| 1 2      | State of Arkansas 91st General Assembly                                     | A Bill                                    |                   |
|----------|-----------------------------------------------------------------------------|-------------------------------------------|-------------------|
| 3        | Regular Session, 2017                                                       |                                           | HOUSE BILL 2025   |
| 4        |                                                                             |                                           |                   |
| 5        | By: Representatives Sabin,                                                  | S. Meeks                                  |                   |
| 6        |                                                                             |                                           |                   |
| 7        |                                                                             | For An Act To Be Entitled                 |                   |
| 8        | AN ACT TO AMEND THE LAW CONCERNING RATES, TERMS, AND                        |                                           |                   |
| 9        | CONDITIONS FOR NET-METERING CONTRACTS ESTABLISHED BY                        |                                           |                   |
| 10       | A COMMISSION UNDER THE ARKANSAS RENEWABLE ENERGY                            |                                           |                   |
| 11       | DEVELOPM                                                                    | MENT ACT OF 2001; AND FOR OTHER PURPOSES. |                   |
| 12       |                                                                             |                                           |                   |
| 13       |                                                                             |                                           |                   |
| 14       |                                                                             | Subtitle                                  |                   |
| 15       | TO                                                                          | AMEND THE LAW CONCERNING RATES, TERMS,    |                   |
| 16       | ANI                                                                         | D CONDITIONS FOR NET-METERING CONTRACTS   |                   |
| 17       | ES                                                                          | TABLISHED BY A COMMISSION UNDER THE       |                   |
| 18       | ARI                                                                         | KANSAS RENEWABLE ENERGY DEVELOPMENT ACT   |                   |
| 19       | OF                                                                          | 2001.                                     |                   |
| 20       |                                                                             |                                           |                   |
| 21       |                                                                             |                                           |                   |
| 22<br>23 | BE IT ENACTED BY THE                                                        | E GENERAL ASSEMBLY OF THE STATE OF ARKANS | AS:               |
| 24       | SECTION 1. Ar                                                               | kansas Code § 23-18-604(b)(1), concernin  | g the rates,      |
| 25       | terms, and condition                                                        | as for net-metering contracts that are es | tablished by      |
| 26       | commission, is amend                                                        | led to read as follows:                   |                   |
| 27       | (1) Sha                                                                     | all establish appropriate rates, terms, a | nd conditions for |
| 28       | net-metering contrac                                                        | ts, including:                            |                   |
| 29       | (A                                                                          | (i)(i) A requirement that the rates ch    | arged to each     |
| 30       | net-metering custome                                                        | er recover the electric utility's entire  | cost of providing |
| 31       | service to each net-metering customer within each of the electric utility's |                                           |                   |
| 32       | class of customers.                                                         |                                           |                   |
| 33       |                                                                             | (b) If a net-metering custome             | r enters into a   |
| 34       | net-metering contract with an electric utility before the effective date of |                                           |                   |
| 35       | new rates, terms, ar                                                        | nd conditions for net-metering contracts  | established by a  |
| 36       | commission, then the                                                        | e new rates, terms, and conditions for ne | t-metering        |

| 1  | contracts shall not apply to the net-metering customer.                       |  |  |
|----|-------------------------------------------------------------------------------|--|--|
| 2  | (c) A net-metering customer that is exempt                                    |  |  |
| 3  | from new rates, terms, and conditions for net-metering contracts under        |  |  |
| 4  | subdivision (b)(1)(A)(i)(b) of this section is subject to the rates, terms,   |  |  |
| 5  | and conditions for net-metering contracts that existed before the effective   |  |  |
| 6  | date of the new rates, terms, and conditions for net-metering contracts       |  |  |
| 7  | established by a commission.                                                  |  |  |
| 8  | (ii) The electric utility's entire cost of providing                          |  |  |
| 9  | service to each net-metering customer within each of the electric utility's   |  |  |
| 10 | class of customers under subdivision (b)(1)(A)(i) of this section:            |  |  |
| 11 | (a) Includes without limitation any                                           |  |  |
| 12 | quantifiable additional cost associated with the net-metering customer's use  |  |  |
| 13 | of the electric utility's capacity, distribution system, or transmission      |  |  |
| 14 | system and any effect on the electric utility's reliability; and              |  |  |
| 15 | (b) Is net of any quantifiable benefits                                       |  |  |
| 16 | associated with the interconnection with and providing service to the net-    |  |  |
| 17 | metering customer, including without limitation benefits to the electric      |  |  |
| 18 | utility's capacity, reliability, distribution system, or transmission system; |  |  |
| 19 | and                                                                           |  |  |
| 20 | (B) A requirement that net-metering equipment be installed                    |  |  |
| 21 | to accurately measure the electricity:                                        |  |  |
| 22 | (i) Supplied by the electric utility to each net-                             |  |  |
| 23 | metering customer; and                                                        |  |  |
| 24 | (ii) Generated by each net-metering customer that is                          |  |  |
| 25 | fed back to the electric utility over the applicable billing period;          |  |  |
| 26 |                                                                               |  |  |
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