

FIRST REGULAR SESSION

HOUSE BILL NO. 869

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HOLSMAN (Sponsor), HUGHES, CHAPPELLE-NADAL, FALLERT, LeVOTA, STORCH, LOW (39), MEADOWS, SKAGGS, BURNETT, PAGE, BROWN (50), SCAVUZZO, NORR, NASHEED, HARRIS (110), ZWEIFEL, GRILL, EL-AMIN, HUBBARD, WILDBERGER, BLAND, VILLA, MEINERS, DOUGHERTY, DONNELLY, LOWE (44), KOMO, CORCORAN, PORTWOOD, SPRENG, SALVA, CURLS, ROORDA, TALBOY, FUNDERBURK, KUESSNER, HOSKINS, ROBINSON, AULL, OXFORD, CASEY, SWINGER, ZIMMERMAN, WALSH, TILLEY, RUCKER, DAUS, CUNNINGHAM (86), SILVEY, SHIVELY, FRAME AND McGHEE (Co-sponsors).

Read 1st time February 14, 2007 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

1981L.01I

AN ACT

To repeal section 386.887, RSMo, and to enact in lieu thereof one new section relating to electric energy.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 386.887, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 386.900, to read as follows:

386.900. 1. This section shall be known and may be cited as the "Easy Connection Act".

2. As used in this section, the following terms shall mean:

(1) "Commission", the public service commission of the state of Missouri;

(2) "Customer-generator", the owner or operator of an electric generation unit

which:

(a) Is powered by a renewable energy resource;

(b) Has an electrical generating system with a capacity of not more than one hundred kilowatts but not exceeding the customer-generator's peak energy usage;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

10 (c) Is isolated on a premises owned, operated, leased, or otherwise controlled by the
11 customer-generator;

12 (d) Is interconnected and operates in parallel with a retail electric supplier; and

13 (e) Is intended primarily to offset part or all of the customer-generator's own
14 electrical requirements;

15 (3) "Department", the department of natural resources;

16 (4) "Net metering", using a single meter to measure the difference between the
17 electricity supplied to a customer-generator by a retail electric supplier and the electricity
18 supplied by the customer-generator to the retail electric supplier over the applicable billing
19 period;

20 (5) "Renewable energy resources", electric energy produced from wind, solar
21 thermal sources, photovoltaic cells and panels, dedicated crops grown for electricity
22 generation, plant-based residues, methane from landfills or from wastewater treatment,
23 and fuel cells using hydrogen produced by one of the above-named renewable energy
24 sources, and other sources of energy that become available after August 28, 2008, and are
25 certified as renewable by the department;

26 (6) "Retail electric supplier" or "supplier", any public utility, municipal utility, or
27 cooperative that sells electric energy to the ultimate consumer thereof.

28 3. A retail electric supplier shall:

29 (1) Make net metering available to customer-generators on a first-come, first-serve
30 basis until the total rated generating capacity of net metering systems equal five percent
31 of the utility's single-hour peak load during the previous year, after which the commission
32 for a public utility or the governing body for other electric utilities may increase the total
33 rated generating capacity of net metering systems to an amount above five percent;

34 (2) Offer to the customer-generator a tariff or contract that is identical in energy
35 rates, rate structure, and monthly charges to the contract or tariff that the customer would
36 be assigned if the customer were not an eligible customer-generator but shall not charge
37 the customer-generator any additional standby, capacity, interconnection, or other fee or
38 charge;

39 (3) Disclose annually the availability of the net metering program to each of its
40 customers with the method of disclosure being at the discretion of the electric utility.

41 4. A customer-generator's facility shall be equipped with metering equipment that
42 can measure the flow of electric energy in both directions. The retail electric supplier shall
43 use a single bi-directional electric revenue meter. If the customer-generator's existing
44 meter does not meet the requirements, the supplier shall install and maintain a new

45 revenue meter at the company's expense. Any subsequent revenue meter change
46 necessitated by the customer-generator shall be paid for by the customer-generator.

47 5. Consistent with the provisions in this section, the net energy measurement shall
48 be calculated in the following manner:

49 (1) For a customer-generator, a retail electric supplier shall measure the net
50 electricity produced or consumed during the billing period in accordance with normal
51 metering practices for customers in the same rate class;

52 (2) If the electricity supplied by the supplier exceeds the electricity generated by the
53 customer-generator during the billing period, the customer-generator shall be billed for
54 the net electricity supplied by the supplier in accordance with normal practices for
55 customers in the same rate class;

56 (3) If the electricity generated by the customer-generator exceeds the electricity
57 supplied by the supplier during the billing period, the customer-generator shall be billed
58 for the appropriate customer charges for that billing period in accordance with subsection
59 3 of this section and shall be credited for the excess kilowatt-hours generated during the
60 billing period, with this kilowatt-hour credit applied to the following billing period;

61 (4) After the last monthly bill for each twelve-month period or when the customer-
62 generator terminates the net metering relationship with the supplier, any remaining credits
63 shall not be carried forward.

