

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

**Act 1026 of the Regular Session**

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007  
4

*As Engrossed: H3/16/07*

**A Bill**

HOUSE BILL 2334

5 By: Representative L. Smith  
6 By: Senator Broadway  
7  
8

**For An Act To Be Entitled**

10 AN ACT TO AMEND § 23-18-603 TO ADD CERTAIN  
11 DEFINITIONS; TO AMEND § 23-18-604 TO CLARIFY THE  
12 AUTHORITY OF THE ARKANSAS PUBLIC SERVICE  
13 COMMISSION UNDER THE ARKANSAS RENEWABLE ENERGY  
14 DEVELOPMENT ACT OF 2001; AND FOR OTHER PURPOSES.  
15

**Subtitle**

16 TO AMEND § 23-18-603 TO ADD CERTAIN  
17 DEFINITIONS; TO AMEND § 23-18-604 TO  
18 CLARIFY THE AUTHORITY OF THE ARKANSAS  
19 PUBLIC SERVICE COMMISSION UNDER THE  
20 ARKANSAS RENEWABLE ENERGY DEVELOPMENT  
21 ACT OF 2001.  
22  
23  
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
26

27 SECTION 1. Arkansas Code § 23-18-603 is amended to read as follows:  
28 23-18-603. Definitions.

29 ~~For the purposes of~~ As used in this subchapter:

30 (1) "Commission" means the Arkansas Public Service Commission or  
31 other appropriate governing body for an electric utility as defined in  
32 subdivision (2) of this section;

33 (2) "Electric utility" means a public or investor-owned utility,  
34 an electric cooperative, municipal utility, or any private power supplier or  
35 marketer that is engaged in the business of supplying electric energy to the



1 ultimate consumer or any customer classes within the state;

2 (3) "Net excess generation" means the amount of electricity that  
 3 a net-metering customer has fed back to the electric utility that exceeds the  
 4 amount of electricity used by that customer during the applicable period;

5 (4) "Net metering" means measuring the difference between  
 6 electricity supplied by an electric utility and the electricity generated by  
 7 a net-metering customer and fed back to the electric utility over the  
 8 applicable billing period;

9 ~~(4)(5)~~ "Net-metering customer" means an owner of a net-metering  
 10 facility; ~~and~~

11 ~~(5)(6)~~ "Net-metering facility" means a facility for the  
 12 production of electrical energy that:

13 (A) Uses solar, wind, hydroelectric, geothermal, or  
 14 biomass resources to generate electricity, including, but not limited to,  
 15 fuel cells and micro turbines that generate electricity if the fuel source is  
 16 entirely derived from renewable resources;

17 (B) Has a generating capacity of not more than twenty-five  
 18 kilowatts (25 kW) for residential use or three hundred kilowatts (300 kW) ~~one~~  
 19 ~~hundred kilowatts (100 kW) for commercial or agricultural~~ any other use;

20 (C) Is located in Arkansas;

21 (D) Can operate in parallel with an electric utility's  
 22 existing transmission and distribution facilities; and

23 (E) Is intended primarily to offset part or all of the  
 24 net-metering customer requirements for electricity-; and

25 (7) "Renewable energy credit" means the environmental, economic,  
 26 and social attributes of a unit of electricity, such as a megawatt hour,  
 27 generated from renewable fuels that can be sold or traded separately.

28  
 29 SECTION 2. Arkansas Code § 23-18-604 is amended to read as follows:

30 23-18-604. Authority of Arkansas Public Service Commission.

31 (a) An electric utility ~~that offers residential or commercial~~  
 32 ~~electrical service, or both,~~ shall allow net-metering facilities to be  
 33 interconnected using a standard meter capable of registering the flow of  
 34 electricity in two (2) directions.

35 (b) Following notice and opportunity for public comment, the Arkansas  
 36 Public Service Commission:

1 (1) Shall establish appropriate rates, terms, and conditions for  
2 net-metering contracts, including a requirement that metering equipment be  
3 installed to both accurately measure the electricity supplied by the electric  
4 utility to each net-metering customer and also to accurately measure the  
5 electricity generated by each net-metering customer that is fed back to the  
6 electric utility over the applicable billing period;

7 (2) May authorize an electric utility to assess a net-metering  
8 customer a greater fee or charge of any type, if the electric utility's  
9 direct costs of interconnection and administration of net metering outweigh  
10 the distribution system, environmental, and public policy benefits of  
11 allocating the costs among the electric utility's entire customer base; ~~and~~

12 (3) Shall require electric utilities to credit a net-metering  
13 customer with any accumulated net excess generation in the next applicable  
14 billing period;

15 (4) May expand the scope of net metering to include additional  
16 facilities that do not use a renewable energy resource for a fuel or may  
17 increase the peak limits for individual net-metering facilities, if so doing  
18 results in desirable distribution system, environmental, or public policy  
19 benefits; and

20 (5) Shall provide that:

21 (A) Any net excess generation credit remaining in a net-  
22 metering customer's account at the close of an annual billing cycle shall  
23 expire; and

24 (B) Any renewable energy credit created as the result of  
25 electricity supplied by a net-metering customer is the property of the net-  
26 metering customer that generated the renewable credit.

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28 SECTION 3. Effective date.

29 This act is effective on January 1, 2008.

30  
31 /s/ L. Smith

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33 APPROVED: 4/4/2007