

SB0208S01 compared with SB0208

~~deleted text~~ shows text that was in SB0208 but was deleted in SB0208S01.

inserted text shows text that was not in SB0208 but was inserted into SB0208S01.

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Senator Curtis S. Bramble proposes the following substitute bill:

PUBLIC UTILITY MODIFICATIONS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to net metering of electricity.

Highlighted Provisions:

This bill:

- ▶ modifies definitions;
- ▶ provides that the Public Service Commission shall grant certain unused credits to low-income assistance programs or for another use as determined by the Public Service Commission;
- ▶ addresses customer charges credits, and ratemaking;
- ▶ addresses a requirement for a customer to provide equipment; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

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None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

54-15-102, as last amended by Laws of Utah 2013, Chapter 136

[54-15-104](#), as last amended by Laws of Utah 2008, Chapter 244

[54-15-106](#), as last amended by Laws of Utah 2008, Chapter 244

ENACTS:

[54-15-105.1](#), Utah Code Annotated 1953

REPEALS:

54-15-105, as last amended by Laws of Utah 2008, Chapter 244

~~{ [54-15-106](#), as last amended by Laws of Utah 2008, Chapter 244~~

}

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **54-15-102** is amended to read:

54-15-102. Definitions.

As used in this chapter:

(1) "Annualized billing period" means:

(a) a 12-month billing cycle beginning on April 1 of one year and ending on March 31 of the following year; or

(b) an additional 12-month billing cycle as defined by an electrical corporation's net metering tariff or rate schedule.

(2) "Customer-generated electricity" means electricity that:

(a) is generated by a customer generation system for a customer participating in a net metering program;

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

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

(3) "Customer generation system":

(a) means an eligible facility that is used to supply energy to or for a specific customer that:

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- (i) has a generating capacity of:
 - (A) not more than 25 kilowatts for a residential facility; or
 - (B) not more than two megawatts for a non-residential facility, unless the governing authority approves a greater generation capacity;
- (ii) is located on, or adjacent to, the premises of the electrical corporation's customer, subject to the electrical corporation's service requirements;
- (iii) operates in parallel and is interconnected with the electrical corporation's distribution facilities;
- (iv) is intended primarily to offset part or all of the customer's requirements for electricity; and
- (v) is controlled by an inverter [~~or switchgear~~]; and
- (b) includes an electric generator and its accompanying equipment package.
- (4) "Eligible facility" means a facility that uses energy derived from one of the following to generate electricity:
 - (a) solar photovoltaic and solar thermal energy;
 - (b) wind energy;
 - (c) hydrogen;
 - (d) organic waste;
 - (e) hydroelectric energy;
 - (f) waste gas and waste heat capture or recovery;
 - (g) biomass and biomass byproducts, except for the combustion of:
 - (i) wood that has been treated with chemical preservatives such as creosote, pentachlorophenol, or chromated copper arsenate; or
 - (ii) municipal waste in a solid form;
 - (h) forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and to reduce wildfire risk;
 - (i) agricultural residues;
 - (j) dedicated energy crops;
 - (k) landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters, or municipal solid waste; or
 - (l) geothermal energy.

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(5) "Equipment package" means a group of components connecting an electric generator to an electric distribution system, including all interface equipment and the interface equipment's controls, switchgear, inverter, and other interface devices.

(6) "Excess customer-generated electricity" means the amount of customer-generated electricity in excess of the customer's consumption from the customer generation system during a monthly billing period, as measured at the electrical corporation's meter.

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

(8) "Governing authority" means:

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

(b) for each other electrical corporation, the Public Service Commission.

(9) "Inverter" means a device that:

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

(b) has been designed, tested, and [UL] certified to UL1741 and installed and operated in accordance with the latest revision of IEEE1547 [standards], as amended.

(10) "Net electricity" means the difference, as measured at the meter owned by the electrical corporation between:

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

(b) the amount of customer-generated electricity delivered to the electrical corporation.

(11) "Net metering" means measuring the amount of net electricity for the applicable billing period.

(12) "Net metering program" means a program administered by an electrical corporation whereby a customer with a customer generation system may:

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

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

(c) if net metering results in excess customer-generated electricity during a billing period, receive a credit [under] as provided in Section 54-15-104.

