

***Resolution Encouraging State Commissions & Policymakers to Continue to Engage in Collaborative Dialogue Regarding Distributed Generation Policies & Regulations***

**WHEREAS**, Distributed generation (DG) may be defined as non-centralized sources of electricity generation generally interconnected to the distribution system and located at or near customers' homes or businesses. Examples of DG include solar panels, energy storage devices, fuel cells, microturbines, reciprocating engines, small wind turbines, backup generation, and combined heat and power (CHP) systems; *and*

**WHEREAS**, DG can offer economic, reliability, and environmental benefits to consumers and utilities; *and*

**WHEREAS**, Many States, recognizing the value of DG in their States, have implemented policies, taken regulatory actions, and offered tax and other incentives to encourage the deployment of such DG technologies; *and*

**WHEREAS**, One such DG policy, adopted in 43 States, the District of Columbia, and four United States Territories, is net metering that credits DG customers for the excess electricity generated and exported to the electric grid; *and*

**WHEREAS**, Federal and State policymakers and regulators, consumer advocates, trade associations, utility representatives, and other stakeholder groups are examining DG deployment and its related issues; *and*

**WHEREAS**, There have been many collaborative efforts involving regulators and various stakeholders addressing the multitude of regulatory and other issues relating to the potential and challenges of DG in providing safe, reliable, affordable, cost-effective, and environmentally sound energy supply; *and*

**WHEREAS**, The issues related to DG merit continued discussion among stakeholders to develop options for further consideration by policymakers and regulators; *now, therefore, be it*

**RESOLVED**, That the National Association of Regulatory Utility Commissioners, convened at its 125<sup>th</sup> Annual Meeting in Orlando, Florida, encourages State commissions and policymakers to continue to participate in collaborative discussions regarding DG so that State commissions (and States) have the benefit of key stakeholder input and are better prepared to:

- Evaluate the system-wide benefits and costs of DG (including costs and benefits relating to the investment in and operation of generation and the transmission and distribution grid) so that those costs and benefits relating to DG can be appropriately allocated and made transparent to regulators and consumers;
- Ensure that all necessary consumer protections are maintained and assist consumers as they consider or invest in DG technologies and services;

- Facilitate the continued provision of safe, reliable, resilient, secure, cost-effective, and environmentally sound energy services at fair and affordable electric rates as new and innovative technologies are added to the energy mix; *and*
- Engage fully and effectively at both the State and federal levels on DG-related policy considerations.

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*Sponsored by the Committee on Consumer Affairs, the Committee on Electricity, and the Committee on Energy Resources & the Environment*

*Recommended by the NARUC Board of Directors November 19, 2013*

*Adopted by the NARUC Committee of the Whole November 20, 2013*