

FIRST REGULAR SESSION

# HOUSE BILL NO. 846

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE STINNETT.

2033H.02I

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To repeal sections 386.890 and 442.404, RSMo, and to enact in lieu thereof two new sections relating to solar energy systems.

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

Section A. Sections 386.890 and 442.404, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 386.890 and 442.404, to read as follows:

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

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

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

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

9 [(3)] (2) "Customer-generator", the owner or operator of a qualified electric energy  
10 generation unit which:

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

12 (b) Has an electrical generating system with a capacity of not more than one  
13 [hundred] **thousand** kilowatts;

14 (c) Is located on a premises owned, operated, leased, or otherwise controlled by the  
15 customer-generator **or utility service territory through virtual net metering;**

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.

16 (d) Is interconnected and operates in parallel phase and synchronization with a retail  
17 electric supplier and has been approved by said retail electric supplier **or public service**  
18 **commission regulation;**

19 (e) Is intended primarily to offset part or all of the customer-generator's ~~[own]~~  
20 **current or future** electrical energy requirements;

21 (f) ~~[Meets all applicable safety, performance, interconnection, and reliability~~  
22 ~~standards established by the National Electrical Code, the National Electrical Safety Code,~~  
23 ~~the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal~~  
24 ~~Energy Regulatory Commission, and any local governing authorities]~~ **Meets the**  
25 **requirements of the uniformed solar permit and inspection form promulgated by the**  
26 **commission;** and

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

30 ~~[(4)]~~ **(3)** "Department", the department of natural resources;

31 ~~[(5)]~~ **(4)** "Net metering", using metering equipment sufficient to measure the  
32 difference between the electrical energy supplied to a customer-generator by a retail electric  
33 supplier and the electrical energy supplied by the customer-generator to the retail electric  
34 supplier over the applicable billing period;

35 ~~[(6)]~~ **(5)** "Renewable energy resources", electrical energy produced from wind, solar  
36 thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using  
37 hydrogen produced by one of the above-named electrical energy sources, and other sources of  
38 energy that become available after August 28, 2007, and are certified as renewable by the  
39 department;

40 ~~[(7)]~~ **(6)** "**Retail electric rate**", **the tariff that the customer would be assigned if**  
41 **the customer were not an eligible customer-generator;**

42 (7) "Retail electric supplier" or "supplier", any municipally owned electric utility  
43 operating under chapter 91, electrical corporation regulated by the commission under this  
44 chapter, or rural electric cooperative operating under chapter 394 that provides retail electric  
45 service in this state. An electrical corporation that operates under a cooperative business plan  
46 as described in subsection 2 of section 393.110 shall be deemed to be a rural electric  
47 cooperative for purposes of this section.

48 3. A retail electric supplier shall:

49 (1) Make net metering available to customer-generators on a first-come, first-served  
50 basis until the total rated generating capacity of net metering systems equals ~~[five]~~ **fifteen**  
51 percent of the retail electric supplier's single-hour peak load during the previous year, after  
52 which the commission for an electrical corporation or the respective governing body of other

53 retail electric suppliers may increase the total rated generating capacity of net metering  
54 systems to an amount above ~~[five]~~ **fifteen** percent. However, in a given calendar year, no  
55 retail electric supplier shall be required to approve any application for interconnection if the  
56 total rated generating capacity of all applications for interconnection already approved to date  
57 by said supplier in said calendar year equals or exceeds ~~[one]~~ **two** percent of said supplier's  
58 single-hour peak load for the previous calendar year;

59 (2) Offer to the customer-generator **the retail electric rate that is** a tariff or contract  
60 that is identical in electrical energy rates, rate structure, and monthly charges to the contract  
61 or tariff that the customer would be assigned if the customer were not an eligible customer-  
62 generator but shall not charge the customer-generator any additional standby, capacity,  
63 interconnection, or other fee or charge that would not otherwise be charged if the customer  
64 were not an eligible customer-generator; and

65 (3) Disclose annually the availability of the net metering program to each of its  
66 customers with the method and manner of disclosure being at the discretion of the ~~[supplier]~~  
67 **commission**.

