

**CHAPTER 25. SUBSTANTIVE RULES APPLICABLE TO ELECTRIC SERVICE PROVIDERS.**

**Subchapter I. TRANSMISSION AND DISTRIBUTION.**

**DIVISION 2. TRANSMISSION AND DISTRIBUTION APPLICABLE TO ALL ELECTRIC UTILITIES.**

**§25.217. Distributed Renewable Generation.**

- (a) **Application.** This section applies to owners of distributed renewable generation, retail electric providers (REPs), the program administrator for the renewable energy credits trading program pursuant to §25.173 of this title (relating to Goal for Renewable Energy), and electric utilities, including transmission and distribution utilities (TDUs), but excludes river authorities that are electric utilities.
- (b) **Definitions.** The following terms when used in this section have the following meanings, unless the context indicates otherwise:
- (1) **Distributed renewable generation (DRG)** -- Electric generation equipment with a capacity of not more than 2,000 kilowatts provided by a renewable energy technology, as defined by Public Utility Regulatory Act §39.904(d), installed on a retail electric customer's side of the meter.
  - (2) **Distributed renewable generation owner (DRGO)** -- A person who owns DRG; a retail electric customer on whose side of the meter DRG is installed and operated, regardless of whether the customer takes ownership of the distributed renewable generation; or a person who by contract is assigned ownership rights to energy produced from DRG located at the premises of the customer on the customer's side of the meter.
  - (3) **Independent school district solar generation (ISD-SG)** -- Solar electric generation equipment installed on the customer's side of the meter at a building or other facility owned or operated by an independent school district, irrespective of the level of generation capacity.
  - (4) **Independent school district solar generation owner (ISD-SG Owner)** -- A person who owns ISD-SG.
  - (5) **Interconnection** -- The physical connection of DRG or ISD-SG to an electric utility distribution system in accordance with this section and §25.211 of this title (relating to Interconnection of On-Site Distributed Generation (DG)), §25.212 of this title (relating to Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation), and §25.213 of this title (relating to Metering for Distributed Renewable Generation).
  - (6) **Out-flow** -- Energy produced by DRG or ISD-SG and delivered to an electric utility distribution system.
- (c) **Interconnection.**
- (1) An electric utility shall permit interconnection of DRG or ISD-SG if:
    - (A) the DRGO provides credible tangible proof that the DRG to be interconnected has or had an original manufacturer's warranty against breakdown or undue degradation for at least five years;
    - (B) the rated capacity of the DRG or ISD-SG does not exceed the electric utility's service capacity; and
    - (C) the DRG or ISD-SG is in compliance with applicable requirements of §25.211 and §25.212 of this title.
  - (2) An electric utility may disconnect a DRG or ISD-SG pursuant to §25.211(e) of this title.
  - (3) An electric utility shall not require a DRGO or ISD-SG Owner whose generation capacity is not more than 2,000 kilowatts and whose DRG or ISD-SG meets the standards established by this section to purchase an amount, type, or classification of liability insurance the DRGO or ISD-SG Owner would not have in the absence of the DRG or ISD-SG.

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- (4) An existing or prospective DRGO or ISD-SG Owner may request interconnection by submitting an application for interconnection with the electric utility. The application shall be on a form approved by the commission and processed by the electric utility in accordance with §25.211 and §25.212 of this title.
- (5) Metering is addressed by §25.213 of this title and, for certain qualifying facilities, by §25.242(h)(4) of this title (relating to Arrangements Between Qualifying Facilities and Electric Utilities).
- (d) **Renewable Energy Credits (RECs).** A DRGO or ISD-SG is subject to the certification requirements in §25.173 of this title to be eligible to receive RECs. Any RECs or compliance premiums resulting from the operation of DRG or ISD-SG are the property of the DRGO or ISD-SG Owner unless sold or otherwise transferred by the DRGO or ISD-SG Owner. The REC program administrator shall award the RECs or compliance premiums to the DRGO or ISD-SG Owner pursuant to §25.173 of this title. The purchase of out-flows does not automatically confer any rights of REC ownership on the purchaser.
- (e) **Sale of out-flows by an ISD-SG Owner.**
  - (1) In areas of the state in which customer choice has not been introduced, the electric utility serving the load of an ISD-SG Owner shall buy all ISD-SG out-flows at a value consistent with §25.242 of this title.
  - (2) In areas in which customer choice has been introduced, ISD-SG Owners who choose to sell out-flows shall sell out-flows to the REP that serves the premises at which the ISD-SG is located, at a value to which both parties agree.
  - (3) If a REP's service to an ISD-SG Owner is terminated, any outstanding amounts due to the ISD-SG Owner may be used to offset outstanding bill amounts but in all cases shall be remitted by the REP no later than 30 days after the REP receives the usage data and any related invoices for non-bypassable charges.
- (f) **Sale of out-flows by a DRGO.**
  - (1) In areas in which customer choice has not been introduced, the electric utility serving the DRGO's load shall buy all DRG out-flows at a value consistent with the requirements of §25.242 of this title.
  - (2) In areas in which customer choice has been introduced, DRGOs who choose to sell out-flows shall sell their out-flows to the REP that serves the premises at which the DRG is located at a value to which both parties agree.
  - (3) If a REP's service to a DRGO is terminated, any outstanding amounts due to the DRGO may be used to offset outstanding bill amounts but in all cases shall be remitted by the REP no later than 30 days after the REP receives the usage data and any related invoices for nonbypassable charges.
- (g) **Transition provision.** Electric utilities and REPs shall make reasonable efforts to inform existing and potential DRGOs and ISD-SG Owners of their rights and obligations pursuant to this chapter, and shall change existing metering and purchase arrangements to conform to this section. However, a metering or purchase arrangement that is required by a contract that exists on the effective date of this section shall be changed to conform to this section effective the date the contract expires. The expiration date of such a contract may be extended by the DRGO or ISD-SG Owner if the existing terms of the contract give the DRGO or ISD-SG Owner the unilateral right to extend the expiration

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date. Notwithstanding the foregoing provisions of this subsection, a roll-back meter must be replaced no later than the date customer choice is offered in the area in which the roll-back meter is located.

- (h) **Authority to act on behalf of a customer.** If any person purports to act on behalf of the retail customer pursuant to this section or §§25.211, 25.212 or 25.213 of this title, such person must demonstrate contractual authority to do so by letter of agency or otherwise.
- (i) **Exemptions.** Neither a retail electric customer that uses distributed renewable generation nor the owner of the distributed renewable generation that the retail electric customer uses is an electric utility, power generation company, or retail electric provider for the purposes of this chapter and is not required to register with or be certified by the commission if at the time distributed renewable generation is installed, the estimated annual amount of electricity to be produced by the distributed renewable generation is less than or equal to the retail electric customer's estimated annual electricity consumption.