

28 **54-15-101. Title.**

29 This chapter is known as "Net Metering of Electricity."

30 Section 2. Section **54-15-102** is enacted to read:

31 **54-15-102. Definitions.**

32 As used in this chapter:

33 (1) "Customer-generated electricity" means electricity that:

34 (a) is generated by a customer participating in a net metering program from a customer
35 generation system;

36 (b) exceeds the electricity the customer needs for the customer's own use; and

37 (c) is supplied to the electrical corporation administering the net metering program.

38 (2) "Customer generation system" means a fuel cell or renewable facility that:

39 (a) has a generating capacity of not more than 25 kilowatts;

40 (b) is located on the premises of the electrical corporation's customer;

41 (c) operates in parallel and is interconnected with the electrical corporation's transmission
42 and distribution facilities;

43 (d) is intended primarily to offset part or all of the customer's requirements for electricity;

44 and

45 (e) is controlled by an inverter.

46 (3) "Excess customer-generated electricity" means the amount of customer-generated
47 electricity during a billing period that exceeds the amount of electricity that an electrical
48 corporation supplies to the customer during that billing period.

49 (4) "Fuel cell" means a device in which the energy of a reaction between a fuel and an
50 oxidant is converted directly and continuously into electrical energy.

51 (5) "Governing authority" means:

52 (a) for a distribution electrical cooperative, its board of directors; and

53 (b) for each other electrical corporation, the commission.

54 (6) "Inverter" means a device that:

55 (a) converts direct current power into alternating current power that is compatible with
56 power generated by an electrical corporation; and

57 (b) has been designed, tested, and UL certified to UL1741 and IEEE929 standards.

58 (7) "Net electricity" means the difference between:

59 (a) the amount of electricity that an electrical corporation supplies to a customer
60 participating in a net metering program; and

61 (b) the amount of customer-generated electricity.

62 (8) "Net metering" means measuring for the applicable billing period the difference
63 between:

64 (a) the amount of electricity that an electrical corporation supplies to a customer
65 participating in a net metering program; and

66 (b) the amount of customer-generated electricity.

67 (9) "Net metering program" means a program administered by a electrical corporation
68 whereby a customer with a customer generation system may:

69 (a) generate electricity primarily for the customer's own use;

70 (b) supply customer-generated electricity to the electrical corporation; and

71 (c) if net metering results in excess customer-generated electricity during a billing period,
72 receive a credit against the cost of electricity supplied by the electrical corporation to the customer
73 within the same calendar year.

74 (10) "Renewable facility" means a facility that uses energy derived from the sun, wind, or
75 water to generate electricity.

76 Section 3. Section **54-15-103** is enacted to read:

77 **54-15-103. Net metering program.**

78 (1) Each electrical corporation shall:

79 (a) except as provided in Subsection (2), make a net metering program available to the
80 electrical corporation's customers; and

81 (b) allow customer generation systems to be interconnected to the electrical corporation's
82 facilities using, except as provided in Subsection (3), a standard kilowatt-hour meter capable of
83 net metering.

84 (2) An electrical corporation may discontinue making a net metering program available
85 to customers not already participating in the program as long as:

86 (a) the cumulative generating capacity of customer generation systems in the program
87 equals at least .1% of the electrical corporation's peak demand during 2001; and

88 (b) at least half of the electricity representing the .1% figure in Subsection (2)(a) is
89 generated by renewable facilities.

90 (3) (a) Notwithstanding Subsection (1)(b), an electrical corporation may require a customer
91 participating in the electrical corporation's net metering program to use metering equipment other
92 than a standard kilowatt-hour meter if the commission, after appropriate notice and opportunity
93 for comment:

94 (i) determines that the use of other metering equipment is necessary and appropriate to
95 monitor the flow of electricity from and to the electrical corporation; and

96 (ii) approves the requirement for other metering equipment, after considering the benefits
97 and costs associated with the other metering equipment.

