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**NET METERING ENERGY AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions regarding the net metering of electricity.

**Highlighted Provisions:**

This bill:

- ▶ makes changes to when an electrical corporation may discontinue offering a net metering program to the electrical corporation's customers not already participating in the program;
  - ▶ requires an electrical corporation to provide credits to customers at the prevailing rate for customer-generated electricity;
  - ▶ requires an electrical corporation to donate unused credits to the public education foundation located in the customer's geographic area, unless the customer directs the credits to the electrical corporation's low-income assistance programs;
  - ▶ requires an electrical corporation to obtain approval from the governing authority before issuing a charge or fee to a customer participating in a net metering program;
- and
- ▶ repeals a section that tasks the governing authority with creating appropriate customer fees or charges for a net metering program.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **54-15-103**, as last amended by Laws of Utah 2008, Chapter 244

32 **54-15-104**, as last amended by Laws of Utah 2015, Chapter 324

33 ENACTS:

34 **54-15-105.2**, Utah Code Annotated 1953

35 REPEALS:

36 **54-15-105.1**, as enacted by Laws of Utah 2014, Chapter 53



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

39 Section 1. Section **54-15-103** is amended to read:

40 **54-15-103. Net metering program -- Metering equipment -- Interconnection**  
41 **agreement.**

42 (1) Each electrical corporation shall:

43 (a) ~~[except as provided in Subsection (2);]~~ make a net metering program available to  
44 the electrical corporation's customers; and

45 (b) allow customer generation systems to be interconnected to the electrical  
46 corporation's facilities using, except as provided in Subsection ~~[(4)]~~ (2), a kilowatt-hour meter  
47 capable of net metering.

48 ~~[(2) An electrical corporation may discontinue making a net metering program~~  
49 ~~available to customers not already participating in the program if:]~~

50 ~~[(a) the cumulative generating capacity of customer generation systems in the program~~  
51 ~~equals at least .1% of the electrical corporation's peak demand during 2007; or]~~

52 ~~[(b) the electrical corporation serves fewer than 1,000 customers in the state.]~~

53 ~~[(3) (a) Notwithstanding Subsection (2)(a), the governing authority may establish a~~  
54 ~~higher amount of generating capacity from customer generation systems than .1% of the~~  
55 ~~electrical corporation's peak demand during 2007 before a net metering program may be~~  
56 ~~discontinued under Subsection (2).]~~

57 ~~[(b) Before acting under Subsection (3)(a), the governing authority shall provide public~~  
58 ~~notice of its proposed action and an opportunity for public comment.]~~

59           ~~[(4)]~~ (2) (a) Notwithstanding Subsection (1)(b), an electrical corporation may require a  
60 customer participating in the electrical corporation's net metering program to use metering  
61 equipment other than a standard kilowatt-hour meter if the governing authority, after  
62 appropriate notice and opportunity for public comment:

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

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

67           (b) If the governing authority approves the requirement for other metering equipment  
68 under Subsection ~~[(4)(a)]~~ (2)(a), the governing authority shall determine how the cost of  
69 purchasing and installing the other metering equipment is to be allocated between the electrical  
70 corporation and the customer.

71           ~~[(5)]~~ (3) An electrical corporation may require a customer to enter into an  
72 interconnection agreement before connecting the customer generation system to the electrical  
73 corporation's facilities.

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

75           **54-15-104. Charges or credits for net electricity.**

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

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

82           (3) Subject to Subsection (4), if net metering results in excess customer-generated  
83 electricity during the monthly billing period, the electrical corporation:

84           (a) ~~[(i) the electrical corporation]~~ shall credit the customer for the excess  
85 customer-generated electricity based on the meter reading for the billing period ~~[at a value that~~  
86 ~~is at least avoided cost, or as determined by the governing authority]~~ at the prevailing retail rate  
87 for customer-generated electricity; and

88           ~~[(ii)]~~ (b) shall donate all credits that the customer does not use during the annualized  
89 billing period ~~[expire at the end of the annualized billing period; and]~~ in accordance with

90 Subsection (4).

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

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

97 (a) to the public education foundation for the customer's geographic area as described  
98 in Section 53E-3-501; or

99 (b) if elected by the customer, to the electrical corporation's low-income assistance  
100 programs [as determined by the governing authority; or] for use in the state.

101 ~~[(b) for another use as determined by the governing authority.]~~

102 (5) Within 90 days after the day on which an annualized billing period ends, the  
103 electrical corporation shall provide each customer with a donor statement detailing the amounts  
104 donated by the customer in accordance with Subsection (4).

105 Section 3. Section 54-15-105.2 is enacted to read:

106 **54-15-105.2. No additional fee or charge without governing authority approval --**  
107 **Exception.**

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

112 (a) determines that:

113 (i) the electrical corporation will incur direct costs from the interconnection or from  
114 administering the net metering program that exceed the benefits resulting from the program;  
115 and

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

119 (b) authorizes the additional fee or charge.

120 (2) If a cost of a net metering program is allocated among the electrical corporation's

121 entire customer base, an electrical corporation may charge a customer participating in the net  
122 metering program for that cost to the same extent that the electrical corporation charges a  
123 customer not participating in the program for that cost.

124 Section 4. **Repealer.**

125 This bill repeals:

126 Section **54-15-105.1, Determination of costs and benefits -- Determination of just**  
127 **and reasonable charge, credit, or ratemaking structure.**