68 4. A customer-generator's facility shall be equipped with sufficient metering  
69 equipment that can measure the net amount of electrical energy produced or consumed by the  
70 customer-generator. If the customer-generator's existing meter equipment does not meet  
71 these requirements or if it is necessary for the retail electric supplier to install additional  
72 distribution equipment to accommodate the customer-generator's facility, the customer-  
73 generator shall reimburse the retail electric supplier for the costs to purchase and install the  
74 necessary additional equipment **approved by the commission**. At the request of the  
75 customer-generator, such costs may be initially paid for by the retail electric supplier, and any  
76 amount up to the total costs and a reasonable interest charge may be recovered from the  
77 customer-generator over the course of up to twelve billing cycles. Any subsequent meter  
78 testing, maintenance or meter equipment change necessitated by the customer-generator shall  
79 be paid for by the customer-generator.

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

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

88 (2) If the electricity supplied by the supplier exceeds the electricity generated by the  
89 customer-generator during a billing period, the customer-generator shall be billed for the net

90 electricity supplied by the supplier in accordance with normal practices for customers in the  
91 same rate class;

92 (3) If the electricity generated by the customer-generator exceeds the electricity  
93 supplied by the supplier during a billing period, the customer-generator shall be billed for the  
94 appropriate customer charges for that billing period in accordance with subsection 3 of this  
95 section and shall be credited an amount at least equal to the ~~avoided fuel~~ **retail electric** cost  
96 of the excess kilowatt-hours generated during the billing period, with this credit applied ~~to~~  
97 ~~the following billing period~~ **anytime during the following twelve-month period**;

98 (4) Any credits granted by this subsection shall expire without any compensation at  
99 the earlier of either twelve months after their issuance or when the customer-generator  
100 disconnects service or terminates the net metering relationship with the supplier;

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

105 6. (1) Each qualified electric energy generation unit ~~used by a customer generator~~  
106 ~~shall meet all applicable safety, performance, interconnection, and reliability standards~~  
107 ~~established by any local code authorities, the National Electrical Code, the National Electrical~~  
108 ~~Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters~~  
109 ~~Laboratories for distributed generation. No supplier shall impose any fee, charge, or other~~  
110 ~~requirement not specifically authorized by this section or the rules promulgated under~~  
111 ~~subsection 9 of this section unless the fee, charge, or other requirement would apply to~~  
112 ~~similarly situated customers who are not customer generators, except that a retail electric~~  
113 ~~supplier may require that a customer generator's system contain a switch, circuit breaker,~~  
114 ~~fuse, or other easily accessible device or feature located in immediate proximity to the~~  
115 ~~customer-generator's metering equipment that would allow a utility worker the ability to~~  
116 ~~manually and instantly disconnect the unit from the utility's electric distribution system] shall~~  
117 **meet the requirements of the uniformed solar permit and inspection form promulgated**  
118 **by the commission.**

119 (2) For systems of ~~ten~~ **one hundred** kilowatts or less, a customer-generator whose  
120 system meets the standards and rules under subdivision (1) of this subsection shall not be  
121 required to install additional controls, perform or pay for additional tests or distribution  
122 equipment, or purchase additional liability insurance beyond what is required under  
123 subdivision (1) of this subsection and subsection 4 of this section.

124 (3) For customer-generator systems of greater than ~~ten~~ **one hundred** kilowatts, the  
125 commission for electrical corporations and the respective governing body for other retail

126 electric suppliers shall, by rule or equivalent formal action by each respective governing  
127 body:

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

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

132 7. (1) Applications by a customer-generator for interconnection of a qualified electric  
133 energy generation unit ~~[meeting the requirements of subdivision (3) of subsection 2 of this~~  
134 ~~section to the distribution system shall be accompanied by the plan for the customer-~~  
135 ~~generator's electrical generating system, including but not limited to a wiring diagram and~~  
136 ~~specifications for the generating unit, and shall be reviewed and responded to by the retail~~  
137 ~~electric supplier within thirty days of receipt for systems ten kilowatts or less and within~~  
138 ~~ninety days of receipt for all other systems]~~ **shall meet commission standards and shall be**  
139 **reviewed and responded to by the electric supplier within thirty days or the application**  
140 **shall be considered approved.** Prior to the interconnection of the qualified generation unit  
141 to the supplier's system, the customer-generator will furnish the retail electric supplier a  
142 certification from a qualified professional electrician or engineer that the installation meets  
143 the requirements of subdivision (1) of subsection 6 of this section. If the application for  
144 interconnection is approved by the retail electric supplier and the customer-generator does not  
145 complete the interconnection within one year after receipt of notice of the approval, the  
146 approval shall expire and the customer-generator shall be responsible for filing a new  
147 application.

