

HOUSE BILL NO. 2574

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCMULLEN.

5358H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to a community solar pilot program.

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

Section A. Chapter 386, RSMo, is amended by adding thereto one new section, to be known as section 386.875, to read as follows:

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

(1) "Bill credit", the commission-approved monetary value of each kilowatt hour of electricity generated by a community solar facility and allocated to a subscriber's monthly bill to offset the subscriber's retail electric bill;

(2) "Community solar facility", a facility that:

(a) Generates electricity by means of a solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated based on the size of the subscriptions;

(b) Is located within the state of Missouri;

(c) Is connected to and delivers electricity to a distribution system operated by a retail electric supplier operating in the state of Missouri and in compliance with requirements under this section;

(d) Has a nameplate capacity greater than one hundred AC kilowatts and no greater than five thousand AC kilowatts;

(e) Has at least ten subscribers;

(f) Credits some or all of the electricity generated from a community solar facility to the bills of subscribers; and

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.

18 (g) May be located remotely from a subscriber's premises and shall not be
19 required to provide energy to an on-site load;

20 (3) "Community solar organization", an entity that owns or operates one or
21 more community solar facilities;

22 (4) "Customer-generator", the same meaning as set forth in section 386.890;

23 (5) "Low-income customer", a retail residential customer of a retail electric
24 supplier whose household income adjusted for family size does not exceed either two
25 hundred percent of the federal poverty level or eighty percent of the median income of
26 the county in which the customer is located, whichever is higher. Owners or managers
27 of apartment buildings or rental units that serve low-income customers may be
28 considered low-income customers if fifty percent or more of the tenants qualify under
29 this definition. Further, certain entities, organizations, and institutions that are focused
30 on social welfare and that serve the low-income customer community may also qualify,
31 including but not limited to: homeless shelters, halfway houses, soup kitchens, foster
32 homes, orphanages, and other similar organizations;

33 (6) "Retail electric supplier", any municipal utility, electrical corporation
34 regulated under chapter 386, or rural electric cooperative under chapter 394 that
35 provides retail electric service in this state;

36 (7) "Subscriber", a retail customer of a retail electric supplier who owns one or
37 more subscriptions to a community solar facility interconnected with the customer's
38 retail electric supplier. The term includes a retail customer who owns a portion of a
39 community solar facility. A subscriber's subscription size shall be one hundred percent
40 or less of their twelve-month rolling average kilowatt hour usage for any one subscriber
41 meter;

42 (8) "Subscriber administrator", an entity that recruits and enrolls subscribers,
43 administers subscriber participation in community solar facilities, and manages the
44 subscription relationship between subscribers and a retail electric supplier;

45 (9) "Subscription", a contract between a subscriber and subscriber
46 administrator of a community solar facility that entitles the subscriber to a bill credit
47 against the subscriber's retail electric bill;

48 (10) "Unsubscribed energy", the output of a community solar facility, measured
49 in kilowatt hours, that is not allocated to subscribers.

50 2. Each retail electric supplier shall implement a three-year community solar
51 pilot program to run during calendar years 2025 through 2027. Retail electric suppliers
52 shall allow subscriber administrators and owners or operators of community solar
53 facilities to recruit customers as subscribers and shall process subscribers' bill credits as
54 required by subdivision (8) of subsection 3 of this section. Each retail electric supplier

55 shall continue operating its community solar pilot program until the total solar
56 electricity demand from subscribers equals five percent of the retail electric supplier's
57 electricity sales for the previous year.

58 **3. Community solar facilities shall be operated as follows:**

59 **(1) A community solar facility may be built, owned, or operated by a third party**
60 **entity under contract with an owner or operator of a community solar facility or a**
61 **subscriber administrator. A subscriber administrator may contract to administer bill**
62 **credits to the subscriber's electricity bill generated by the subscriber's share of the**
63 **community solar facility, subject to the requirements of this section. A subscriber**
64 **administrator that provides bill credits to a subscriber pursuant to this section shall not**
65 **be considered an electrical corporation or public utility under section 386.020 for**
66 **purposes of determining jurisdiction of the commission;**

67 **(2) The owner or operator of a community solar facility may serve as a**
68 **subscriber administrator or may contract with a third party to serve as a subscriber**
69 **administrator on behalf of the owner or operator. Nothing in this section shall prevent a**
70 **retail electric supplier from owning or operating a community solar facility or from**
71 **acting as a subscriber administrator as part of its own community solar pilot program;**

72 **(3) Except as provided under subdivision (4) of this subsection, the price paid for**
73 **a subscription in a community solar facility shall not be subject to regulation by the**
74 **commission;**

