

# ARKANSAS PUBLIC SERVICE COMMISSION

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## NET-METERING RULES

Last Revised: ~~September 29, 2020~~ ~~June 1, 2020~~

Order No. ~~728~~

Docket No. ~~23-021-R16-~~

~~027-R~~ Effective: ~~XX-11-~~

~~20-2020~~

## NET-METERING RULES

### ADMINISTRATIVE HISTORY

<u>Docket</u>	<u>Date</u>	<u>Order No.</u>	<u>Subject Matter of Docket/ Order</u>
02-046-R	07/26/02	4	Adopted rules relating to the terms and conditions of – Net-Metering.
06-105-U	11/27/07	8	Amended definitions; Rules 1.02, 2.01, and 2.04; Section 1 of the Standard Interconnection Agreement, Appendix A; and X.1.1, X.2.3, and X.2.4 of the Net-Metering Tariff, Appendix B.
	11/29/07	10	Amended Rule 4.02 to delete reference to Docket No. 86-033-A.
	11/30/07	11	Amended the Standard Interconnection Agreement, Appendix A to add e-mail address lines to the signature block.
	12/19/07	12	Errata order correcting clerical errors in the amendments adopted in Order No. 8.
12-001-R	06/15/12	6	Amended Section 7 of the Standard Interconnection Agreement, Appendix A to exempt state governmental agencies and entities, local governmental entities, and federal entities from the indemnity requirement.
12-060-R	09/03/13	7	Amended Rule 2.04 to provide for meter aggregation, incorporated the provisions of Act 1221 of 2013 concerning the carryover of net-metering credits, and added a definition of Net-Metering Customer to track the definition in Ark. Code Ann. § 23-18-603.
	10/11/13	10	Updated the Net-Metering Tariff to reflect the amendments adopted in Order No. 7.
16-027-R	03/08/17	10	Revised Rules to comply with Act 827 of 2015.
	08/16/17	14	Errata Order.
	06/01/20	28, 33	Revised Rules to comply with Act 464 of 2019.
<u>23-021-R</u>	<u>XX/XX/23</u>	<u>X</u>	<u>Revised Rules to comply with Act 278 of 2023</u>

## NET-METERING RULES

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## SECTION 1. GENERAL PROVISIONS

### **Rule 1.01 Definitions**

The following definitions shall apply throughout the Net-Metering Rules (NMRs) ~~except as otherwise required by the context~~, and any references to the NMRs shall include these definitions, except as required by context or by Ark. Code Ann. § 23-18-604(c)(11)(A) as interpreted by the Commission in Docket No. 23-021-R:

#### **(a) Additional Meter**

A meter associated with the Net-Metering Customer's account ~~to which that~~ the Net-Metering Customer may request an Electric Utility to apply credit with Net Excess Generation or Net-Metering Surplus from the Net-Metering Customer's Generation Meter. Additional Meter(s): 1) shall be under common ownership within a single Electric Utility's service area; 2) shall be used to measure the Net-Metering Customer's requirements for electricity; 3) may be in a different class of service than the Generation Meter; 4) shall be assigned to one, and only one, Generation Meter; 5) shall not be a Generation Meter; and 6) shall not be associated with unmetered service.

#### **(b) Annual Billing Cycle**

The normal annual fiscal accounting period used by the Electric Utility.

#### **(c) Avoided Cost**

As defined in Ark. Code Ann. § 23-18-603(1).

#### **(d) Billing Period**

The billing period for net-metering will be the same as the billing period under the Net-Metering Customer's applicable standard rate schedule.

#### **(e) Biomass Resource**

A resource that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

#### **(f) Commission**

The Arkansas Public Service Commission.

**(g) Distribution Cooperative**

A member-owned Electric Utility organized pursuant to the Electric Cooperative Corporation Act, Ark. Code Ann. §§ 23-18-301 et seq., that purchases the wholesale of the electricity it distributes to its members from the Arkansas Electric Cooperative Corporation.

**(g)(h) Electric Utility**

As defined in Ark. Code Ann, § 23-18-603(3). Pursuant to Ark. Code Ann. § 23-18-604(e), a person who acts as a lessor or service provider as described in Ark. Code Ann. § 23-18-603(897)(AB)(ii) or (iii) € shall not be considered an Electric Utility-.

**(h)(i) Energy Storage Device**

A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time.

**(j) Facilities Agreement**

An agreement that provides the Net-Metering Customer's a good faith estimate, based on the results of a Facilities Study, for the Net-Metering Customer's appropriate portion of the make-ready costs and associated expenses required to provide service to the Net Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities and to cover the direct costs of interconnection and any grid upgrades required to connect the Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(9)(B)(i) and (ii)(1)(A), including all applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant as referred to in Ark. Code Ann. § 23-18-604(c)(11)(A)(ii).