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

151 8. Each electrical corporation shall submit an annual net metering report to the  
152 commission, and all other retail electric suppliers shall submit the same report to their  
153 respective governing body and make said report available to a consumer of the supplier upon  
154 request, including the following information for the previous calendar year:

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

156 (2) The total estimated generating capacity of its net-metered customer-generators;  
157 and

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

159 9. The commission shall, within ~~[nine]~~ **six** months of January 1, ~~[2008]~~ **2026**,  
160 promulgate initial rules necessary for the administration of this section for electrical  
161 corporations, which shall include regulations ensuring that simple contracts will be used for  
162 interconnection and net metering. For systems of ~~[ten]~~ **one hundred** kilowatts or less, the

163 application process shall use an all-in-one document that includes a simple interconnection  
164 request, simple procedures, and a brief set of terms and conditions. Any rule or portion of a  
165 rule, as that term is defined in section 536.010, that is created under the authority delegated in  
166 this section shall become effective only if it complies with and is subject to all of the  
167 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536  
168 are nonseverable and if any of the powers vested with the general assembly under chapter 536  
169 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held  
170 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
171 after August 28, 2007, shall be invalid and void.

172 10. ~~[The governing body of a rural electric cooperative or municipal utility shall,~~  
173 ~~within nine months of January 1, 2008, adopt policies establishing a simple contract to be~~  
174 ~~used for interconnection and net metering. For systems of ten kilowatts or less, the~~  
175 ~~application process shall use an all-in-one document that includes a simple interconnection~~  
176 ~~request, simple procedures, and a brief set of terms and conditions.] **Before January 1, 2026,**~~

177 **the public service commission shall create and implement a unified solar permit and**  
178 **inspection form and automated permitting and inspection software for solar energy**  
179 **devices. Municipalities, cities, homeowner's associations, regulated utilities,**  
180 **unregulated utilities, rural electric cooperatives, or other permitting and inspection**  
181 **authorities shall utilize such software and collect fees from applicants for solar energy**  
182 **device permits. The fees shall be forwarded to the public service commission.**

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

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

191 13. The sale of qualified electric energy generation units to any customer-generator  
192 shall be subject to the provisions of sections 407.010 to 407.145 and sections 407.700 to  
193 407.720. The attorney general shall have the authority to promulgate in accordance with the  
194 provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of  
195 qualified electric energy generation units. Any interested person who believes that the seller  
196 of any qualified electric energy generation unit is misrepresenting the safety or performance  
197 standards of any such systems, or who believes that any electric energy generation unit poses  
198 a danger to any property or person, may report the same to the attorney general, who shall be  
199 authorized to investigate such claims and take any necessary and appropriate actions.

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

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

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

211 17. The seller, installer, or manufacturer of any qualified electric energy generation  
212 unit who knowingly misrepresents the safety aspects of a qualified electric generation unit  
213 may be held liable for any damages to property or person caused by the qualified electric  
214 energy generation unit of a customer-generator.

