HB 481 with HCA 1, HCA 2 and HCA 3 -- NET METERING AND EASY CONNECTION ACT

SPONSOR: Berry

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Energy and the Environment by a vote of 11 to 2.

This bill changes the laws regarding the Net Metering and Easy Connection Act. In its main provisions, the bill:

(1) Removes the requirement that a customer-generator has to have an electrical generating system with a capacity of not more than 100 kilowatts;

(2) Specifies that the qualified electric energy generation unit of a customer-generator is intended not to exceed 100% of its own energy requirement. Currently, it specifies that the unit is intended primarily to offset part or all of the customer-generator's own electrical energy requirements;

(3) Specifies that if, during a billing period, the electricity generated by the customer-generator exceeds the electricity supplied by the supplier, the customer-generator must be billed for the appropriate minimum bill for that billing period and all net excess energy must be carried forward from month-to-month and credited at a ratio of one-to-one against the customer-generator's energy consumption in subsequent months. Currently, if the electricity generated exceeds the electricity supplied by the supplier during a billing period, the customer-generator must be billed for the appropriate customer charges for that billing period and must be credited an amount at least equal to the avoided fuel cost of the excess kilowatt-hours generated during the billing period with the credit applied to the following billing period; and

(4) Repeals the provision requiring any credits to expire without compensation at the earlier of 12 months after their issuance or when the customer-generator disconnects service or terminates the net metering relationship with the supplier and the provision specifying that, for any rural electric cooperative or municipal utility, upon agreement of the wholesale generator supplying electric energy to the retail electric supplier and at the option of the retail electric supplier, the credit to the customer-generator may be provided by the wholesale generator. The bill specifies that net excess energy may be accumulated over multiple billing periods except any accumulated net excess energy remaining in a customer-generator's account must expire, without compensation, as of the earlier of the end of the March billing period of a 12-month billing period or when the customer-generator

discontinues service or terminates net metering.

HCA 1: Allows the Public Service Commission, beginning with the first rate case after January 1, 2016, to establish a separate rate class for net metered customers and apportion to that rate class a fair share of the retail electric supplier's fixed operating costs

HCA 2: Modifies the definition of "minimum bill"; specifies that if approved by the Public Service Commission or other governing body, a supplier may charge a reasonable calculated fee to recover a portion of the fixed costs necessary for providing service to a customer generator; and requires a supplier to credit a customer generator for the excess energy produced at the end of each billing period

HCA 3: Defines "supplier" as electrical corporations, rural cooperatives, and municipal utilities that serve at least 10,000 connections and specifies that a supplier may allow customer generators to carry over net excess energy for multiple billing periods for up to twelve months

PROPONENTS: Supporters say that the bill allows companies and individuals to become energy independent while still not allowing more energy production than necessary. The bill allows carryover of excess energy for up to one year providing customer generators more consistency in energy costs and allowing them to take into account changes in the weather.

Testifying for the bill were Representative Berry; Brightergy; Steve O'Rourke, Micro Grid Energy; Thoma Weisbruch, Solarderity Solar LLC; Jeffrey Owens; Frances Babb; Missouri Solar Energy Industries Association; and Renew Missouri.

OPPONENTS: Those who oppose the bill say that the utility companies have invested in the infrastructure necessary to move power and need to have the ability to recoup some of the fixed costs from customer generators. The traditional customer should not subsidize the fixed costs for the customers who can afford distributed generation.

Testifying against the bill were Association of Missouri Electric Cooperatives; David Ramsey, Associated Electric Cooperative; Missouri Energy Development Association; and City Utilities of Springfield, Mo.

OTHERS: Others testifying on the bill discussed how the law is currently applied and about the net metering laws of surrounding states.

Testifying on the bill was Missouri Public Service Commission.