64 6. (1) Each qualified generation unit and qualified metering unit used by a
65 customer-generator shall meet all applicable safety, performance, interconnection, and
66 reliability standards established by the National Electrical Code, the Institute of Electrical
67 and Electronics Engineers, and Underwriters Laboratories. No supplier shall impose any
68 fee, charge, or other requirement not specifically authorized by this section or the rules
69 promulgated under subsection 9 of this section unless the fee, charge, or other requirement
70 would apply to similarly situated customers who are not customer-generators.

71 (2) For systems of ten kilowatts or less, a customer-generator whose system meets
72 the standards and rules under subdivision (1) of this subsection shall not be required to
73 install additional controls, perform or pay for additional tests, or purchase additional
74 liability insurance.

75 (3) For customer-generator systems of greater than ten kilowatts, the commission
76 for public utilities and the governing body for other utilities shall:

77 (a) Set forth safety, performance, and reliability standards and requirements; and

78 (b) Establish the qualifications for exemption from a requirement to install
79 additional controls, perform or pay for additional tests, or purchase additional liability
80 insurance.

81 **7. Applications by a customer-generator for interconnection to the distribution**
82 **system shall be reviewed and responded to by the retail electric supplier within thirty days**
83 **of receipt thereof. If the application for interconnection is approved by the retail electric**
84 **supplier and the customer-generator does not complete the interconnection within one year**
85 **of the approval, the approval shall expire and the customer-generator shall be responsible**
86 **for filing a new application.**

87 **8. Each retail electric supplier shall submit an annual net metering report to the**
88 **commission including the following information for the previous compliance year:**

89 **(1) The total number of customer-generator facilities;**

90 **(2) The total estimated generating capacity of its net-metered customer-generators;**

91 **and**

92 **(3) The total estimated net kilowatt-hours received from customer-generators.**

93 **9. The commission shall, within nine months of the effective date of this section,**
94 **promulgate rules necessary for the administration of this section, which shall include**
95 **regulations ensuring that simple contracts will be used for interconnection and net**
96 **metering. For systems of ten kilowatts or less, the application process shall use an all-in-**
97 **one document that includes a simplified interconnection request, simplified procedures,**
98 **and a brief set of terms and conditions. Any rule or portion of a rule, as that term is**
99 **defined in section 536.010, RSMo, that is created under the authority delegated in this**
100 **section shall become effective only if it complies with and is subject to all of the provisions**
101 **of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter**
102 **536, RSMo, are nonseverable and if any of the powers vested with the general assembly**
103 **under chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul**
104 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority and**
105 **any rule proposed or adopted after August 28, 2007, shall be invalid and void.**

2 [386.887. 1. This section shall be known and may be cited as the
3 "Consumer Clean Energy Act".

4 2. As used in this section, the following terms mean:

5 (1) "Commission", the public service commission of the state of
6 Missouri;

7 (2) "Customer-generator", a consumer of electric energy who purchases
8 electric energy from a retail electric energy supplier and is the owner of a
9 qualified net metering unit;

10 (3) "Local distribution system", facilities for the distribution of electric
11 energy to the ultimate consumer thereof;

12 (4) "Net energy metering", a measurement of the difference between the
electric energy supplied to a customer-generator by a retail electric supplier and

the electric energy generated by a customer-generator that is delivered to a local distribution system at the same point of interconnection;

- (5) "Qualified net metering unit", an electric generation unit which:
 - (a) Is owned by a customer-generator;
 - (b) Is a hydrogen fuel cell or is powered by sun, wind or biomass;
 - (c) Has an electrical generating system with a capacity of not more than one hundred kilowatts;
 - (d) Is located on the premises that are owned, operated, leased or otherwise controlled by the customer-generator;
 - (e) Is interconnected and operates in parallel and in synchronization with a retail electric supplier; and
 - (f) Is intended primarily to offset part or all of the customer-generator's own electrical requirements;
- (6) "Retail electric supplier" or "supplier", any person that sells electric energy to the ultimate consumer thereof;
- (7) "Value of electric energy", the total resulting from the application of the appropriate rates, which may be time of use rates at the option of the supplier, to the quantity of electric energy produced from qualified net metering units or to the quantity of electric energy sold to customer-generators.

