

SECOND REGULAR SESSION

HOUSE BILL NO. 2528

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MATTHIESEN.

4677H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 386.890, RSMo, and to enact in lieu thereof one new section relating to portable solar generation devices.

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

Section A. Section 386.890, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 386.890, to read as follows:

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

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

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

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

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

(a) Is powered by a renewable energy resource;

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

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

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

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 (e) Is intended primarily to offset part or all of the customer-generator's own electrical
19 energy requirements;

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

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

27 (4) "Department", the department of natural resources;

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

32 (6) **"Portable solar generation device", a moveable photovoltaic generation
33 device that:**

34 (a) **Has a maximum power output of not more than 1,200 watts;**

35 (b) **Is designed to be connected to a building's electrical system through a
36 standard 120-volt alternating current outlet;**

37 (c) **Is intended primarily to offset part of the customer's electricity consumption;**

38 (d) **Meets the standards of the most recent version of the National Electrical
39 Code; and**

40 (e) **Is certified by Underwriters Laboratories or an equivalent nationally
41 recognized testing laboratory;**

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

47 ~~[(7)]~~ (8) "Retail electric supplier" or "supplier", any municipally owned electric
48 utility operating under chapter 91, electrical corporation regulated by the commission under
49 this chapter, or rural electric cooperative operating under chapter 394 that provides retail
50 electric service in this state. An electrical corporation that operates under a cooperative
51 business plan as described in subsection 2 of section 393.110 shall be deemed to be a rural
52 electric cooperative for purposes of this section.

53 3. A retail electric supplier shall:

54 (1) Make net metering available to customer-generators on a first-come, first-served
55 basis until the total rated generating capacity of net metering systems equals five percent of
56 the retail electric supplier's single-hour peak load during the previous year, after which the
57 commission for an electrical corporation or the respective governing body of other retail
58 electric suppliers may increase the total rated generating capacity of net metering systems to
59 an amount above five percent. However, in a given calendar year, no retail electric supplier
60 shall be required to approve any application for interconnection if the total rated generating
61 capacity of all applications for interconnection already approved to date by said supplier in
62 said calendar year equals or exceeds one percent of said supplier's single-hour peak load for
63 the previous calendar year;

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

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

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

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

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

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

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

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

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

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

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

125 (3) For customer-generator systems of greater than ten kilowatts, the commission for
126 electrical corporations and the respective governing body for other retail electric suppliers
127 shall, by rule or equivalent formal action by each respective governing 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. Prior to the interconnection of the qualified
139 generation unit to the supplier's system, the customer-generator will furnish the retail electric
140 supplier a certification from a qualified professional electrician or engineer that the
141 installation meets the requirements of subdivision (1) of subsection 6 of this section. If the
142 application for interconnection is approved by the retail electric supplier and the customer-
143 generator does not complete the interconnection within one year after receipt of notice of the
144 approval, the approval shall expire and the customer-generator shall be responsible for filing a
145 new application.

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

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

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

157 9. The commission shall, within nine months of January 1, 2008, promulgate initial
158 rules necessary for the administration of this section for electrical corporations, which shall
159 include regulations ensuring that simple contracts will be used for interconnection and net
160 metering. For systems of ten kilowatts or less, the application process shall use an all-in-one
161 document that includes a simple interconnection request, simple procedures, and a brief set of
162 terms and conditions. Any rule or portion of a rule, as that term is defined in section 536.010,
163 that is created under the authority delegated in this section shall become effective only if it
164 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section

165 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with
166 the general assembly under chapter 536 to review, to delay the effective date, or to disapprove
167 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking
168 authority and any rule proposed or adopted after August 28, 2007, shall be invalid and void.

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

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

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

182 13. The sale of qualified electric energy generation units to any customer-generator
183 shall be subject to the provisions of sections 407.010 to 407.145 and sections 407.700 to
184 407.720. The attorney general shall have the authority to promulgate in accordance with the
185 provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of
186 qualified electric energy generation units. Any interested person who believes that the seller
187 of any qualified electric energy generation unit is misrepresenting the safety or performance
188 standards of any such systems, or who believes that any electric energy generation unit poses
189 a danger to any property or person, may report the same to the attorney general, who shall be
190 authorized to investigate such claims and take any necessary and appropriate actions.

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

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

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

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

206 **18. (1) A portable solar generation device shall be exempt from the**
207 **requirements of this section.**

208 **(2) A portable solar generation device shall include a device or feature that**
209 **prevents the system from energizing the building's electrical system during a power**
210 **outage.**

211 **(3) Retail electric suppliers shall not:**

212 **(a) Be liable for damage or injury caused by a portable solar generation device;**

213 **or**

214 **(b) Require a customer using a portable solar generation device to:**

215 **a. Obtain approval from the retail electric supplier before installing or using the**
216 **system;**

217 **b. Pay any fee or charge related to the system; or**

218 **c. Install any additional controls or equipment beyond what is integrated into**
219 **the system.**

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