Net Energy Metering (NEM) FAQ

1. **Who are the stakeholders in the NEM process?**
   - *Proponent:* The customer or developer registering the system with LUMA.
   - *Customer:* The end-premise recipient of the NEM system registered with LUMA.
   - *Applicant:* Either the proponent or customer.
   - *Developer:* The entity installing the Distributed Generation system on the customer's premises and interconnecting it with the grid.
   - *Utility or Distribution System Operator:* LUMA.
2. **Do I need to submit an application prior to interconnecting my DG system?**
   - No, if your DG system is less than 25 kW, you don't need to submit an application to interconnect.
   - However, you must apply to LUMA to receive the NEM tariff, which can be done online through LUMA's customer application web portal.
   - Customers can choose between expedited or regular flow processes for application submission.
3. **How long does it take to receive NEM credits on my bill?**
   - Customers qualifying for the expedited project flow can expect NEM tariff approval within 30 days of filing on the Conexion LUMA Portal.
   - NEM credits typically appear on the subsequent billing cycle after approval.
   - Delays may occur if there is incomplete documentation or other issues.
4. **What are the expected costs for the application, and what do they cover?**
   - The initial application fee is $100, covering LUMA's operational expenses to administer the NEM program.
   - This includes verifying documentation, tariff changes, field activities, customer support, and ongoing maintenance.
   - Additional costs may include a $300 Supplemental Study fee, covering costs for determining if system upgrades are necessary.
5. **Are there any additional costs from LUMA?**
   - Yes, additional costs may include a $300 Supplemental Study fee.
   - This fee covers costs for determining if system upgrades are necessary to maintain safety and reliability.
   - Proponents are responsible for payment of this fee.
6. **How are these costs charged?**
   - The initial application fee is added to the customer invoice.
   - Supplemental study fees are notified through the web portal and billed accordingly.

- Payment methods include online payment through the portal or in-person at regional walk-in centers.

7. **What happens if fees aren't paid on time?**
   - LUMA works with customers, extending payment deadlines to 60 days.
   - Defaulting on supplemental study fees may result in violation of NEM tariff terms.
   - Payment circumstances requiring escalation are handled on a case-by-case basis by LUMA.
8. **How long does it take to determine if a Supplemental Study is necessary?**
   - Expedited applicants know within 30 days if a study is required, ensuring timely decision-making.
   - Notification of the need for a Supplemental Study is provided through the web portal.
   - The study may be required based on system capacity and other factors.

   **Note: Due to transition, some studies were backlogged and are now being brought up to date with effective notices sent out letting all customers know whether a supplemental study is required, or not.*

9. **Does the Supplemental Study affect interconnection or NEM credits?**
   - No, customers remain interconnected during the study, and NEM credits are activated parallel to any required studies.
   - Customers should ensure timely submission of any materials related to their application to avoid delays in the conclusion of the application process.
10. **What are distribution system upgrades?**
    - Upgrades modify the distribution network to accommodate DG installations, ensuring grid safety and reliability.
    - These upgrades may include equipment installations, capacity enhancements, and other improvements.
    - The costs associated with these upgrades are borne by developers.
11. **Why should systems adhere to IEEE1547 standards?**
    - Compliance ensures grid safety and stability under high renewable energy penetration.
    - Systems adhering to these standards contribute to overall grid reliability and performance.
    - Failure to comply with standards may result in operational issues and safety concerns.
12. **Can users stay connected while completing a Supplemental Study?**
    - Only for systems under 25 kW.

- This allows for expedited interconnection of smaller systems without delaying the study process.
- Larger systems or those on overloaded feeders must complete the study before interconnection.

13. How does LUMA handle upgrades and their costs?

- LUMA assesses upgrade necessity, with costs borne by developers.
- This approach ensures equitable cost allocation and promotes grid reliability and safety.

14. What is the process for conducting a Supplemental Study for NEM?

- A Supplemental Study is conducted to assess the impact of DG systems on the grid's voltage levels and overall stability.
- It includes power flow, short-circuit, stability assessment, grounding design verification, and signal quality assessment.
- The study aims to ensure the safe integration of DG systems into the grid and identify any necessary upgrades.

15. Who is subject to a Supplemental Study?

- Customers with DG systems larger than 25 kW or small systems (< 25 kW) which are installed on feeders exceeding 15% of the peak load are subject to a Supplemental Study.

16. What are the costs and responsibilities associated with a Supplemental Study?

- The cost is $300, and the proponent is responsible for payment.
- It covers expenses for conducting the study and ensuring grid safety and reliability.
- The study aims to determine if any system upgrades are necessary to accommodate the DG installation.

17. What are the possible outcomes of a Supplemental Study?

- The study may determine that grid upgrades are necessary to maintain safety and reliability.
- Alternatively, it may find that no upgrades are required, and the system can be, or continue to be, interconnected without further modifications.
- The results of the study will be communicated to the developer and proponent, who will then work with LUMA to address any necessary upgrades

This FAQ offers a comprehensive summary into the NEM process, costs, study requirements, and impacts on customers and the grid, ensuring clarity for all stakeholders involved.