

**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.**

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: S4/9/01*  
**A Bill**

**Act 1781 of 2001**  
HOUSE BILL 2325

5 By: Representatives Judy, Rodgers  
6 By: Senator Riggs  
7

8  
9 **For An Act To Be Entitled**

10 THE ARKANSAS RENEWABLE ENERGY DEVELOPMENT ACT OF  
11 2001; AND FOR OTHER PURPOSES.  
12

13 **Subtitle**

14 THE ARKANSAS RENEWABLE ENERGY  
15 DEVELOPMENT ACT OF 2001.  
16

17  
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. This act shall be known and cited as the "Arkansas Renewable  
21 Energy Development Act of 2001".  
22

23 SECTION 2. (a) Net energy metering encourages the use of renewable  
24 energy resources and renewable energy technologies by reducing utility  
25 interconnection and administrative costs for small consumers of electricity.  
26 Over thirty (30) other states have passed similar laws or regulations in  
27 support of net energy metering programs. Increasing the consumption of  
28 renewable resources promotes the wise use of Arkansas' natural energy  
29 resources to meet a growing energy demand; increases Arkansas' use of  
30 indigenous energy fuels while reducing dependence on imported fossil fuels;  
31 fosters investments in emerging renewable technologies to stimulate economic  
32 development and job creation in the state including the agricultural sectors;  
33 reduces environmental stresses from energy production; and provides greater  
34 consumer choices.

35 (b) Arkansas has actively encouraged the manufacture of new  
36 technologies in the state through promotion of the Emerging Energy Technology

1 Development Act of 1999. Net-metering would help to further attract energy  
2 technology manufacturers, to provide a foothold for these technologies in the  
3 Arkansas economy, and to make it easier for customer access to these  
4 technologies.

5 (c) Therefore, the Arkansas General Assembly finds that it is in  
6 Arkansas' long-term interest to adopt The Arkansas Renewable Energy  
7 Development Act of 2001.

8  
9 SECTION 3. For the purposes of this act:

10 (1) "Commission" means the Arkansas Public Service Commission or other  
11 appropriate governing body for an electric utility as defined in subsection  
12 (b) of this;

13 (2) "Electric utility" means a public or investor-owned utility, an  
14 electric cooperative, municipal utility, or any private power supplier or  
15 marketer that is engaged in the business of supplying electric energy to the  
16 ultimate consumer or any customer classes within the state;

17 (3) "Net metering" means measuring the difference between electricity  
18 supplied by an electric utility and the electricity generated by a net-  
19 metering customer and fed back to the electric utility over the applicable  
20 billing period;

21 (4) "Net-metering customer" means an owner of a net metering facility;  
22 and

23 (5) "Net metering facility" means a facility for the production of  
24 electrical energy that:

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

29 (B) Has a generating capacity of not more than twenty-five (25)  
30 kilowatts for residential or one hundred (100) kilowatts for commercial or  
31 agricultural use;

32 (C) Is located in Arkansas;

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

35 (E) Is intended primarily to offset part or all of the net-  
36 metering customer requirements for electricity.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

SECTION 4. (a) An electric utility that offers residential or commercial electrical service, or both, shall allow net-metering facilities to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions.

(b) The commission, following notice and opportunity for public comment:

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

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

(3) May expand the scope of net metering to include additional facilities that do not use a renewable energy resource for a fuel or may increase the peak limits for individual net-metering facilities, if so doing results in desirable distribution system, environmental or public policy benefit.

SECTION 5. This act shall become effective on October 1, 2001.

*/s/ Judy*

APPROVED: 4/19/2001