**(k) Facilities Study**

A Facilities Study is anA comprehensiveextensive engineering study conducted by an Electric Utility, detailing the electric system infrastructure and the impacts to the transmission and/or distribution systems that would result if a proposed interconnection request were connected without project modifications or electric system modifications. The purpose of a Facilities Study is to determine the required modifications to the Electric Utility's transmission and/or distribution system to mitigate any potential adverse system impacts, including the appropriate portion of the estimated make-ready costs and the approximate time required to build and install such modifications as necessary to accommodate an interconnection request.

**(i)(l) Fuel Cell Resource**

A resource that converts the chemical energy of a fuel directly to direct current

electricity without intermediate combustion or thermal cycles.

**~~(j)~~(m) Generation Meter**

The meter associated with the Net-Metering Customer's account to which the Net-Metering Facility is physically attached.

**~~(k)~~(n) Geothermal Resource**

A resource in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

**~~(l)~~(o) Hydroelectric Resource**

A resource in which the prime mover is a water wheel. The water wheel is driven by falling water.

**(p) Locational Marginal Price**

Locational Marginal Price is a market-based pricing mechanism used in electricity markets to determine the cost of electricity at a specific location on the power grid. It reflects the cost of supplying electricity at a particular point, taking into account the cost of generation, transmission losses, and congestion on the power grid.

**~~(m)~~(q) Micro Turbine Resource**

A resource that uses a small combustion turbine to produce electricity.

**(r) Monthly Grid Charge**

As defined in Ark. Code Ann, § 23-18-603(4).

**~~(n)~~(s) Net Excess Generation**

As defined in Ark. Code Ann, § 23-18-603(~~65~~).

**~~(t)~~ Net-Metering**

As defined in Ark. Code Ann, § 23-18-603(~~76~~).

**(up) Net-Metering Customer**

As defined in Ark. Code Ann, § 23-18-603(~~897~~).

**(1) Legacy Net-Metering Customer**

A customer who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023.

**(2) Legacy-Transitional Net-Metering Customer**

A customer who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility on or after March 13, 2023, but whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A).

**(3) Non-Legacy Net-Metering Customer**

A Net-Metering Customer whose Net-Metering Facility does not qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A).

**(vq) Net-Metering Facility**

As defined in Ark. Code Ann, § 23-18-603(~~9~~108).

**(wr) Net-Metering Surplus**

As defined in Ark. Code Ann, § 23-18-603(~~108~~).

**(x) Parallel Operation**

~~The operation of on-site generation by a customer while the customer is connected to the Electric Utility's distribution system.~~

**(1) Parallel Operation with an Electric Utility's distribution facilities:**

The operation of ~~on-site generation by a customer~~ a Net-Metering Facility in compliance with applicable safety standards and power generation limits under the Net-Metering Rules while the ~~customer~~ Net-Metering Facility is connected to the Electric Utility's distribution system.

**(2) Parallel Operation with an Electric Utility's transmission facilities:**

The operation of a Net-Metering Facility in compliance with applicable safety standards and power generation limits under the Net-Metering Rules if an Electric Utility owns transmission facilities that will be impacted by a Net-Metering Facility.

**(s) Qualifying Facility**

As defined in Ark. Code Ann. § 23-3-702(4).

**(t) Quantifiable Benefits**

As defined in Ark. Code Ann, § 23-18-603(9).



**(uy) Renewable Energy Credit**

As defined in Ark. Code Ann, § 23-18-603(1~~0~~).

**(vZ) Residential Use**

Service provided under an Electric Utility's standard rate schedules applicable to residential service.

**(waa) Solar Resource**

A resource in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

**(xbb) Wind Resource**

A resource in which an electric generator is powered by a wind-driven turbine.

**Rule 1.02 Purpose**

The purpose of these Net-Metering Rules is to establish rules for net energy metering and interconnection.

**Rule 1.03 Statutory Provisions**

- A. These Rules are developed pursuant to the [Cost Shifting Prevention Act of 2023](#) ~~Arkansas Renewable Energy Development Act of 2001~~ (Ark. Code Ann. §§ 23-18-601 *et seq.* as amended).
- B. These Rules are promulgated pursuant to the Commission's authority under Ark. Code Ann. §§ 23-2-301, 23-2-304(a)(3), ~~and 23-2-305,~~ [and 23-18-604\(b\)\(1\)](#).
- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

**Rule 1.04 Other Provisions**

- A. These Rules apply to all Electric Utilities, as defined in these Rules, that are jurisdictional to the Commission.
- B. The Net-Metering Rules are not intended to, and do not affect or replace any Commission approved general service regulation, policy, procedure, rule, or service application of any utility which addresses items other than those covered in these Rules.
- C. Net-Metering Customers taking service under the provisions of the Net-Metering ~~t~~ariff may not simultaneously take service under the provisions of any

other alternative source generation ~~or~~, cogeneration, or interruptible service tariffs except as provided ~~herein~~ in Ark. Code Ann. § 23-18-603(89)(B)(i) and (ii) and Ark. Code Ann. § 23-18-604(c)(11)(A).

