

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 40, Page
2 11, Section 260.520, Line 17, by inserting after all of said section and line the following:

3
4 "386.885. 1. There is hereby established the "Task Force on Distributed Energy Resources
5 and Net Metering", which shall be composed of the following members:

6 (1) Three members of the senate, with two appointed by the president pro tempore of the
7 senate and one appointed by the minority floor leader of the senate;

8 (2) Three members of the house of representatives, with two appointed by the speaker of the
9 house of representatives and one appointed by the minority floor leader of the house of
10 representatives;

11 (3) The director of the division of energy, or his or her designee, to serve as a member and
12 to provide technical assistance to the task force;

13 (4) The chair of the public service commission, or his or her designee, to serve as a member
14 and to provide technical assistance;

15 (5) A representative from each of the three segments of the retail electric energy industry
16 appointed by the president pro tempore of the senate from the respective nominees submitted by the
17 statewide associations of the investor-owned electric utilities, rural electric cooperatives, and
18 municipally owned electric utilities;

19 (6) Two representatives of the retail distributed energy resources industry appointed by the
20 chairman of the public service commission; and

21 (7) One representative each of retail, residential, and
22 commercial electric consumers appointed by the president pro tempore of the senate.

23 2. The task force shall conduct public hearings and research, and shall compile a report for
24 delivery to the general assembly by no later than December 31, 2021. Such report shall include
25 information on the following:

26 (1) A distributed energy resources study, which shall include a value of solar study along
27 with the practical and economic benefits, challenges, and drawbacks of increased distributed energy
28 generation in the state;

29 (2) The fair and equitable setting of rates between distributed generation and non-distributed
30 generation consumers; and

31 (3) Potential legislation including, but not limited to, changes to the Net Metering and Easy
32 Connection Act, if any, that would promote the overall public interest.

33 3. The task force shall meet within thirty days after its creation and shall organize by
34 selecting a chair and vice chair, one of whom shall be a member of the senate and the other a
35 member of the house of representatives. Thereafter, the task force may meet as often as necessary in
36 order to accomplish the tasks assigned to it. A majority of the task force shall constitute a quorum,

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1 and a majority vote of such quorum shall be required for any action.

2 4. The staff of house research and senate research shall provide necessary clerical, research,
3 fiscal, and legal services to the task force, as the task force may request.

4 5. The division of energy shall oversee the distributed energy resources study to be selected
5 and conducted by an independent and objective expert with input from the members of the task
6 force. The cost of said study shall be paid for through funds available from federal and state grants
7 applied for by the division of energy. The division of energy shall establish procedures for the
8 submission and non-public disclosure of confidential and propriety information.

9 6. The members of the task force shall serve without compensation, but any actual and
10 necessary expenses incurred in the performance of the task force's official duties by the task force,
11 its members, and any staff assigned to the task force shall be paid from the joint contingent fund.

12 7. This section shall expire on December 31, 2021.

13 386.890. 1. This section shall be known and may be cited as the "Net Metering and Easy
14 Connection Act".

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

16 (1) "Avoided fuel cost", the current average cost of fuel for the entity generating electricity,
17 as defined by the governing body with jurisdiction over any municipal electric utility, rural electric
18 cooperative as provided in chapter 394, or electrical corporation as provided in this chapter;

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

20 (3) "Customer-generator", the owner or operator of a qualified electric energy generation
21 unit which:

22 (a) Is powered by a renewable energy resource;

23 (b) Has an electrical generating system with a capacity of not more than one hundred
24 kilowatts;

25 (c) Is located on a premises owned, operated, leased, or otherwise controlled by the
26 customer-generator;

27 (d) Is interconnected and operates in parallel phase and synchronization with a retail electric
28 supplier and has been approved by said retail electric supplier;

29 (e) Is intended ~~[primarily to offset part or all]~~ and designed not to exceed one hundred
30 percent of the customer-generator's own electrical energy requirements;

31 (f) Meets all applicable safety, performance, interconnection, and reliability standards
32 established by the National Electrical Code, the National Electrical Safety Code, the Institute of
33 Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory
34 Commission, and any local governing authorities; and

35 (g) Contains a mechanism that automatically disables the unit and interrupts the flow of
36 electricity back onto the supplier's electricity lines in the event that service to the customer-
37 generator is interrupted;

38 (4) "Department", the department of ~~[economic development]~~ natural resources;

39 (5) "Net metering", using metering equipment sufficient to measure the difference between
40 the electrical energy supplied to a customer-generator by a retail electric supplier and the electrical
41 energy supplied by the customer-generator to the retail electric supplier over the applicable billing
42 period;

43 (6) "Renewable energy resources", electrical energy produced from wind, solar thermal
44 sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced by
45 one of the above-named electrical energy sources, and other sources of energy that become available
46 after August 28, 2007, and are certified as renewable by the department;

47 (7) "Retail electric supplier" or "supplier", any ~~[municipal]~~ municipally owned electric
48 utility operating under chapter 91, electrical corporation regulated by the commission under this
49 chapter, or rural electric cooperative operating under chapter 394 that provides retail electric service

1 in this state. An electrical corporation that operates under a cooperative business plan as described
 2 in subsection 2 of section 393.110 shall be deemed to be a rural electric cooperative for purposes of
 3 this section.

