

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1599
91ST GENERAL ASSEMBLY

Reported from the Committee on Environment and Energy, April 29, 2002, with recommendation that the House Committee Substitute for House Bill No. 1599 Do Pass.

TED WEDEL, Chief Clerk

4012L.02C

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to renewable energy resources.

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 386.834, to read as follows:

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

- (1) "Customer-generator", a customer who owns and operates an electrical generating facility with a capacity of not more than one hundred kilowatts powered by renewable energy and which is located on the customer's premises, is interconnected, and operates in parallel and in synchronization with the local distribution system and is intended primarily to offset part or all of the customer's own electricity requirements;
- (2) "Department", the department of natural resources;
- (3) "Local distribution company", any person that distributes electrical energy to the ultimate consumer thereof;
- (4) "Local distribution system", facilities for the distribution of electric energy to the ultimate consumer thereof;
- (5) "Net energy metering", a measurement of the difference between the electric energy supplied to a customer-generator by a local distribution company and the electric energy generated by a customer-generator that is delivered to a local distribution system at the same point of interconnection;
- (6) "Renewable energy sources", energy from wind, solar, or thermal sources, photovoltaic cells and panels, dedicated crops grown for energy production, organic waste biomass used for electricity production, low-head hydropower, and other alternative

19 sources of environmentally preferable energy, as defined in rule by the department.

20 **2. The rates charged for electric energy sold to customer-generators shall be the**
21 **same as for any other customers with the same net electric energy usage pattern including**
22 **minimum bills and service availability charges. Rates for electric energy generated by the**
23 **customer-generator from a qualified net generating unit and sold to the local distribution**
24 **company shall be the avoided cost of the local distribution company.**

25 **3. The department shall, in consultation with the commission, develop a simple and**
26 **standard contract providing for net energy metering and make it available to eligible**
27 **customer-generators on a first-come, first-serve basis by providers of electrical energy until**
28 **the total generating capacity owned and operated by eligible customer-generators in this**
29 **state equals the lesser of ten thousand kilowatts or one-tenth of one percent of the actual**
30 **peak electricity demand for calendar year 2001 for each suppliers of electrical energy.**
31 **Generation installed after execution of a valid net metering contract shall be eligible for**
32 **net metering for the life of the installation under the net metering terms in effect on the**
33 **date of installation.**

34 **4. Each local distribution company shall calculate the net energy measurement for**
35 **a customer-generator using a qualified net metering unit in the following manner:**

36 **(1) The local distribution company shall individually measure both the electric**
37 **energy produced and the electric energy consumed by the customer-generator during each**
38 **billing period using an electric metering capable of such function;**

39 **(2) If the value of the electric energy supplied by the local distribution company**
40 **exceeds the value of the electric energy delivered by the customer-generator to the local**
41 **distribution company during a billing period, then the customer-generator shall be billed**
42 **for the net value of the electric energy supplied by the local distribution company in**
43 **accordance with the rates, terms and conditions established by the local distribution**
44 **company for customer-generators; and**

45 **(3) If the value of the electric energy generated by the customer-generator exceeds**
46 **the value of the electric energy supplied by the local distribution company, then the**
47 **customer-generator:**

48 **(a) Shall be billed for the appropriate customer charges for that billing period; and**

49 **(b) Shall be credited for the excess value of the electric energy generated and**
50 **supplied to the local distribution company during the billing period, with this credit**
51 **appearing on the bill for the following billing period.**

52 **5. A local distribution company shall not be required to provide net metering**
53 **service with respect to additional customer-generators after the date during any calendar**
54 **year on which the total generating capacity of all customer-generators with qualified net**

55 metering units served by that local distribution company is equal to or in excess of the
56 lesser of ten thousand kilowatts or one-tenth of one percent of the capacity necessary to
57 meet the company's aggregate customer peak demand for the preceding calendar year.

58 **6. Each local distribution company shall maintain and make available to the public**
59 **records of the total generating capacity of customer-generators of the company that are**
60 **using net metering, the type of generating systems and energy source used by the electric**
61 **generating systems which customer-generators use. Each such local distribution company**
62 **shall notify the commission when the total generating capacity of such customer-generators**
63 **is equal to or in excess of the lesser of ten thousand kilowatts or one-tenth of one percent**
64 **of the capacity necessary to meet the company's aggregate customer peak demand for the**
65 **preceding calendar year.**

66 **7. All equipment used by a customer-generator to interconnect with the local**
67 **distribution system shall be installed by a qualified professional electrician or engineer and**
68 **shall meet all applicable safety, performance, synchronization, interconnection, power**
69 **quality, and reliability standards established by the commission, the National Electrical**
70 **Safety Code, National Electrical Code, the Institute of Electrical and Electronics Engineers,**
71 **Underwriters Laboratories, and the National Fire Protection Association to ensure**
72 **employee, consumer, and public safety and the quality and reliability of electric service.**
73 **All interconnection equipment shall also comply with the requirements of the**
74 **Occupational, Safety, and Health Administration with regard to safe practices for utility**
75 **workers. Such standards shall include requirements for a manual disconnection device**
76 **accessible at all times to the service personnel of the local distribution company, and**
77 **standardized requirements for the testing of interconnection equipment no less frequently**
78 **than biennially. All interconnection equipment used by a customer-generator shall also**
79 **meet all reasonable standards and requirements established by the local distribution**
80 **company to enhance employee, consumer and public safety and the reliability of electric**
81 **service to the customer-generator and other consumers receiving electric service from the**
82 **local distribution company. All interconnection equipment used by a customer-generator**
83 **shall also comply with all applicable local building, electrical and safety codes. The**
84 **customer-generator shall obtain liability insurance coverage of at least five hundred**
85 **thousand dollars applicable to such interconnection equipment.**

86 **8. The cost of meeting the standards of subsection 7 of this section and any cost to**
87 **install additional controls, to install additional metering, to perform or pay for additional**
88 **tests or analysis of the effect of the operation of the qualified net metering unit on the local**
89 **distribution system shall be paid by the customer-generator.**

90 **9. Applications by a customer-generator for interconnection to the distribution**

91 **system shall be accompanied by certification from a qualified professional electrician or**
92 **engineer that the installation meets the requirements of subsection 7 of this section. Such**
93 **applications shall be reviewed and responded to by the local distribution company within**
94 **sixty days. If the application for interconnection is approved by the local distribution**
95 **company, the local distribution company shall complete the interconnection within fifteen**
96 **days if electric service already exists to the premises, unless a later date is mutually**
97 **agreeable to both the customer-generator and the local distribution company.**