- D. When calculating a Net-Metering Customer's "highest monthly usage" pursuant to Ark. Code Ann. § 23-18-603(910), an Electric Utility shall ~~consider~~base its calculation upon the Net-Metering Customer's energy usage in kWh and shall establish the corresponding Net-Metering Facility size limitation as the Facility's estimated average output that would meet the Customer's usage in that same month of the year. The lesser of the limit based upon highest monthly usage or the statutory nameplate generating capacity will then apply.
- E. Electric Utilities shall not require Legacy Net-Metering Customers who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023, to reduce the generating capacity of the individual Net-Metering Facility to meet the new generating capacity limits in Ark. Code Ann. § 23-18-603(9) that became effective on March 13, 2023.
- F. Electric Utilities shall not require Legacy Net-Metering Customers who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023, to relocate any of their Net-Metering Facilities to meet the new limitations in Ark. Code Ann. § 23-18-603(9) on co-locating that became effective on March 13, 2023.

## SECTION 2. NET-METERING REQUIREMENTS

### **Rule 2.01 Electric Utility Requirements**

- A. An Electric Utility shall allow Net-Metering Facilities of Legacy Net-Metering Customers and Legacy-Transitional Net-Metering Customers to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions. An Electric Utility shall not require Legacy Net-Metering Customers or Legacy-Transitional Net-Metering Customers to purchase or install a two-channel digital meter as a condition of continued net-metering service until June 1, 2040.
- B. An Electric Utility shall allow Net-Metering Facilities of Non-Legacy Net-Metering Customers to be interconnected using, at a minimum, a single standard two-channel digital meter capable of registering the flow of electricity in two (2) directions capable of registering the flow of electricity in two (2) directions that separately measures the electric energy in kilowatt hours kWh that is:
- 1A. Supplied by an Electric Utility to the Net-Metering Customer; and
- 2B. Generated by the Net-Metering Customer's Net-Metering Facility and fed back to an Electric Utility.

### **Rule 2.02 Metering Requirements**

- A. Metering equipment shall 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. If nonstandard metering equipment is required, the customer is responsible for the cost differential between the required metering equipment and the utility's standard two-channel digital metering equipment for the customer's current rate schedule, as applicable pursuant to Rule 2.01.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be as defined in the Commission's Special Rules - Electric. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net-Metering Facility is placed in operation in accordance with these Rules.

### **Rule 2.03 Cost Recovery and New or Additional Charges**

- A. Any new or additional charge which would increase a Net-Metering Customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Commission for approval. The filing shall be supported by the cost/benefit analysis described in Ark. Code Ann. § 23-18-604(b)(4). in

its Net-Metering tariffs, including (but not limited to) the following:

1. a charge to recover any cost of the standard two-channel digital meter that is not otherwise included in the rates paid by the Net-Metering Customer; and
  2. a standard one-time fee to recover administrative and related interconnection review costs.
- B. An Electric Utility may recover any Net-Metering Surplus or the dollar value of any Net-Excess Generation applied to the bills of Net-Metering Customers in the same manner that the Electric Utility recovers the cost of fuel and purchased energy.
- C. Each Electric Utility shall follow its Net-Metering tariff or other applicable rate schedules as approved by the Commission to ensure that each Net-Metering Customer pays either the entire costs of an Electric Utility's facilities and associated expenses or the appropriate portion of the costs and associated expenses required to:
1. Provide service to the Net-Metering Customer; and
  2. Enable the Net-Metering Customer's use of the Electric Utility facilities.

#### **Rule 2.04 Billing for Net Metering**

- A. Each Electric Utility shall elect in its standard Net-Metering tariff one of the rate structures outlined under Ark. Code Ann. § 23-18-606.
- B. Each Electric Utility shall bill Net-Metering Customers under either of two different Net-Metering tariffs as outlined in the Appendix B standard Net-Metering tariffs:
1. For a Net-Metering Facility of a Net-Metering Customers ~~which qualifies~~~~who qualify~~ to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to ~~Net-Metering Rule 2.06 and~~ Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation ~~as measured in kilowatt hours in~~ the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.~~bill these Net-Metering Customers under the 1:1 net-metering rate structure, terms, and conditions in effect before December 31, 2022.~~
  2. For a Net-Metering Facility of a Net-Metering Customers ~~which~~~~who~~ does not qualify to remain under the rate structure, terms, and conditions in effect

before December 31, 2022, until June 1, 2040, pursuant to ~~Net-Metering Rule 2.06 and~~ Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall bill ~~athese~~ Net-Metering Customers under ~~one of~~ the alternative rate structures elected by the Electric Utility pursuant to Ark. Code. Ann. § 23-18-606.

