##### August 27, 2014

**TO:** All Interested Parties

**FROM:** Caroline Trum, NAESB Staff Attorney

**RE: Update to the Board of Directors –Net Metering Activities**

**Update on Retail Net Metering Activities –**

The 2014 Retail Energy Quadrant (RXQ) Annual Plan Item 7.b.i-iv calls for the Retail Business Practices Subcommittee to describe how Retail Net Metering is used by market participants in competitive energy markets in jurisdictions where the market participant’s charges to certain retail customers must account for Retail Net Metering arrangements. During the August 18-19, 2014 Retail Business Practice Subcommittee (Retail BPS) face-to-face meeting hosted by Oncor in Dallas, TX , the subcommittee finalized and voted out the modifications related to the Retail Net Metering effort for RXQ.8 – Retail Customer Information Model Business Practices . That recommendation will be closely followed by related revisions to RXQ.3 – Billing and Payment Model Business Practices, RXQ.10 – Retail Customer Enrollment, Drop, and Account Information Change Model Business Practices and RXQ.11 – Retail Customer Enrollment, Drop, and Account Information Change Using a Registration Agent Model Business Practices. During the August 20, 2014 meeting of the RXQ Executive Committee, the subcommittee completion dates for the revisions to the model business practices was revised to 1st Quarter 2015. Additionally, the Retail Information Requirements Technical Electronic Implementation Subcommittee will be working to develop recommendations for the technical implementation of the newly proposed model business practices under 2014 RXQ Annual Plan Item 7.c.i-iv. As part of the full-staffing process, the Retail Glossary Subcommittee is holding conferences calls as needed to review and approve the addition of new defined terms or revisions to the definition of existing defined terms proposed by the Retail BPS in its to develop the above noted model business practices.

Due to the numerous implementations of net metering arrangements and variations in policy decisions by state commissions on the subject, the annual plan items for Retail Net Metering are limited to technical model business practices that support billing and payment in competitive markets and seek to develop technical model business practices that will support multiple jurisdictional implementations. The standards development effort is scheduled for completion in the 1st Quarter 2015, with the modifications to the technical implementation scheduled to be completed during the 2nd Quarter 2015. To facilitate the dialogue on net metering among industry participants, including state commission staff, NAESB has included discussion on the topic as an item on the Board Leadership, Executive Committee, and Monthly Update agendas as well as in discussions with FERC and state commission staff members. Following a September 17, 2014 conference call, the next Retail Business Practices Subcommittee face-to-face meeting will be hosted by Dominion in Richmond, VA on October 20-21, 2014.