

## HB 2311 -- Combined Heat and Power Systems

Sponsor: Allen

This bill specifies that the General Assembly finds that combined heat and power benefits Missouri by providing usable energy more efficiently and cheaply, reducing pollution, and enhancing the safety and reliability of electricity transmission and distribution; and therefore, it is the policy of Missouri to facilitate the widespread application of combined heat and power by the commercial, institutional, industrial, utility, and residential sectors. The Missouri Public Service Commission is required to review and, if necessary, modify its regulations so that interconnection agreements, procedures, and fees for combined heat and power (CHP) systems are just and reasonable; nondiscriminatory; and establish uniform, clear, and transparent time lines. The commission must make available an expedited dispute resolution mechanism on the rules. Eligible CHP systems will be allowed to sell electricity that is delivered to the grid to electrical corporations at a just and reasonable rate but not less than the wholesale rate for the host site of the CHP system. Customers using CHP systems are responsible for the cost of purchasing and installing two directional metering to allow for interconnection with the electrical grid.

Electrical corporations must file a tariff in compliance with the provisions of the bill within 90 days of the effective date of the bill. Tariffs for the purchase of electricity from CHP systems must be made available until the total installed capacity reaches 5% of the total electric generating capacity installed in Missouri. Once the capacity is reached, the commission must determine if the tariffs should continue.

Rural electric cooperatives and municipally owned electric utilities must comply with the provisions of the bill by August 28, 2011, and provide a market for the purchase of electricity for CHP systems at just and reasonable rates.