

## City of New Orleans - Net Metering

04/17/2007

**Incentive Type:** Net Metering Rules

**Eligible Renewable/Other Technologies:** Photovoltaics, Wind, Biomass, Geothermal Electric, Small Hydroelectric, Fuel Cells using Renewable Fuels, Microturbines

**Applicable Sectors:** Commercial, Residential

**Limit on System Size:** 25 kW for residential systems; 100 kW for commercial systems

**Limit on Overall Enrollment:** No limit specified

**Treatment of Net Excess:** Credited to customer's next bill at utility's retail rate; indefinite carryover

**Utilities Involved:** Entergy New Orleans and any other jurisdictional utilities

**Interconnection Standards for Net Metering?** Yes

**Authority 1:** New Orleans City Council Resolution

**Date Enacted:** 3/13/2007

**Effective Date:** 3/13/2007

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### Summary:

In March 2007, the New Orleans City Council adopted net-metering rules that are similar to rules adopted by the Louisiana Public Service Commission (PSC) in November 2005. The City Council's rules require jurisdictional utilities -- namely Entergy New Orleans, an investor-owned utility regulated by the city -- to offer net metering to customers with systems that generate electricity using solar energy, wind energy, hydropower, geothermal or biomass resources. Fuel cells and microturbines that generate electricity entirely derived from eligible renewable resources are also eligible. The City Council's rules apply to residential facilities with a maximum capacity of 25 kilowatts (kW) and commercial systems with a maximum capacity of 100 kW. These capacity limits and certain other conditions are specified in Louisiana's net-metering statute, which applies to all utilities in the state.

Utilities must provide customer-generators with a meter capable of measuring the flow of electricity in both directions, or -- if the existing meter is incapable of registering bi-directional electricity flow -- an additional meter or meters capable of registering bi-directional electricity flow. Utilities must pay for the cost of the meter itself, but utilities may assess a "one-time customer charge" to cover the installation costs. The "customer charge" may include the cost of a mandatory accuracy test of the customer's meter or meters, performed by the utility.

Customers must pay for "interconnection costs," which are defined as "the reasonable costs of connection, switching, metering, transmission, distribution, safety provisions and administrative costs incurred by the [utility] directly related to the installation and maintenance of the physical facilities necessary to permit interconnected operations" with a net-metered system, "to the extent the costs are in excess of the corresponding costs which the [utility] would have incurred if it had not engaged in interconnected operations, but instead generated an equivalent amount of electric energy itself or purchased an equivalent amount of electric energy or capacity from other sources." In addition, the City Council may authorize the utility to assess a customer "a greater fee or customer charge, of any type," if the utility's "direct costs of interconnection and administration of net metering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the ... utility's entire customer base."

Net excess generation (NEG) is credited at the utility's retail rate and carried over to the customer's next bill indefinitely. For the final month in which the customer takes service from the utility, the utility will pay the customer for the balance of any credit at the utility's avoided-cost rate.

Customers who wish to net meter must notify the utility at least 90 days prior to the date of interconnection. The utility must develop a standard interconnection agreement approved by the City Council. Systems must meet all safety and performance standards established by local and national electric codes and performance standards, including the NEC, IEEE, UL, NESC and any other relevant codes specified by the City Council. An external disconnect switch is required.

### Contact:

#### Public Information

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