



INTERCONNECTION OF DISTRIBUTED RENEWABLE GENERATION TO THE ONCOR ELECTRIC DELIVERY SYSTEM

Frequently Asked Questions (FAQ)

The following information is time sensitive because of changing rules and regulations. For that reason, it is recommended that you periodically request updated information.

Q1) What is Oncor's role in distributed generation?

A1) Oncor is a regulated transmission and distribution utility (a TDU or wires company) that delivers energy from generators to loads pursuant to its Tariff for Retail Delivery Service (Tariff) and is prohibited from buying or selling electric energy. This Tariff governs the rates, terms of access and conditions for the provision of Delivery Service to Competitive Retailers (Retail Electric Providers – REPs) and Retail Customers. What this means is that Oncor uses this Tariff to bill your REP for wires-related delivery service charges and then the Retail Electric Provider provides your retail service and electric bills. This Tariff also includes provisions concerning distributed generation interconnection. Oncor's role in distributed generation is to insure the safe and reliable interconnection of generation resources to its electrical distribution system. This Tariff is available on the Oncor internet site www.oncor.com/pdf/tariffs/Tariff_for_Retail_Delivery_Service.pdf (or follow the links from www.oncor.com by clicking on CR Relations, then Rate Schedules, then Distribution Rate Schedules, then Tariff for Retail Delivery Service). Distributed Generation related information and documents are available for review in Chapter 6 of the Tariff, which contains:

- 6.1.2.4 Distributed Generation, DD24 - Distributed Generation Pre-Interconnection Study Fee Schedule
- 6.3.2 Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System
- 6.3.3 Agreement for Interconnection and Parallel Operation of Distributed Generation

Q2) Is Oncor a Retail Electric Provider? Are they required by law to purchase my excess power?

A2) No, Oncor is not a Retail Electric Provider. Oncor is a transmission and distribution utility (TDU) or electric delivery company and is prohibited from buying and selling electric energy. Retail Electric Providers (REPs) are entities that buy and sell energy to customers in geographic areas of Texas where electricity is a competitive service.

Q3) Who is my Retail Electric Provider?

A3) Your Retail Electric Provider (REP) is the company you have contacted to purchase electric energy. Oncor is not a REP. Your REP is the one who provides your electric energy and the associated monthly electric bills.

Q4) What is the first step in installing my solar or wind generation?

A4) The Public Utility Commission of Texas (PUC) has developed rules for distributed generators, such as generation from renewable resources (wind, photovoltaic/solar, etc.), which require the customer to fill out an Interconnection Application which is to be sent to the interconnecting utility (Oncor in this case). These rules (P.U.C. Substantive Rule § 25.211 and § 25.212) are available on the PUC's web site www.puc.state.tx.us/rules/subrules/electric/index.cfm. The attachments to this e-mail contain the application and a sample of the requested drawings. If your system is inverter based, the application requires you to provide certification listing information proving the device has been tested and meets UL-1741 – Utility Interactive. Please fax, e-mail or send the application and drawings to the address provided in this correspondence. This process does not apply to isolated distributed renewable generation (DRG) serving stand-alone loads not connected to the grid.

Q5) Do I have to notify anyone if I decide to install solar panels or a wind turbine for personal use? Why did my REP give me Oncor's phone number to call concerning interconnecting a renewable generation resource?

A5) Yes. It is Oncor's role to insure the safe and reliable interconnection of generation resources to its electrical distribution system. If the renewable resource installation is to be operated in parallel with Oncor's electrical distribution system (*i.e.*, not as a stand alone system), the PUC rules require the customer to fill out an Interconnection Application and send it to Oncor. After receipt, review, and acceptance of your completed application, Oncor will require a PUC-approved Interconnection Agreement be signed to complete the process. In addition, Oncor will notify your Retail Electric Provider of the parallel interconnection of your distributed generation.

Q6) Can I get net metering? How does Oncor meter DRG installations? Can you tell me how much I will be paid for my excess generation?

A6) There are several ways to define net metering. Ultimately the definition and treatment of metering for DRG (distributed renewable generation) varies from state to state and is dependent on the regulations in that state. In 2007, a new law was passed in Texas. The details of the law are still being worked out, but it appears that it will require Oncor, upon request by the DRG owner, to measure net consumption (in-flow) and net generation (out-flow) separately and report these values to the Electric Reliability Council of Texas (ERCOT) and ultimately to your REP (retail electric provider). Once the exported (out-flow) values are reported to your REP, then you as a customer may arrange for an agreement with your REP that details how you would be paid for your exported energy. Payments or credit for exported generation are arranged between you and your REP; Oncor is not included in those financial arrangements. Oncor is prohibited from buying and selling electric energy and is not involved in the transaction between you and your REP.