98 (b) If the commission approves the requirement for other metering equipment under
99 Subsection (3)(a), the governing authority shall determine how the cost of purchasing and
100 installing the other metering equipment is to be allocated between the electrical corporation and
101 the customer.

102 (4) An electrical corporation may require a customer to enter into an interconnection
103 agreement before connecting the customer generation system to the electrical corporation's
104 facilities.

105 Section 4. Section **54-15-104** is enacted to read:

106 **54-15-104. Charges or credits for net electricity.**

107 (1) Each electrical corporation with a customer participating in a net metering program
108 shall measure net electricity during each billing period, in accordance with normal metering
109 practices.

110 (2) If net metering does not result in excess customer-generated electricity during the
111 billing period, the electrical corporation shall bill the customer for the net electricity, in accordance
112 with normal billing practices.

113 (3) If net metering results in excess customer-generated electricity during the billing
114 period:

115 (a) (i) the electrical corporation shall credit the customer for the excess customer-generated
116 electricity at a value that is at least avoided cost;

117 (ii) the customer may use the credit under Subsection (3)(a)(i) to offset purchases of
118 electricity from the electrical corporation during future billing periods during the same calendar
119 year; and

120 (iii) all credits that the customer does not use during the calendar year expire at the end

121 of the calendar year; and

122 (b) the electrical corporation may bill the customer for customer charges that otherwise
123 would have accrued during that billing period in the absence of excess customer-generated
124 electricity.

125 Section 5. Section **54-15-105** is enacted to read:

126 **54-15-105. No additional fee or charge without commission approval -- Exception.**

127 (1) An electrical corporation administering a net metering program may not charge a
128 customer participating in the program an additional standby, capacity, interconnection, or other fee
129 or charge unless the governing authority, after appropriate notice and opportunity for comment:

130 (a) determines that:

131 (i) the electrical corporation will incur direct costs from the interconnection or from
132 administering the net metering program that exceed benefits, as determined by the governing
133 authority, resulting from the program; and

134 (ii) public policy is best served by imposing the fee or charge on the customer participating
135 in the net metering program rather than by allocating the fee or charge among the electrical
136 corporation's entire customer base; and

137 (b) after making its determination under Subsection (1)(a), authorizes the additional fee
138 or charge.

139 (2) If a cost of a net metering program is allocated among the electrical corporation's entire
140 customer base, Subsection (1) may not be construed to prohibit an electrical corporation from
141 charging a customer participating in the net metering program for that cost to the same extent that
142 the electrical corporation charges a customer not participating in the program for that cost.

143 Section 6. Section **54-15-106** is enacted to read:

144 **54-15-106. Customer to provide equipment necessary to meet applicable code**
145 **requirements -- Allow for testing and inspection -- Commission may adopt additional**
146 **requirements.**

147 (1) Each customer participating in a net metering program shall provide at the customer's
148 expense all equipment necessary to meet applicable local and national standards regarding
149 electrical and fire safety, power quality, and interconnection requirements established by the
150 National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and
151 Electronics Engineers, and Underwriters Laboratories.

152 (2) After appropriate notice and opportunity for comment, the commission may by
153 regulation adopt additional safety, power quality, and interconnection requirements for customer
154 generation systems that the commission considers to be necessary to protect public safety and
155 system reliability.

156 (3) (a) If a customer participating in a net metering program complies with requirements
157 referred to under Subsection (1) and additional requirements established under Subsection (2), an
158 electrical corporation may not require that customer to:

159 (i) perform or pay for additional tests; or

160 (ii) purchase additional liability insurance.

161 (b) An electrical corporation may not be held directly or indirectly liable for permitting or
162 continuing to permit an interconnection of a customer generation system to the electrical
163 corporation's system or for an act or omission of a customer participating in a net metering
164 program for loss, injury, or death to a third party.

165 (4) An electrical corporation may test and inspect an interconnection at times that the
166 electrical corporation considers necessary to ensure the safety of electrical workers and to preserve
167 the integrity of the electric power grid.

Legislative Review Note
as of 9-12-01 1:58 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Public Utilities and Technology Interim Committee recommended this bill.