

# HOUSE BILL NO. 3530

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE DAVIDSON.

7483H.011

JOSEPH ENGLER, Chief Clerk

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### AN ACT

To amend chapter 386, RSMo, by adding thereto three new sections relating to utilities, with penalty provisions.

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

Section A. Chapter 386, RSMo, is amended by adding thereto three new sections, to  
2 be known as sections 386.990, 386.993, and 386.996, to read as follows:

**386.990. 1. This section shall be known and may be cited as the "Missouri Home  
2 Battery and Grid Resilience Act".**

**3 2. As used in this section and section 386.993, the following terms mean:**

**4 (1) "Aggregator", an entity that controls or coordinates multiple distributed  
5 energy storage systems for grid services participation;**

**6 (2) "Battery energy storage system", an electrochemical device with a minimum  
7 usable capacity of ten kilowatts, capable of discharging electrical energy on demand,  
8 and compliant with applicable standards of Underwriters Laboratories, the Institute of  
9 Electrical and Electronics Engineers, the National Electrical Code, and the National  
10 Electrical Safety Code;**

**11 (3) "Commission", the Missouri public service commission;**

**12 (4) "Grid services", capacity, demand response, or ancillary services provided  
13 by distributed energy resources to a utility or transmission operator;**

**14 (5) "Utility", any electrical corporation as defined in section 386.020.**

**15 3. Each electrical corporation shall, within ninety days after the effective date of  
16 this section, file with the commission a "Residential Battery and Grid Resilience**

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.

17 **Program". The commission shall approve the application, subject to compliance with**  
18 **the provisions of this section. Each program shall:**

19 **(1) Provide customer incentives for installation of eligible battery energy storage**  
20 **systems located behind the customer meter;**

21 **(2) Require enrollment of each such system in a utility-approved grid services**  
22 **tariff for a minimum term of five years; and**

23 **(3) Allow ownership of the battery energy storage system by the customer, a**  
24 **third-party lessor, or an approved aggregator.**

25 **4. Each participating utility shall offer:**

26 **(1) An up-front installation rebate of five hundred dollars per kilowatt-hour of**  
27 **usable battery capacity installed, not to exceed thirty kilowatt-hours per residence; and**

28 **(2) Performance payments consisting of:**

29 **(a) A capacity payment between two hundred twenty-five dollars and three**  
30 **hundred dollars per kilowatt of committed discharge power per summer season; and**

31 **(b) An energy payment between twenty-five cents and sixty cents per kilowatt-**  
32 **hour of energy delivered during called events.**

33 **5. Up-front and performance incentives under this section may be paid to the**  
34 **customer, the approved installer, the third-party owner or lessor, or the aggregator,**  
35 **depending on the ownership structure of the battery energy storage system. A**  
36 **minimum twenty percent state-of-charge reserve shall be maintained for customer**  
37 **backup during dispatch events. Incentive payments shall be made upon verification of**  
38 **installation and enrollment in the grid services tariff.**

39 **6. All prudently incurred program costs including, but not limited to, rebates,**  
40 **performance payments, program administration costs and measurement and**  
41 **verification costs, shall be recorded to a regulatory asset on the utility's books and**  
42 **shall be recoverable through an amortization of the regulatory asset balance in each of**  
43 **the utility's general rate proceedings over a reasonable period of time as determined by**  
44 **the commission. The commission shall ensure that:**

45 **(1) Program costs are offset by verified avoided-capacity, energy, and**  
46 **transmission savings;**

47 **(2) Utilities may earn a performance incentive for net savings associated with**  
48 **obtaining accredited capacity; and**

49 **(3) Low-income customers are not unduly burdened by cost recovery.**

50 **7. Utilities may utilize federal funds, grants, or private contributions to cover**  
51 **incentives, program administration, or measurement and verification costs. General**  
52 **revenue or taxpayer funds shall not be required to implement this section.**

53           **8. Utilities shall verify available capacity and dispatched energy through interval**  
54 **metering or certified telemetry. Each utility shall file an annual report with the**  
55 **commission summarizing systems installed, total capacity enrolled, program**  
56 **expenditures, cost-effectiveness, and aggregate peak load reductions achieved.**

57           **9. The commission may promulgate rules necessary to implement this section,**  
58 **including eligibility standards, aggregator registration, and consumer-protection**  
59 **provisions. Any rule or portion of a rule, as that term is defined in section 536.010,**  
60 **that is created under the authority delegated in this section shall become effective only if**  
61 **it complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
62 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
63 **vested with the general assembly pursuant to chapter 536 to review, to delay the**  
64 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**  
65 **then the grant of rulemaking authority and any rule proposed or adopted after August**  
66 **28, 2026, shall be invalid and void.**

**386.993. 1. Residential customers participating in a program authorized under**  
2 **section 386.990 shall be entitled to the following rights and protections:**

3           **(1) The installer, lessor, or aggregator shall provide the customer with a written**  
4 **disclosure of all terms before installation containing:**

- 5           **(a) The total installed capacity and expected energy performance of the system;**  
6           **(b) All payments or incentives to be made by the utility or other entities;**  
7           **(c) The ownership structure of the equipment;**  
8           **(d) The duration of participation and any early-termination conditions; and**  
9           **(e) Contact information for the utility and the program administrator for**  
10 **inquiries or complaints;**