3. By August 28, 2003, each retail electric supplier shall adopt rates, charges, conditions and contract terms for the purchase from and the sale of electric energy to customer-generators. The commission, in consultation with the department and retail electric suppliers, shall develop a simple contract for such transactions and make it available to eligible customer-generators and retail electric suppliers. Upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the purchase from the customer-generator may be by the wholesale generator. Any time of use or other rates charged for electric energy sold to customer-generators shall be the same as those made available to any other customers with the same net electric energy usage pattern including minimum bills and service availability charges. Rates for electric energy generated by the customer-generator from a qualified net generating unit and sold to the retail electric supplier or its wholesale generator shall be the avoided cost (time of use or nontime of use) of the generation used by the retail electric supplier to serve its other customers. Whenever a customer-generator with a qualified net generating unit uses any energy generation method entitled to eligibility under a minimum renewable energy generation requirement, the total amount of energy generated by that method shall be treated as generated by the generator providing electric energy to the retail electric supplier for purposes of such requirement. The wholesale generator, at the option of the retail electric supplier, shall receive credit for emissions avoided by the wholesale generator because of electric energy purchased by the wholesale generator or the retail electric supplier from a qualified net metering unit. If the supplier is required to file tariffs with the

commission, the commission shall review the reasonableness of the charges provided in such tariffs.

4. Each retail electric supplier shall calculate the net energy measurement for a customer-generator in the following manner:

(1) The retail electric supplier shall individually measure both the electric energy produced and the electric energy consumed by the customer-generator during each billing period using an electric metering capable of such function, either by a single meter capable of registering the flow of electricity in two directions or by using multiple meters;

(2) If the value of the electric energy supplied by the retail electric supplier exceeds the value of the electric energy delivered by the customer-generator to the retail electric supplier during a billing period, then the customer-generator shall be billed for the net value of the electric energy supplied by the retail electric supplier in accordance with the rates, terms and conditions established by the retail electric supplier for customer-generators; and

(3) If the value of the electric energy generated by the customer-generator exceeds the value of the electric energy supplied by the retail electric supplier, then the customer-generator:

(a) Shall be billed for the appropriate customer charges for that billing period; and

(b) Shall be credited for the excess value of the electric energy generated and supplied to the retail electric supplier during the billing period, with this credit appearing on the bill for the following billing period.

5. A retail electric supplier shall not be required to provide net metering service with respect to additional customer-generators after the date during any calendar year on which the total generating capacity of all customer-generators with qualified net metering units served by that retail electric supplier is equal to or in excess of the lesser of ten thousand kilowatts or one-tenth of one percent of the capacity necessary to meet the company's aggregate customer peak demand for the preceding calendar year.

6. Each retail electric supplier shall maintain and make available to the public records of the total generating capacity of customer-generators of the supplier that are using net metering, the type of generating systems and energy source used by the electric generating systems which customer-generators use. Each such retail electric supplier shall notify the commission when the total generating capacity of such customer-generators is equal to or in excess of the lesser of ten thousand kilowatts or one-tenth of one percent of the capacity necessary to meet the company's aggregate customer peak demand for the preceding calendar year.

7. Each qualified net metering unit used by a customer-generator shall meet all applicable safety, performance, synchronization, interconnection and reliability standards established by the commission, the National Electrical Safety Code, National Electrical Code, the Institute of Electrical, Electronics Engineers,

and Underwriters Laboratories. Each qualified net metering unit used by a customer-generator shall also meet all reasonable standards and requirements established by the retail electric supplier to enhance employee, consumer and public safety and the reliability of electric service to the customer-generator and other consumers receiving electric service from the retail electric supplier. Each qualified net metering unit used by a customer-generator shall also comply with all applicable local building, electrical and safety codes. The customer-generator shall obtain liability insurance coverage in amounts and coverage as set by the commission by rule applicable to all qualified net metering units.

8. The cost of meeting the standards of subsection 7 of this section and any cost to install additional controls, to install additional metering, to perform or pay for additional tests or analysis of the effect of the operation of the qualified net metering unit on the local distribution system shall be paid by the customer-generator.

9. Applications by a customer-generator for interconnection to the distribution system shall include a copy of the plans and specifications for the qualified net metering unit for review and acceptance by the retail electric supplier. Prior to connection of the qualified net metering unit to the distribution system, the customer-generator will furnish the retail electric supplier a certification from a qualified professional electrician or engineer that the installation meets the requirements of subsection 7 of this section. Such applications shall be reviewed and responded to by the retail electric supplier within ninety days. If the application for interconnection is approved by the retail electric supplier, the retail electric supplier shall complete the interconnection within fifteen days if electric service already exists to the premises, unless a later date is mutually agreeable to both the customer-generator and the retail electric supplier.

10. The sale of qualified net metering units shall be subject to the provisions of sections 407.700 to 407.720, RSMo. The attorney general shall have the authority to promulgate in accordance with the provisions of chapter 536, RSMo, rules regarding mandatory disclosures of information by sellers of qualified net metering units. Such rules shall as a minimum require disclosure or the standards of subsection 7 of this section and potential liability of the owner or operator of a qualified net metering unit to third persons for personal injury or property damage as a result of negligent operation of a qualified net metering unit. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the

141 grant of rulemaking authority and any rule proposed or adopted after August 28,
142 2002, shall be invalid and void.]

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