(13) "Switchgear" means the combination of electrical disconnects, fuses, or circuit breakers:

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- (a) used to:
 - (i) isolate electrical equipment; and
 - (ii) de-energize equipment to allow work to be performed or faults downstream to be cleared; and
- (b) that is:
 - (i) designed, tested, and ~~[UL]~~ certified to UL1741; and
 - (ii) installed and operated in accordance with the latest revision of IEEE1547 [standards], as amended.

Section 2. Section 54-15-104 is amended to read:

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

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

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

(3) ~~[H]~~ Subject to Subsection (4), if net metering results in excess customer-generated electricity during the monthly billing period:

(a) (i) the electrical corporation shall credit the customer for the excess customer-generated electricity based on the meter reading for the billing period at a value that is at least avoided cost, or as determined by the governing authority; and

(ii) all credits that the customer does not use during the annualized billing period expire at the end of the annualized billing period; and

(b) as authorized by the governing authority, the electrical corporation may bill the customer for customer charges that otherwise would have accrued during that billing period in the absence of excess customer-generated electricity.

(4) At the end of an annualized billing period, an electrical corporation's avoided cost value of remaining unused credits described in Subsection (3)(a) shall be granted:

(a) to the electrical corporation's low-income assistance programs as determined by the commission; or

(b) for another use as determined by the commission.

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Section ~~{2}~~3. Section 54-15-105.1 is ~~{amended}~~enacted to read:

54-15-105. ~~{~~ Additional fee or charge:

~~(1) An electrical corporation administering a net metering program may [not] charge a customer participating in the program an additional standby, capacity, interconnection, or other fee or charge [unless] if the~~ 1. Determination of costs and benefits -- Determination of just and reasonable charge, credit, or ratemaking structure.

The governing authority shall:

~~(1) determine, after appropriate notice and opportunity for public comment {:(a)}, determines that[: (i)] the electrical corporation will incur direct costs from the interconnection or from administering the net metering program that exceed benefits, as determined by the governing authority, resulting from the program[: and]:~~

~~[(ii) public policy is best served by imposing]~~

~~(2) If the governing authority makes the determination described in Subsection (1), the governing authority shall impose a reasonable fee or charge on the customer participating in the net metering program rather than [by allocating] an allocation of the fee or charge among the electrical corporation's entire customer base[: and]:~~

~~[(b) after making its determination under Subsection (1)(a), authorizes the additional reasonable fee or charge.]~~

~~[(2) If a cost of a net metering program is allocated among the electrical corporation's entire customer base, Subsection (1) may not be construed to prohibit an electrical corporation from charging a customer participating in the net metering program for that cost to the same extent], whether:~~

~~(a) costs that the electrical corporation {charges a customer not participating in the program for that cost.}~~

~~Section 3} or other customers will incur from a net metering program, for any class of customers, will exceed the benefits of the net metering program; or~~

~~(b) benefits that the electrical corporation or other customers will receive from a net metering program, for any class of customers, will exceed the costs of the net metering program; and~~

(2) determine a just and reasonable charge, credit, or ratemaking structure after making the determination required by Subsection (1).

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Section 4. Section 54-15-106 is amended to read:

54-15-106. Customer to provide equipment necessary to meet certain requirements -- Governing authority may adopt additional reasonable requirements -- Testing and inspection of interconnection.

(1) Each customer participating in a net metering program shall provide at the customer's expense all equipment necessary to meet:

(a) applicable ~~{ utility interconnection requirements and all applicable }~~ local and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories~~[-]; and~~

(b) any other utility interconnection requirements as determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(2) After appropriate notice and opportunity for public comment, the governing authority may by rule adopt additional reasonable safety, power quality, and interconnection requirements for customer generation systems that the governing authority considers to be necessary to protect public safety and system reliability.

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

- (i) perform or pay for additional tests; or
- (ii) purchase additional liability insurance.

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

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

(5) The electrical function, operation, or capacity of a customer generation system, at the point of connection to the electrical corporation's distribution system, may not compromise the quality of service to the electrical corporation's other customers.

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Legislative Review Note

— as of ~~2-18-14 2:57 PM~~

— ~~Office of Legislative Research and General Counsel~~; Section 5. Repealer.

This bill repeals:

Section 54-15-105, No additional fee or charge without governing authority approval -- Exception.