75 **(4) Not later than nine months after the effective date of this section, the**
76 **commission shall establish the value of the bill credit for each retail electric supplier to**
77 **offset each subscriber's retail electric bill for each kilowatt hour subscribed from a**
78 **community solar facility. The commission shall establish the bill credit value in such a**
79 **way as to allow for the creation, financing, accessibility, and operation of community**
80 **solar facilities and to maximize customer participation so as to meet the goal of five**
81 **percent of electricity sales per year as required by subsection 2 of this section. The**
82 **commission shall establish an additional bill credit value for subscribers who are low-**
83 **income customers in such a way as to ensure that low-income subscribers save money on**
84 **their retail electric bills;**

85 **(5) A retail electric supplier shall allow for the transferability and portability of**
86 **subscriptions, including allowing a subscriber to retain a subscription to a community**
87 **solar facility if the subscriber relocates within the same retail electric supplier's service**
88 **territory;**

89 **(6) On a monthly basis, a subscriber administrator shall update the subscriber**
90 **administrator's list of subscribers and provide all of the following information about**

91 each subscriber to the retail electric supplier in a standardized electronic format
92 approved by the commission for the purpose of bill credit to subscribers:

93 (a) The name, address, account number, and meter number;

94 (b) The kilowatt hours of electricity generation attributable to each subscriber;

95 (c) If a subscriber administrator is using the retail electric supplier's billing
96 methods to collect subscription fees, the subscription fee for the month owed by each
97 subscriber to the subscriber administrator;

98 (7) A subscriber administrator or third party owning or operating a community
99 solar facility shall not be considered a retail electric supplier or an electric generation
100 provider solely as a result of involvement with a community solar facility;

101 (8) Duties of retail electric suppliers shall include the following:

102 (a) On a monthly basis, a retail electric supplier shall provide to a subscriber
103 administrator a report in a standardized electronic format indicating the total value of
104 the bill credit generated by the community solar facility in the prior month and the
105 amount of the bill credit applied to each subscriber;

106 (b) A retail electric supplier shall provide a bill credit to a subscriber's next
107 monthly electric bill for the proportional output of a community solar facility
108 attributable to the subscriber in the same manner as if the solar facility were located
109 on the customer's property;

110 (c) If requested by a subscriber administrator, a retail electric supplier shall
111 include a subscriber's subscription fee on the monthly bill and forward the collected
112 subscription fees to the subscriber administrator on a monthly basis; and

113 (d) Not later than August 28, 2025, a retail electric supplier shall make available
114 and update, in a commercially reasonable manner, a system map showing the loading of
115 the distribution system and indicating where in the service territory the distribution
116 system could accommodate new solar generation;

117 (9) Compensation for retail electric suppliers shall be as follows:

118 (a) A subscriber administrator shall compensate a retail electric supplier for the
119 retail electric supplier's reasonable direct costs of interconnection of a community solar
120 facility. Such compensation shall be in the form of a one-time payment upon
121 interconnection;

122 (b) A retail electric supplier shall be entitled to recover its reasonable direct costs
123 of complying with the requirements of this section and enabling a community solar
124 facility within its service territory including, but not limited to, added billing costs and
125 added costs of net metering and interconnection for community solar facilities. These
126 reasonable direct costs shall be in the form of an annual fee invoiced to the subscriber
127 administrator based on the total final system size of the community solar facility;

128 **(10) Each community solar facility shall be subscribed with at least ten percent**
129 **low-income customers and twenty percent residential customers;**

130 **(11) A retail electric supplier shall purchase unsubscribed energy from a**
131 **community solar facility at the retail electric supplier's avoided cost as approved by the**
132 **commission. No later than nine months after August 28, 2024, the commission shall**
133 **establish regulations necessary to effectuate this section regarding the purchase of**
134 **unsubscribed energy;**

135 **(12) No entity, affiliated entity, or entities under common control may develop,**
136 **own, or operate more than one community solar facility on the same parcel or**
137 **contiguous parcels of land.**

138 **4. Interconnection standards for community solar facilities under one hundred**
139 **kilowatts shall be the same as those for net-metered customers pursuant to section**
140 **386.890. For systems larger than one hundred kilowatts, the commission shall develop**
141 **technical and net metering interconnection rules for customer-generators intending to**
142 **operate community solar facilities or renewable onsite generators in parallel with the**
143 **electric utility grid, consistent with rules defined in other states within the service region**
144 **of the regional transmission organization that manages the transmission system in any**
145 **part of the state. In developing its rules, the commission shall convene a stakeholder**
146 **process to develop statewide technical and net metering rules for customer generators**
147 **with systems larger than one hundred kilowatts.**

148 **5. The commission shall promulgate rules and regulations to implement the**
149 **provisions of this section within nine months of August 28, 2024. Any rule or portion of**
150 **a rule, as that term is defined in section 536.010, that is created under the authority**
151 **delegated in this section shall become effective only if it complies with and is subject to**
152 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
153 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
154 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
155 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
156 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

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