall not require more than one meter per customer-generator. However, an additional meter may be installed under either of the following circumstances:

1. The electric distribution company may install an additional meter at its own expense if the customer-generator consents; or

2. The customer-generator may request that the EDC install a meter, in addition to the revenue meter addressed in (c) above, at the customer-generator's expense. In such a case, the EDC shall charge the customer-generator no more than the actual cost of the meter and its installation.

#### 14:8-4.5 General interconnection provisions

(a) Each EDC shall provide the following three review procedures for applications for interconnection of customer-generator facilities:

1. Level 1: An EDC shall use this review procedure for all applications to connect inverter-based customer-generator facilities, which have a power rating of 10 kW or less, and which meet the certification requirements at N.J.A.C. 14:8-4.6. Level 1 interconnection review procedures are set forth at N.J.A.C. 14:8-4.7;

2. Level 2: An EDC shall use this review procedure for applications to connect customer-generator facilities with a power rating of two MW or less, which meet the certification requirements at N.J.A.C. 14:8-4.6. Level 2 interconnection review procedures are set forth at N.J.A.C. 14:8-4.8; and

3. Level 3: An EDC shall use this review procedure for applications to connect customer-generator facilities with a power rating of two MW or less, which do not qualify for either the level 1 or level 2 interconnection review pro-

cedures. Level 3 interconnection review procedures are set forth at N.J.A.C. 14:8-4.9.

(b) Each EDC shall designate an employee or office from which an applicant can obtain basic application forms and information through an informal process. On request, this employee or office shall provide all relevant forms, documents, and technical requirements for submittal of a complete application for interconnection review under this section, as well as specific information necessary to contact the EDC representatives assigned to review the application.

(c) Upon request, the EDC shall meet with an applicant who qualifies for level 2 or level 3 interconnection review, to assist them in preparing the application.

(d) An application for interconnection review shall be submitted on a standard form, available from the EDC and posted on the Board's website at [www.bpu.state.nj.us](http://www.bpu.state.nj.us). The application form will require the following types of information:

1. Basic information regarding the applicant and the electricity supplier(s) involved;

2. Information regarding the type and specifications of the customer-generator facility;

3. Information regarding the contractor who will install the customer-generator facility;

4. Certifications and agreements regarding utility access to the customer-generator's property, emergency procedures, liability, compliance with electrical codes, proper operation and maintenance, receipt of basic information; and

5. Other similar information as needed to determine the compliance of a particular applicant with this chapter.

(e) An EDC shall not be responsible for the cost of determining the rating of equipment owned by a customer-generator, or of equipment owned by other local customers.

(f) The provisions of this subchapter that apply to interconnection are primarily intended for customer-generator facilities that are eligible for net metering, that is, renewable generation facilities with a capacity for no greater than two megawatts, which generate electricity for retail transactions. However, these provisions may be used for review of other interconnections at the discretion of the EDC.

(g) If the interconnection of a customer-generator facility is subject to interconnection requirements of FERC or PJM, the provisions of this subchapter that apply to interconnection apply to that facility only to the extent that they do not conflict with the interconnection requirements of FERC or PJM.

(h) If an applicant for interconnection disagrees with an EDC's determination of fact or need regarding matters covered in this subchapter, or if any person has a complaint