Q. At page 9 of Newfoundland Power's pre-filed evidence, the Provincial Government's Net Metering Policy Framework of July 2015 is referenced. At footnote 19 of page 9, Newfoundland Power states that to the degree "Government's policy conflicts with the legislation, NP considers the legislation to be paramount". The Net Metering Exemption Order states that a "net metering customer of a public utility means a producer that…generates electricity from a renewable energy source and has a rating capacity…that is no greater than 100 kW". If the legislation is paramount why would Newfoundland Power "have discretion" to limit the size of a proposed customer's generation as stated at page 9, lines 11 and 12, of Newfoundland Power's pre-filed evidence?

A. The 100 kW capacity limit is established by the Provincial Government's *Net Metering Exemption Order* (the "Exemption Order"). The Exemption Order is subordinate legislation.

The Exemption Order specifically provides that a net metering customer "generates electricity primarily for its own consumption". This is further described in the policy objective of the Provincial Government's Net Metering Policy Framework (the "Framework"). The policy objective is "not to encourage the development of renewable energy but, to provide customers with the option to offset their own energy usage through small-scale renewable generation they develop themselves."[1]

Newfoundland Power would exercise discretion to limit the size of a net metering customer's generation capacity under two circumstances. First, is to be consistent with the Exemption Order and the policy objective by reviewing a customer's proposed generation to ensure it is not sized to exceed the customer's own energy usage. Second, where technical constraints of existing utility infrastructure would result in the net metering customer's generation system having a negative impact on other customers.[2]

[1] See pre-filed Evidence, Page 11, Footnote 27.
[2] Negative impacts can include light flicker, voltage unbalance or customer outages.