

Hall of the House of Representatives
89th General Assembly - Regular Session, 2013
Amendment Form

Subtitle of House Bill No. 1390

TO CREATE THE ARKANSAS DISTRIBUTED GENERATION ACT.

Amendment No. 1 to House Bill No. 1390

Amend House Bill No. 1390 as originally introduced:

Add Representatives Ferguson, Leding, F. Smith, D. Whitaker as cosponsors of the bill

AND

Add Senators Elliott, S. Flowers, D. Johnson, U. Lindsey, J. Woods as cosponsors of the bill

AND

Page 2, delete lines 11 through 36 and substitute the following:

"(1) "Distributed generation contract" means a standard contract approved by a regulatory authority that governs the purchase of energy by an electric utility from a renewable electric generation facility;

(2) "Electric utility" means a public utility as defined in § 23-1-101 or a municipal utility that is engaged in the business of supplying electricity to an end user in this state;

(3) "Nameplate value" means the maximum capacity of an electric generation facility;

(4) "Regulatory authority" means the Arkansas Public Service Commission or the appropriate regulatory governing body for an electric utility that is not regulated by the commission;

(5) "Renewable electric generation facility" means a facility for the generation of electric energy that:

(A) Is connected to an electric utility grid;

(B) Is fueled by a renewable energy resource; and

(C) Has an effective alternating current generation capacity that does not exceed twenty megawatts (20 MW) nameplate value;

(6) "Renewable energy generation credit" means the monetary value per kilowatt hour (kWh) of the added value and environmental benefits; and

(7) "Renewable energy resource" means a solar, wind, water, geothermal, or biomass resource, including without limitation agricultural waste and landfill waste that is converted into renewable energy, located in



the state."

AND

Page 3, delete lines 1 through 7

AND

Page 3, delete lines 11 through 36, and substitute the following:

"(a)(1) Each regulatory authority shall direct each electric utility in its jurisdiction to develop and maintain a standardized distributed generation contract for the generation of each renewable energy resource.

(2) The distributed generation contracts required under subdivision (a)(1) of this section shall:

(A)(i) Require the electric utility to purchase renewable energy produced by a renewable electric generation facility at the rate, terms, and other conditions approved by the regulatory authority for a period of not less than twenty (20) years.

(ii) However, a renewable electric generation facility may request the execution of a distributed generation contract for a period of less than twenty (20) years;

(B) Contain terms and conditions that:

(i) Attract investment in and encourage the development and use of renewable energy resources to generate electricity within the state;

(ii) Protect the integrity and reliability of each electric utility's electric system; and

(iii) Protect the health, safety, and welfare of the public;

(C) Incorporate the rates, terms, and other conditions determined by the regulatory authority for renewable electric generation facilities that consider and may be differentiated by:

(i) The renewable energy generation technology being used, including without limitation the system, public policy, and environmental attributes of the renewable electric generation facility;

(ii) The location, size, and capacity of the renewable electric generation facility;

(iii) The electric utility's ability to schedule and control the delivery of electric energy from the renewable energy generated by a renewable electric generation facility; and

(iv) The applicable electric utility's avoided cost and renewable energy generation credit as determined by the regulatory authority;

(D) Be in the public interest; and

(E) Not include an indemnity and liability provision applicable to the state, an entity of the state, a local government, an entity of a local government, or a federal agency.

(b) After providing notice and a hearing and determining that the distributed generation contracts satisfy the requirements of this subchapter, the regulatory authority shall approve the distributed generation contracts developed under subsection (a) of this section, and each electric utility shall make the distributed generation contracts available by July 1, 2014.

(c)(1) After an electric utility makes the approved distributed generation contracts available under subsection (b) of this section, the electric utility shall begin accepting offers to enter into individual distributed generation contracts on a first-come, first-served basis to renewable electric generation facilities that are located within the allocated service territory of the electric utility.

(2)(A) An electric utility shall offer to enter into distributed generation contracts until the electric utility meets its proportionate share of one thousand two hundred megawatts (1,200 MW) nameplate value, which represents the combined cumulatively rated alternating current generation capacity of the renewable electric generation facilities in this state.

(B) In any calendar year, an electric utility shall offer to enter into distributed generation contracts until the electric utility meets its proportionate share of two hundred fifty megawatts (250 MW) nameplate value."

AND

Page 4, delete lines 1 through 26

AND

Page 5, delete lines 9 through 36, and substitute the following:

"23-18-1005. Net-metering facilities.

A net-metering facility installed or interconnected under the Arkansas Renewable Energy Development Act of 2001, § 23-18-601 et seq., on or after the effective date of this act qualifies as a renewable electric generation facility under this subchapter."

AND

Page 6, line 7, delete "clean energy" and substitute "clean or renewable energy"

AND

Page 6, delete lines 10 through 36, and substitute the following:

"(a) The cost of an addition or modification to an electric utility's system that is made at or beyond the point at which a renewable electric generation facility interconnects with an electric utility's system for the sole purpose of receiving electricity from a renewable electric generation facility is the exclusive responsibility of the renewable electric generation facility unless the regulatory authority determines that it is in the public interest for the electric utility to bear a portion of that cost under § 23-18-1008.

(b) A necessary metering upgrade for a renewable electric generation facility that has executed a distributed generation contract under this subchapter is the exclusive responsibility of the renewable electric generation facility unless the regulatory authority determines that it is in the public interest for the electric utility to bear a portion of the cost under § 23-18-1008.

23-18-1008. Cost recovery.

A regulatory authority shall allow an electric utility to recover the reasonable and prudent costs associated with distributed generation contracts and facilities, including:

(1) The cost of electric energy purchased under a distributed generation contract approved by the regulatory authority under § 23-18-1004;

(2) The cost of electric energy produced from a renewable electric generation facility owned and operated by the electric utility that is comparable to the costs recovered under a distributed generation contract for the electric energy approved by the regulatory authority under § 23-18-1004 and purchased by the electric utility from a renewable electric generation facility not owned and operated by the electric utility;

(3) The investment costs incurred by the electric utility for the construction of an electric system upgrade that is:

(A) Reasonably necessary to receive the electric energy purchased under a distributed generation contract; and

(B) Not paid by the renewable electric generation facility under § 23-18-1007; and

(4) The costs incurred by the electric utility to administer and manage a distributed generation contract."

AND

Page 7, delete lines 1 through 5

AND

Page 7, line 8, delete "The Arkansas Public Service Commission and each" and substitute "Each"

AND

Page 7, line 13, delete "subchapter as" and substitute "subchapter and the annual nameplate value quantities stated in § 23-18-1004(c)(2) as"

AND

Page 7, delete lines 17 through 27, and substitute the following:

"Each regulatory authority shall promulgate rules necessary to implement and administer this subchapter."

The Amendment was read _____

By: Representative Sabin

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Chief Clerk