Q7) When can I have a meter that measures out-flow separately installed so that I may negotiate with my REP how much I will get paid?

A7) Oncor is currently developing processes and systems to report out-flow meter information in accordance with ERCOT protocols and requirements; however it is not anticipated that Oncor will have systems in place before the required implementation date of January 1, 2009. If the systems are in place prior to January, 1 2009, Oncor will notify you of the availability of the new out-flow metering.

Q8) How much will generation (out-flow) metering cost?

A8) The metering cost will depend on the requirements for your installation. The new law indicates that distributed renewable generation (DRG) customers are responsible for the cost difference between the current metering and any additional metering required to accurately measure and report in-flow and out-flow. Oncor will bill your REP for the metering costs pursuant to its Tariff. It will be your REP's decision on how to bill you for any additional metering costs. Your electric bill will come from your REP and not Oncor.

Q9) Can you just tell me how much I will be paid for my excess energy?

A9) No. Please refer to the answer to Question 6 above. It is up to you to negotiate payment or credit for exported energy with your REP.

Q10) Do I have to wait to install a distributed renewable generation (DRG) system? What happens to the electricity I generate? Do I have to have an out-flow meter?

A10) No, you do not have to wait to install your DRG system. When you generate electricity at the same time you are using electricity, your generation and consumption will "net out" before it registers on the electric meter. The effect of this netting means you avoid using retail-valued energy coming from the distribution system into your facility. If you do not generate as much electricity as you are using, this will be measured as consumption (in-flow) on the electric meter at your facility. Conversely, if you generate more electricity than you use then you will be exporting energy (out-flow) to the grid. The new law passed in Texas indicates you may request metering services from Oncor for measurement of out-flow generation. Upon request, Oncor will separately measure your out-flow generation and report it to your REP. If a customer's goal is to simply reduce consumption from the grid (in-flow) and not get involved with a generation (out-flow) agreement with their REP, then standard metering which simply ignores out-flow generation can be utilized. In this case, the meter would not spin backwards but only register consumption (in-flow) when consumption exceeded generation. Customers not electing to request out-flow metering initially, can request metering changes at a later date. DRG systems installed during the interim period when out-flow metering is not available will be converted upon request by the DRG owner when out-flow metering is available. In any case, out-flow metering systems are required to be in place by January 1, 2009.

Q11) Does this mean that distributed renewable generation (DRG) systems are less valuable than they used to be?

A11) Not necessarily, but it does mean that they will be valued differently. Remember, any simultaneous production and consumption results in avoidance of the cost of electric energy your facility would have consumed if not for the DRG. The final rules for DRG will also allow you and your REP to accurately measure and value the generation out-flow from your DRG, if you produce more than you use.

Q12) Where can I find more information about these new laws?

A12) Information about these new laws can be found in the Texas Utility Code § 39.916 at the following website: www.puc.state.tx.us/rules/statutes/Pura07.pdf. Additional information can be found in the Public Utility Commission of Texas rulemaking in P.U.C. Project No. 34890 at <http://interchange.puc.state.tx.us/WebApp/Interchange/application/dbapps/filings/pgSearch.asp> (enter 34890 in the Control Number field).

Q13) Does Oncor provide direct customer incentives for installing renewable energy installations?

A13) No. Oncor does not provide incentives directly to customers for installing renewable systems at this time. Incentives may be available through various programs offered through Service Providers participating in the Large Commercial and Industrial Standard Offer Program or the Residential and Small Commercial Standard Offer Program (Energy Efficiency Programs). For a list of participating Service Providers visit www.oncor.com and click on Energy Efficiency Programs. You may also check with your Retail Electric Provider for information about possible incentives. A list of REP's can be found at www.powertochoose.org.

Q14) Is Oncor associated with TXU Energy, TXU Corp., TXU Electric, or TXU Electric Delivery?

A14) Oncor and TXU Energy are not the same companies. Oncor is regulated by the Public Utility Commission of Texas and provides quality regulated services to all Retail Electric Providers (REPs) and their retail customers. Oncor Electric Delivery Company LLC (Oncor) is a separate and distinct business unit, with a separate board of directors, management team, and headquarters. Oncor is legally an affiliate of TXU Energy, a REP, as both are owned by Energy Future Holdings Corp. TXU Corp., TXU Electric and TXU Electric Delivery are names that are no longer in use by any company.

Q15) Can you provide me assistance in finding qualified contractors or consultants to develop and install my system?

A15) No. Due to regulatory compliance issues, Oncor is not allowed to provide this type of information.