**Northwest Public Power Association**

**Resolution 2017-09**

**In Support of Equitable Distributed Generation Policies**

**Background**

The future of dispersed or distributed generation (DG) is an important issue for electric utilities. The technology has the potential of bringing benefits to utilities and their consumers by generating electricity on-site, at times reducing the need to transmit it over long distances.

Electric utilities are working to develop policies regarding DG and engineering requirements including safety, reliability, costs and rates, and coordination and integration on a region-wide basis where applicable.

The distribution and transmission components of the electric grid provide customers who generate energy using DG with continuing services. These services include the ability to sell their power, acquire backup or supplemental power when the customer’s generation is not meeting its needs, and maintain continued reliability and adequacy of the overall power system.  However, net metering and other regulatory mechanisms often do not provide a way for utilities to recover these costs from customers who self-generate, and thus they must be recovered from other customers, resulting in the shifting of costs from DG to non-DG customers.

Congress and the Federal Energy Regulatory Commission (FERC) have expressed growing interest in managing DG interconnection and rate-setting policy. However, the Federal Power Act commits retail-level policymaking authority to the states. A one-size-fits-all policy to promote DG may overlook important regional and operational considerations.

**NWPPA’s Position**

* NWPPA supports future actions to facilitate DG where it is safe, cost effective, and costs are equitably allocated.
* NWPPA opposes legislative or regulatory initiatives with respect to DG, feed-in tariffs, and net metering that would shift costs among groups of customers, or otherwise disproportionally impact consumers’ rates, degrade power quality, reliability or safety, impose other undue economic costs on electric utilities, or interfere with power supply or other contractual relationships.
* NWPPA supports maintaining local decision-making when implementing utility-specific DG programs and/or participation.

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