4 3. A retail electric supplier shall:

5 (1) Make net metering available to customer-generators on a first-come, first-served basis
 6 until the total rated generating capacity of net metering systems equals five percent of the [utility's]
 7 retail electric supplier's single-hour peak load during the previous year, after which the commission
 8 for [a public utility] an electrical corporation or the respective governing body [for] of other [electric
 9 utilities] retail electric suppliers may increase the total rated generating capacity of net metering
 10 systems to an amount above five percent. However, in a given calendar year, no retail electric
 11 supplier shall be required to approve any application for interconnection if the total rated generating
 12 capacity of all applications for interconnection already approved to date by said supplier in said
 13 calendar year equals or exceeds one percent of said supplier's single-hour peak load for the previous
 14 calendar year;

15 (2) Offer to the customer-generator a tariff or contract that is identical in electrical energy
 16 rates, rate structure, and monthly charges to the contract or tariff that the customer would be
 17 assigned if the customer were not an eligible customer-generator but shall not charge the customer-
 18 generator any additional standby, capacity, interconnection, or other fee or charge that would not
 19 otherwise be charged if the customer were not an eligible customer-generator; and

20 (3) Disclose annually the availability of the net metering program to each of its customers
 21 with the method and manner of disclosure being at the discretion of the supplier.

22 4. A customer-generator's facility shall be equipped with sufficient metering equipment that
 23 can measure the net amount of electrical energy produced or consumed by the customer-generator.
 24 If the customer-generator's existing meter equipment does not meet these requirements or if it is
 25 necessary for the retail electric supplier to install additional distribution equipment to accommodate
 26 the customer-generator's facility, the customer-generator shall reimburse the retail electric supplier
 27 for the costs to purchase and install the necessary additional equipment. At the request of the
 28 customer-generator, such costs may be initially paid for by the retail electric supplier, and any
 29 amount up to the total costs and a reasonable interest charge may be recovered from the customer-
 30 generator over the course of up to twelve billing cycles. Any subsequent meter testing, maintenance
 31 or meter equipment change necessitated by the customer-generator shall be paid for by the
 32 customer-generator.

33 5. Consistent with the provisions in this section, the net electrical energy measurement shall
 34 be calculated in the following manner:

35 (1) For a customer-generator, a retail electric supplier shall measure the net electrical energy
 36 produced or consumed during the billing period in accordance with normal metering practices for
 37 customers in the same rate class, either by employing a single, bidirectional meter that measures the
 38 amount of electrical energy produced and consumed, or by employing multiple meters that
 39 separately measure the customer-generator's consumption and production of electricity;

40 (2) If the electricity supplied by the supplier exceeds the electricity generated by the
 41 customer-generator during a billing period, the customer-generator shall be billed for the net
 42 electricity supplied by the supplier in accordance with normal practices for customers in the same
 43 rate class;

44 (3) If the electricity generated by the customer-generator exceeds the electricity supplied by
 45 the supplier during a billing period, the customer-generator shall be billed for the appropriate
 46 customer charges for that billing period in accordance with subsection 3 of this section and shall be
 47 credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated
 48 during the billing period, with this credit applied to the following billing period;

49 (4) Any credits granted by this subsection shall expire without any compensation at the

1 earlier of either twelve months after their issuance or when the customer-generator disconnects
2 service or terminates the net metering relationship with the supplier;

3 (5) For any rural electric cooperative under chapter 394, or ~~[municipal]~~ any municipally
4 owned utility, upon agreement of the wholesale generator supplying electric energy to the retail
5 electric supplier, at the option of the retail electric supplier, the credit to the customer-generator may
6 be provided by the wholesale generator.

7 6. (1) Each qualified electric energy generation unit used by a customer-generator shall
8 meet all applicable safety, performance, interconnection, and reliability standards established by any
9 local code authorities, the National Electrical Code, the National Electrical Safety Code, the
10 Institute of Electrical and Electronics Engineers, and Underwriters Laboratories for distributed
11 generation. No supplier shall impose any fee, charge, or other requirement not specifically
12 authorized by this section or the rules promulgated under subsection 9 of this section unless the fee,
13 charge, or other requirement would apply to similarly situated customers who are not customer-
14 generators, except that a retail electric supplier may require that a customer-generator's system
15 contain a switch, circuit breaker, fuse, or other easily accessible device or feature located in
16 immediate proximity to the customer-generator's metering equipment that would allow a utility
17 worker the ability to manually and instantly disconnect the unit from the utility's electric distribution
18 system.