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

2 (1) "Homeowners' association", a nonprofit corporation or unincorporated association  
3 of homeowners created under a declaration to own and operate portions of a planned  
4 community or other residential subdivision that has the power under the declaration to assess  
5 association members to pay the costs and expenses incurred in the performance of the  
6 association's obligations under the declaration or tenants-in-common with respect to the  
7 ownership of common ground or amenities of a planned community or other residential  
8 subdivision. This term shall not include a condominium unit owners' association as defined  
9 and provided for in subdivision (3) of section 448.1-103 or a residential cooperative;

10 (2) "Political signs", any fixed, ground-mounted display in support of or in opposition  
11 to a person seeking elected office or a ballot measure excluding any materials that may be  
12 attached;

13 (3) **"Reasonable rules", rules that do not include the aesthetics for the solar  
14 panel or solar collector of placement. No "reasonable rule" shall specifically prohibit  
15 street-facing solar panels or solar collectors;**

16 (4) "Solar panel or solar collector", a device used to collect and convert solar energy  
17 into electricity or thermal energy, including but not limited to photovoltaic cells or panels, or  
18 solar thermal systems.

19 2. (1) No deed restrictions, covenants, or similar binding agreements running with  
20 the land shall prohibit or have the effect of prohibiting the display of political signs.

21 (2) A homeowners' association has the authority to adopt reasonable rules, subject to  
22 any applicable statutes or ordinances, regarding the time, size, place, number, and manner of  
23 display of political signs.

24 (3) A homeowners' association may remove a political sign without liability if such  
25 sign is placed within the common ground, threatens the public health or safety, violates an  
26 applicable statute or ordinance, is accompanied by sound or music, or if any other materials  
27 are attached to the political sign. Subject to the foregoing, a homeowners' association shall  
28 not remove a political sign from the property of a homeowner or impose any fine or penalty  
29 upon the homeowner unless it has given such homeowner three days after providing written  
30 notice to the homeowner, which notice shall specifically identify the rule and the nature of the  
31 violation.

32 3. (1) No deed restrictions, covenants, or similar binding agreements running with  
33 the land shall limit or prohibit, or have the effect of limiting or prohibiting, the installation of  
34 solar panels or solar collectors on the rooftop of any property or structure.

35 (2) A homeowners' association may adopt reasonable rules, subject to any applicable  
36 statutes or ordinances, regarding the placement of solar panels or solar collectors to the extent  
37 that those rules do not prevent the installation of the device, impair the functioning of the  
38 device, restrict the use of the device, or adversely affect the cost or efficiency of the device.

39 (3) The provisions of this subsection shall apply only with regard to rooftops that are  
40 owned, controlled, and maintained by the owner of the individual property or structure.

41 **(4) A homeowner's association shall deny or request resubmission of any**  
42 **applications for solar panels or solar collectors within thirty days of receipt or the**  
43 **application shall be considered approved.**

44 **(5) A homeowner's association shall not require an application for solar panels**  
45 **or solar collectors to pass review or be approved by any committee or board designed to**  
46 **address architectural or aesthetic qualities or conditions.**

47 4. (1) No deed restrictions, covenants, or similar binding agreements running with  
48 the land shall prohibit or have the effect of prohibiting the display of sale signs on the  
49 property of a homeowner or property owner including, but not limited to, any yard on the  
50 property, or nearby street corners.

51 (2) A homeowners' association has the authority to adopt reasonable rules, subject to  
52 any applicable statutes or ordinances, regarding the time, size, place, number, and manner of  
53 display of sale signs.

54 (3) A homeowners' association may remove a sale sign without liability if such sign is  
55 placed within the common ground, threatens the public health or safety, violates an applicable  
56 statute or ordinance, is accompanied by sound or music, or if any other materials are attached  
57 to the sale sign. Subject to the foregoing, a homeowners' association shall not remove a sale



58 sign from the property of a homeowner or property owner or impose any fine or penalty upon  
59 the homeowner or property owner unless it has given such homeowner or property owner  
60 three business days after the homeowner or property owner receives written notice from the  
61 homeowners' association, which notice shall specifically identify the rule and the nature of  
62 the alleged violation.

63         5. (1) No deed restrictions, covenants, or similar binding agreements running with  
64 the land shall prohibit or have the effect of prohibiting ownership or pasturing of up to six  
65 chickens on a lot that is two-tenths of an acre or larger, including prohibitions against a single  
66 chicken coop designed to accommodate up to six chickens.

67         (2) A homeowners' association may adopt reasonable rules, subject to applicable  
68 statutes or ordinances, regarding ownership or pasturing of chickens, including a prohibition  
69 or restriction on ownership or pasturing of roosters.

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