

Net Metering and Parallel Generation; Senate Sub. for HB 2101

Senate Sub. for HB 2101 amends the Net Metering and Easy Connection Act and law regarding parallel generation.

For customer-generators that installed net metering systems **prior** to July 1, 2014, the bill allows them to continue operating their systems according to current standards, with the following exceptions:

- The bill places a sunset of January 1, 2030, on provisions allowing customer-generators to carry forward from month-to-month the net excess energy (NEG) produced in excess of the customer-generator's consumption. Prior to January 1, 2030, NEG credits expire on March 31 of each year. After January 1, 2030, any NEG credits remaining in the customer's account at the end of each billing period will expire;
- Credits for NEG are transferable and continue in place until January 1, 2030, regardless of a change in possession or ownership of the property on which the renewable energy resource is located; and
- Any NEG resulting from renewable energy resources that are installed on or after July 1, 2014, but are part of a renewable energy resource that was operating prior to July 1, 2014, will be carried forward and credited to the customer as if they had begun operation prior to July 1, 2014.

For customer-generators that install net metering systems **after** July 1, 2014, the bill will:

- Require all NEG credits remaining in the customer's account at the end of each billing period be credited to the customer at a rate of 100 percent of the utility's monthly system average cost of energy per kilowatt hour;
- Authorize the utility to bill the customer-generator for the net electricity supplied by the utility, if the electricity supplied by the utility exceeds the electricity generated by the customer-generator during a billing period;
- Place a limit on net metering for residential customer-generators of 15 kilowatts. For commercial, industrial, religious institution, agricultural, industrial, and local, state, and federal government customer-generators, the limit would be 100 kilowatts, unless otherwise agreed to by the utility and the customer-generator. For schools, the limit would be 150 kilowatts;
- Remove the requirement that a utility must offer to the customer-generator a tariff or contract that is identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator and cannot charge the customer-generator any additional standby, capacity, interconnection, or other

fee or charge that would not otherwise be charged if the customer were not an eligible customer-generator; and

- Provide an option for the utility to propose, within an appropriate rate proceeding, the application of time-of-use rates, minimum bills, or other rate structures that would apply to all such customer-generators prospectively.

For all customer-generators, on or after January 1, 2030, the bill will:

- Authorize the utility to bill the customer-generator for the net electricity supplied by the utility, if the electricity supplied by the utility exceeds the electricity generated by the customer-generator during a billing period; and
- Require all NEG credits remaining in the customer's account at the end of each billing period be credited to the customer at a rate of 100.0 percent of the utility's monthly system average cost of energy per kilowatt hour.

The bill also amends continuing law to say each kilowatt of nameplate capacity of net metered facilities and parallel generation of electricity counts as 1.10 kilowatts toward the compliance of the affected utility with the Renewable Energy Standards Act.