19 (2) For systems of ten kilowatts or less, a customer-generator whose system meets the
20 standards and rules under subdivision (1) of this subsection shall not be required to install additional
21 controls, perform or pay for additional tests or distribution equipment, or purchase additional
22 liability insurance beyond what is required under subdivision (1) of this subsection and subsection 4
23 of this section.

24 (3) For customer-generator systems of greater than ten kilowatts, the commission for ~~[public~~
25 ~~utilities]~~ electrical corporations and the respective governing body for other ~~[utilities]~~ retail electric
26 suppliers shall, by rule or equivalent formal action by each respective governing body:

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

28 (b) Establish the qualifications for exemption from a requirement to install additional
29 controls, perform or pay for additional tests or distribution equipment, or purchase additional
30 liability insurance.

31 7. (1) Applications by a customer-generator for interconnection of a qualified electric
32 energy generation unit meeting the requirements of subdivision (3) of subsection 2 of this section to
33 the distribution system shall be accompanied by the plan for the customer-generator's electrical
34 generating system, including but not limited to a wiring diagram and specifications for the
35 generating unit, and shall be reviewed and responded to by the retail electric supplier within thirty
36 days of receipt for systems ten kilowatts or less and within ninety days of receipt for all other
37 systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the
38 customer-generator will furnish the retail electric supplier a certification from a qualified
39 professional electrician or engineer that the installation meets the requirements of subdivision (1) of
40 subsection 6 of this section. If the application for interconnection is approved by the retail electric
41 supplier and the customer-generator does not complete the interconnection within one year after
42 receipt of notice of the approval, the approval shall expire and the customer-generator shall be
43 responsible for filing a new application.

44 (2) Upon the change in ownership of a qualified electric energy generation unit, the new
45 customer-generator shall be responsible for filing a new application under subdivision (1) of this
46 subsection.

47 8. Each ~~[commission-regulated supplier]~~ electrical corporation shall submit an annual net
48 metering report to the commission, and all other ~~[nonregulated]~~ retail electric suppliers shall submit
49 the same report to their respective governing body and make said report available to a consumer of

the supplier upon request, including the following information for the previous calendar year:

- (1) The total number of customer-generator facilities;
- (2) The total estimated generating capacity of its net-metered customer-generators; and
- (3) The total estimated net kilowatt-hours received from customer-generators.

9. The commission shall, within nine months of January 1, 2008, promulgate initial rules necessary for the administration of this section for ~~[public utilities]~~ electrical corporations, which shall include regulations ensuring that simple contracts will be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions. Any rule or portion of a rule, as that term is defined in section 536.010, 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 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

10. The governing body of a rural electric cooperative or municipal utility shall, within nine months of January 1, 2008, adopt policies establishing a simple contract to be used for interconnection and net metering. For systems of ten kilowatts or less, the application process shall use an all-in-one document that includes a simple interconnection request, simple procedures, and a brief set of terms and conditions.

11. For any cause of action relating to any damages to property or person caused by the qualified electric energy generation unit of a customer-generator or the interconnection thereof, the retail electric supplier shall have no liability absent clear and convincing evidence of fault on the part of the supplier.

12. The estimated generating capacity of all net metering systems operating under the provisions of this section shall count towards the respective retail electric supplier's accomplishment of any renewable energy portfolio target or mandate adopted by the Missouri general assembly.

13. The sale of qualified electric energy generation units to any customer-generator shall be subject to the provisions of sections 407.010 to 407.145 and sections 407.700 to 407.720. The attorney general shall have the authority to promulgate in accordance with the provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of qualified electric energy generation units. Any interested person who believes that the seller of any qualified electric energy generation unit is misrepresenting the safety or performance standards of any such systems, or who believes that any electric energy generation unit poses a danger to any property or person, may report the same to the attorney general, who shall be authorized to investigate such claims and take any necessary and appropriate actions.

14. Any costs incurred under this act by a retail electric supplier shall be recoverable in that utility's rate structure.

15. No consumer shall connect or operate ~~[an]~~ a qualified electric energy generation unit in parallel phase and synchronization with any retail electric supplier without written approval by said supplier that all of the requirements under subdivision (1) of subsection 7 of this section have been met. For a consumer who violates this provision, a supplier may immediately and without notice disconnect the electric facilities of said consumer and terminate said consumer's electric service.

16. The manufacturer of any qualified electric energy generation unit used by a customer-generator may be held liable for any damages to property or person caused by a defect in the qualified electric energy generation unit of a customer-generator.

17. The seller, installer, or manufacturer of any qualified electric energy generation unit who knowingly misrepresents the safety aspects of ~~[an]~~ a qualified electric generation unit may be held

- 1 liable for any damages to property or person caused by the qualified electric energy generation unit
- 2 of a customer-generator."; and
- 3
- 4 Further amend said bill by amending the title, enacting clause, and intersectional references
- 5 accordingly.