

1 **Q. Please identify the components of Newfoundland Power's Net Metering Service**  
2 **Option which are not consistent with the provincial Net Metering Policy**  
3 **Framework.**

4  
5 A. The single component of Newfoundland Power's Net Metering Service Option which is  
6 not consistent with the provincial *Net Metering Policy Framework* (the "Framework") is  
7 the rate at which net metering customers are compensated upon annual settlement of the  
8 customer's net excess generation.

9  
10 Section 3.4 (iv) of the *Net Metering Policy Framework* provides as follows:

11  
12 "The customer will be compensated for the net excess generation at the  
13 retail rates that are used to determine the bill for the customer's net  
14 consumption. This retail rate will factor in existing subsidies, and should  
15 represent the effective rate at which the customer is billed."

16  
17 Newfoundland Power's Net Metering Service Option provides as follows:

18  
19 " 'Banked Energy Credits' are the amount of kWh energy supplied by the  
20 Customer to the Company that exceeds the kWh energy supplied by the  
21 Company to the Customer...Settlement of Banked Energy Credits will be  
22 computed based upon the then-current 2<sup>nd</sup> block energy charge in  
23 Newfoundland and Labrador Hydro's Utility Rate applicable to service  
24 provided to the Company."<sup>1</sup>

25  
26 This deviation from the Framework is justified in light of the outlook for the  
27 Island Interconnected System which is explained in the Company Evidence (page  
28 18, *et. seq*) and the response to Request for Information PUB-NP-001. In these  
29 circumstances, this deviation, which is consistent with current Canadian public  
30 utility practice, better meets (i) the requirements of Section 3 of the *Electrical*  
31 *Power Control Act, 1994* and (ii) the accepted attributes of a sound utility rate  
32 structure.

---

<sup>1</sup> See Application, Schedule A, page 32.