11           **(2) No installer, lessor, or aggregator shall make false, deceptive, or misleading**  
12 **representations regarding energy savings, incentive values, or ownership;**

13           **(3) A residential customer may rescind any participation, lease, or purchase**  
14 **agreement within three business days of execution without penalty or obligation;**

15           **(4) A third-party owner or aggregator shall maintain the system in safe**  
16 **operating condition consistent with manufacturer specifications and the National**  
17 **Electrical Safety Code;**

18           **(5) All contracts shall clearly state whether the agreement is transferable upon**  
19 **sale of the home and describe any conditions for transfer; and**

20           **(6) Each third-party owner or aggregator shall maintain general liability**  
21 **insurance of not less than five hundred thousand dollars per occurrence covering**  
22 **installation and operation activities.**

2 **386.996. 1. The commission, in consultation with the energy division of the**  
3 **department of natural resources, shall establish and administer a statewide licensing**

4 **program for solar and energy storage contractors operating within the state of Missouri.**  
5 **2. Any person applying for a license under the provisions of this section shall**  
6 **complete an application created by the commission and the department. The**

7 **application shall require, at a minimum:**  
8 **(1) Proof of registration as a Missouri business entity in good standing with the**

9 **secretary of state;**  
10 **(2) Proof of general liability insurance of not less than five hundred thousand**

11 **dollars per occurrence and current workers' compensation coverage;**

12 **(3) Designated qualifying individual holding one of the following credentials:**  
13 **(a) North American Board of Certified Energy Practitioners (NABCEP)**

14 **Photovoltaic Installation Professional or Energy Storage Professional certification;**  
15 **(b) Missouri electrical contractor license or state-recognized engineer's license in**

16 **electrical or renewable energy; or**  
17 **(c) Has been actively engaged in the solar contracting or installation business in**

18 **the state of Missouri for at least five consecutive years;**  
19 **(4) Completed background check confirming no felony fraud or consumer**

20 **protection convictions within the past ten years;**  
21 **(5) Proof of completion of a PSC-approved solar contractor compliance course**  
22 **covering consumer disclosures and cancellation rights, net metering and interconnection**

23 **standards, building and electrical code compliance, and APP+ permitting; and**  
24 **(6) Payment of a licensing fee of five hundred dollars for initial licensing and two**

25 **hundred fifty dollars for biennial renewal.**  
26 **3. The commission, in coordination with the energy division of the department of**  
27 **natural resources, shall maintain a public online registry of all licensed solar and energy**  
28 **storage contractors including, but not limited to, license type, business address, and**  
29 **current standing.**

30 **4. License holders under this section shall comply with the following**  
31 **requirements:**

32 **(1) Advertising and marketing materials shall disclose company name, license**  
33 **number, and ownership structure. False or misleading claims regarding incentives,**  
34 **savings, or ownership are prohibited;**

35 **(2) Salespersons shall be directly employed by, or contractually affiliated with, a**  
36 **licensed solar or energy storage contractor;**

37 **(3) Contractors may collect a reasonable deposit at the time of contract**  
execution, provided that the contract clearly states the deposit amount and refund

38 conditions; and if the customer exercises the three-day right to cancel under section  
39 386.993, the contractor shall refund the full deposit within ten business days of receiving  
40 notice of cancellation. All contracts shall honor the three-day cancellation right and  
41 fully disclose payment milestones, financing terms, and completion timelines;

42 (4) All electrical work shall be performed or supervised by a licensed electrician.  
43 Installations shall meet the National Electrical Code, Underwriters Laboratories  
44 Standards & Engagement, and local building and fire code standards;

45 (5) Contractors shall comply with the ten-day residential and thirty-day  
46 commercial interconnection approval timelines and utilize the APP+ or equivalent  
47 platform once adopted;

48 (6) Contractors shall provide a minimum ten-year workmanship warranty and  
49 ensure customer access to monitoring and warranty services;

50 (7) Contractors shall maintain all project records, including permits,  
51 interconnection approvals, and inspection reports, for seven years and make such  
52 records available to the commission upon request.

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54 The commission may suspend, fine, or revoke licenses for fraudulent or deceptive  
55 practices, unsafe installations, or failure to comply with this section. Fines may not  
56 exceed five thousand dollars per violation, plus restitution to affected customers.

57 5. Contractors holding active NABCEP certification and operating in Missouri  
58 prior to enactment of this section may receive provisional licensing within one hundred  
59 eighty days. Out-of-state firms may apply for reciprocal licensing if holding equivalent  
60 credentials and experience.

61 6. The commission shall promulgate rules to implement this section within one  
62 hundred eighty days of enactment. Any rule or portion of a rule, as that term is defined  
63 in section 536.010, that is created under the authority delegated in this section shall  
64 become effective only if it complies with and is subject to all of the provisions of chapter  
65 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable  
66 and if any of the powers vested with the general assembly pursuant to chapter 536 to  
67 review, to delay the effective date, or to disapprove and annul a rule are subsequently  
68 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
69 adopted after August 28, 2026, shall be invalid and void.

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