

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute for House Bill No. 1076 and 1302, Page 4, Section 8.307,
Line 65, by inserting immediately after said line the following:

“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] two
hundred fifty 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;

(e) Is intended [primarily to offset part or all] not to exceed one hundred twenty percent of

1 the customer-generator's own electrical energy requirements;

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

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

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

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

14 (6) "Renewable energy resources", electrical energy produced from wind, solar thermal
15 sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen produced
16 by one of the above-named electrical energy sources, and other sources of energy that become
17 available after August 28, 2007, and are certified as renewable by the department;

18 (7) "Retail electric supplier" or "supplier", any municipal utility, electrical corporation
19 regulated under this chapter, or rural electric cooperative under chapter 394 that provides retail
20 electric service in this state.

21 3. A retail electric supplier shall:

22 (1) Make net metering available to customer-generators on a first-come, first-served basis
23 until the total rated generating capacity of net metering systems equals five percent of the utility's
24 single-hour peak load during the previous year, after which the commission for a public utility or
25 the governing body for other electric utilities may increase the total rated generating capacity of
26 net metering systems to an amount above five percent. However, in a given calendar year, no

1 retail electric supplier shall be required to approve any application for interconnection if the total
2 rated generating capacity of all applications for interconnection already approved to date by said
3 supplier in said calendar year equals or exceeds one percent of said supplier's single-hour peak
4 load for the previous calendar year;

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

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

12 4. A customer-generator's facility shall be equipped with sufficient metering equipment
13 that can measure the net amount of electrical energy produced or consumed by the
14 customer-generator. If the customer-generator's existing meter equipment does not meet these
15 requirements or if it is necessary for the electric supplier to install additional distribution
16 equipment to accommodate the customer-generator's facility, the customer-generator shall
17 reimburse the retail electric supplier for the costs to purchase and install the necessary additional
18 equipment. At the request of the customer-generator, such costs may be initially paid for by the
19 retail electric supplier, and any amount up to the total costs and a reasonable interest charge may
20 be recovered from the customer-generator over the course of up to twelve billing cycles. Any
21 subsequent meter testing, maintenance or meter equipment change necessitated by the
22 customer-generator shall be paid for by the customer-generator.

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

25 (1) For a customer-generator, a retail electric supplier shall measure the net electrical
26 energy produced or consumed during the billing period in accordance with normal metering

practices for customers in the same rate class, either by employing a single, bidirectional meter that measures the amount of electrical energy produced and consumed, or by employing multiple meters that separately measure the customer-generator's consumption and production of electricity;

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

(3) If the electricity generated by the customer-generator exceeds the electricity supplied by the supplier during a billing period, the customer-generator shall be billed for the appropriate customer charges for that billing period in accordance with subsection 3 of this section and shall be credited an amount [at least] equal to the [avoided fuel cost] retail value of the excess kilowatt-hours generated during the billing period, with this credit applied to the following billing [period] periods or once in the lifetime of the generating system, the customer-generator, at the customer-generator's discretion, may elect to have on an annual basis such excess kilowatt-hours generated credit converted to a dollar amount equal to the avoided fuel cost and then within forty-five days of January first of the following year have such calculated dollar amount paid as compensation to the customer-generator. Such once in a lifetime election shall be made by the customer-generator at the time the application for interconnection is submitted to the supplier;

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

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

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

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

18 (3) For customer-generator systems of greater than ten kilowatts, the commission for
19 public utilities and the governing body for other utilities shall, by rule or equivalent formal action
20 by each respective governing body:

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

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

25 7. (1) Applications by a customer-generator for interconnection of a qualified electric
26 energy generation unit meeting the requirements of subdivision (3) of subsection 2 of this section

1 to the distribution system shall be accompanied by the plan for the customer-generator's electrical
2 generating system, including but not limited to a wiring diagram and specifications for the
3 generating unit, and shall be reviewed and responded to by the retail electric supplier within thirty
4 days of receipt for systems ten kilowatts or less and within ninety days of receipt for all other
5 systems. Prior to the interconnection of the qualified generation unit to the supplier's system, the
6 customer-generator will furnish the retail electric supplier a certification from a qualified
7 professional electrician or engineer that the installation meets the requirements of subdivision (1)
8 of subsection 6 of this section. If the application for interconnection is approved by the retail
9 electric supplier and the customer-generator does not complete the interconnection within one
10 year after receipt of notice of the approval, the approval shall expire and the customer-generator
11 shall be responsible for filing a new application.

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

15 8. Each commission-regulated supplier shall submit an annual net metering report to the
16 commission, and all other nonregulated suppliers shall submit the same report to their respective
17 governing body and make said report available to a consumer of the supplier upon request,
18 including the following information for the previous calendar year:

- 19 (1) The total number of customer-generator facilities;
20 (2) The total estimated generating capacity of its net-metered customer-generators; and
21 (3) The total estimated net kilowatt-hours received from customer-generators.

22 9. The commission shall, within nine months of January 1, 2008, promulgate initial rules
23 necessary for the administration of this section for public utilities, which shall include regulations
24 ensuring that simple contracts will be used for interconnection and net metering. For systems of
25 ten kilowatts or less, the application process shall use an all-in-one document that includes a
26 simple interconnection request, simple procedures, and a brief set of terms and conditions. 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 under 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, 2007, shall be invalid and void.

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

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

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

13. The sale of qualified electric generation units to any customer-generator shall be subject to the provisions of sections 407.700 to 407.720. The attorney general shall have the authority to promulgate in accordance with the provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of qualified electric generation units. Any interested person who believes that the seller of any electric generation unit is misrepresenting the safety or performance standards of any such systems, or who believes that any electric generation unit poses a danger to any property or person, may report the same to the

1 attorney general, who shall be authorized to investigate such claims and take any necessary and
2 appropriate actions.

3 14. Any costs incurred under this [act] section by a retail electric supplier shall be
4 recoverable in that utility's rate structure.

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

10 16. The manufacturer of any electric generation unit used by a customer-generator may be
11 held liable for any damages to property or person caused by a defect in the electric generation unit
12 of a customer-generator.

13 17. The seller, installer, or manufacturer of any electric generation unit who knowingly
14 misrepresents the safety aspects of an electric generation unit may be held liable for any damages
15 to property or person caused by the electric generation unit of a customer-generator.”; and
16

17 Further amend said bill by amending the title, enacting clause, and intersectional references
18 accordingly.