

FIRST REGULAR SESSION

# HOUSE BILL NO. 1322

## 103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOGLE.

1461H.011

JOSEPH ENGLER, Chief Clerk

### AN ACT

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

*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 386.1050, to read as follows:

**386.1050. 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 this state;

(c) Is connected to and delivers electricity to a distribution system operated by a retail electric supplier operating in this state 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 end user 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 area median  
26 income, whichever is higher. Owners or managers of apartment buildings or rental  
27 units that serve low-income customers shall be considered low-income customers if fifty  
28 percent or more of the tenants qualify under this definition. Certain entities,  
29 organizations, and institutions that are focused on social welfare and that serve the low-  
30 income customer community may also qualify including, but not limited to, homeless  
31 shelters, halfway houses, soup kitchens, foster homes, orphanages, and other similar  
32 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. "Subscriber" shall include a retail customer who owns a portion  
39 of a community solar facility. A subscriber's subscription size shall be one hundred  
40 twenty percent or less of the twelve-month rolling average kilowatt-hour usage for any  
41 one subscriber 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 2026 through 2028. 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 (5) of subsection 3 of this section. Each retail electric supplier's

55 community solar pilot program shall achieve subscribership equal to two percent of the  
56 retail electric supplier's electricity sales for the previous year for each of the three years  
57 of the pilot program.

58 3. (1) A community solar facility shall be authorized under the following  
59 conditions:

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

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

73 (c) Except as provided under paragraph (d) of this subdivision, the price paid  
74 for a subscription to a community solar facility shall not be subject to regulation by the  
75 commission; and

76 (d) No later than nine months after August 28, 2025, the commission shall  
77 establish the value of the bill credit for each retail electric supplier to offset each  
78 subscriber's retail electric bill for each kilowatt-hour subscribed from a community  
79 solar facility. The commission shall establish the bill credit value in such a way as to  
80 allow for the creation, financing, accessibility, and operation of community solar  
81 facilities and to maximize customer participation so as to meet the goal of two percent of  
82 electricity sales per year as required by subsection 2 of this section. The commission  
83 shall establish an additional bill credit value for subscribers who are low-income  
84 customers in such a way as to ensure that low-income customers save money on their  
85 retail electric bills.

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

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

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

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

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

96 and

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

100 (4) A subscriber administrator or third party owning or operating a community  
101 solar facility shall not be considered a retail electric supplier or an electric generation  
102 provider solely as a result of involvement with a community solar facility as defined by  
103 this chapter.

104 (5) Retail electric suppliers shall have the following duties:

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

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

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

116 (d) No later than one year after the effective date of this section, a retail electric  
117 supplier shall make available and update, in a commercially reasonable manner, a  
118 system map showing the loading of the distribution system and indicating where in the  
119 service territory the distribution system could accommodate new solar generation.

120 (6) Retail electric suppliers shall be compensated in the following manner:

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

125 (b) A retail electric supplier shall be entitled to recover its reasonable direct costs  
126 of complying with the requirements of this section and enabling a community solar  
127 facility within its service territory including, but not limited to, added billing costs and  
128 added costs of net metering and interconnection for community solar facilities. These

reasonable direct costs shall be in the form of an annual fee invoiced to the subscriber administrator based on the total final system size of the community solar facility.

(7) Each community solar facility shall be subscribed with at least ten percent low-income customers and twenty percent residential customers.

(8) A retail electric supplier shall purchase unsubscribed energy from a community solar facility at the retail electric supplier's avoided cost as approved by the commission. No later than nine months after August 28, 2025, the commission shall establish regulations necessary to effectuate this section regarding the purchase of unsubscribed energy.

(9) No entity, affiliated entity, or entities under common control shall develop, own, or operate more than one community solar facility on the same parcel or contiguous parcels of land.

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

5. The commission shall promulgate rules and regulations to implement the provisions of this section within nine months of August 28, 2025. 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 pursuant to 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, 2025, shall be invalid and void.

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