

Frequently Asked Questions on Standby Charge

What does the term “Standby Charge” refer to?

Homeowners who have very large solar-powered or wind-powered systems for their houses still require electricity from Dominion when their own systems are not available. The sun doesn't always shine. The wind doesn't always blow. The Standby Charge covers the cost of Dominion's wires and equipment, which would be on standby for when these large alternative systems don't provide all the homeowner's power.

Who would pay the Standby Charge?

Only a small number of residential customers with very large alternative systems would be subject to the Standby Charge. The 2011 General Assembly passed a law, without opposition, doubling the allowed size of these home systems. However, in the interests of fairness, the same law required homeowners with very large systems to pay a standby charge to their utilities – including Dominion. This ensures that they pay their fair share of the cost of the infrastructure needed to serve them. Otherwise, it would be unfair for customers without these large systems to have to subsidize the infrastructure costs of those who do.

Would customers with small solar-powered systems be required to pay the Standby Charge?

No. The Standby Charge applies only to residential customers with a generating capacity of more than 10 kilowatts and less than 20 kilowatts. The charge does not apply to a homeowner whose system is smaller than 10 kilowatts.

Is this a new “profit center” for Dominion?

No. This is simply a method provided under state law for Dominion to recover the cost of the infrastructure needed to serve residential customers with large alternative systems.

How does Dominion determine how much electricity is generated by the customer's alternative system and how much the customer is using from Dominion?

A 2011 state law extended the use of net metering for homeowners with alternative systems from those up to 10 kilowatts of capacity to systems up to 20 kilowatts. With net metering, the meter runs forward when the customer buys power or backwards, when the customer produces more power than he needs for his own purposes and delivers power back to the grid. The customer is credited at the full retail electric rate. The customer is billed for the net amount of power consumed.

Has the State Corporation Commission conducted a public hearing on Dominion's application for the Standby Charge?

Yes. The Commission conducted a public hearing on the matter on Nov. 3. It should be noted that the Commission's staff said that Dominion's proposed charge meets the requirements of the law. Additionally, the Virginia Manufacturers Association testified in favor of the charge, saying that its members should not be required to subsidize the solar energy usage of customers with large homes.

Has the State Corporation Commission issued a ruling on Dominion's application for the Standby Charge?

Yes. The State Corporation Commission issued an [order](#) permitting Dominion to include a standby charge on bills of homeowners with large solar-powered or wind-powered systems. The order, issued Nov. 23, 2011, states, "The evidence in the record indicates that customer-generators who engage in net metering still make use of the transmission and distribution grid. The grid must be available to deliver power to them when their own solar or other forms of generation are not producing electricity and to return any excess power produced by eligible customer-generators' facilities. Further, the evidence in this record indicates that any avoided cost benefits provided by customer-generators, at least in terms of the transmission and distribution grid, are insufficient to pay for their proportionate share of the grid."

When will electric bills of homeowners with large solar or wind installations begin including the standby charge?

The State Corporation Commission's [order](#) authorizes Dominion to include the standby charge on bills rendered on and after April 1, 2012.

Wouldn't the Standby Charge result in discouraging installation of large solar-powered systems using net metering?

Virginia law specifically requires homeowners with large alternative systems to pay their fair share of Dominion's infrastructure costs to have the wires and equipment available to them when their alternative system isn't available. In this case, customers with large alternative systems would still have lower monthly electric bills than those without them.