~~A. On a monthly basis, the Net Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under Net Metering, only the kilowatt hour (kWh) units of a customer's bill are netted, except as provided herein.~~

~~1. For Net Metering Customers who receive service under a rate that does not include a demand component:~~

~~a. Except as provided in Rule 2.04 A.1.b, an Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~b. After December 31, 2022, an Electric Utility or any other party authorized by law may file an application to establish an alternative net metering class and rate structure pursuant to Ark. Code Ann. § 23-18-604(b)(2)(B)-(D). The application shall include a cost of service study and substantial evidence that the Electric Utility's proposed rate structure is in the public interest and will not result in an unreasonable allocation of or increase in costs to the Electric Utility's other customers.~~

~~2. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity of 1,000 kW or less:~~

~~An Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~3. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. § 23-18-604(b)(9):~~

~~a. An Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt~~

~~hours in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~b. An Electric Utility shall also bill the Net-Metering Customer a grid charge.~~

~~c. The grid charge rate shall initially be set at zero effective June 1, 2020.~~

~~d. After the effective date of these NMRs, an Electric Utility may file an application to revise the grid charge rate. The application shall include a cost-of-service study and evidence demonstrating that an unreasonable cost shift to non-Net-Metering Customers is occurring or has already occurred on a cumulative basis rather than on the basis of an individual Net-Metering Customer's proposed facility(ies) and that the Electric Utility's proposed grid charge rate is in the public interest. Once approved, the Electric Utility shall bill these Net-Metering Customers in accordance with the Electric Utility's approved grid charge.~~

~~B. If the kWh supplied by the Electric Utility exceeds the kWh generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Net-Metering Customer shall be billed for the net kWh supplied by the Electric Utility in accordance with the rates and charges under the customer's standard rate schedule.~~

~~C. If the kWh generated by the Net-Metering Facility and fed back to the Electric Utility exceed the kWh supplied by the Electric Utility to the Net-Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation as measured in kilowatt hours pursuant to Rule 2.04(A)(1)(a) or kilowatt hours multiplied by the applicable rate established by the Commission pursuant to Rule 2.04(A)(1)(b) in the next applicable Billing Period. If the Net-Metering Customer has any accumulated Net-Metering Surplus or Net-Excess Generation during the applicable Billing Period:~~

- ~~1. The Net-Metering Surplus or~~ Net Excess Generation shall first be credited to the Net-Metering Customer's Generation Meter.
- ~~2. After application of subsection C.1. and upon request of the Net-Metering Customer pursuant to subsection D., any remaining Net-Metering Surplus or~~ Net Excess Generation shall be credited to one or more of the Net-Metering Customer's Additional Meters in the rank order provided by the ~~Net-Metering Customer.~~
- ~~3. The Net-Metering Surplus or~~ Net Excess Generation shall be credited as described in subsections C.1. and C.2. during subsequent Billing Periods. The amount of Net Excess Generation –credits remaining in a Net-Metering Customer's account at the close of a Billing Period shall not expire and shall be carried forward to subsequent Billing Periods indefinitely.
- a. For Net Excess Generation credits older than 24 months, a Legacy or Legacy-Transitional Net-Metering Customer may elect to have the

Electric Utility purchase the Net Excess Generation Credits in the Legacy or Legacy-Transitional Net-Metering Customer's account at the Electric Utility's Avoided Cost ~~plus any additional sum determined by the Commission~~ if the sum to be paid to the Legacy or Legacy-Transitional Net-Metering Customer is at least \$100.

- b. An Electric Utility shall purchase at the Electric Utility's Avoided Cost, ~~plus any additional sum determined by the Commission~~, any Net Excess Generation or Net-Metering Surplus credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:
  - i. ceases to be a customer of the Electric Utility;
  - ii. ceases to operate the Net-Metering Facility; or
  - iii. transfers the Net-Metering Facility to another person.

D. Upon request from a Net-Metering Customer, an Electric Utility must apply Net-Metering Surplus or Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

1. The Net-Metering Customer ~~must~~ gives at least 30 days' notice to the Electric Utility of its request to apply Net-Metering Surplus or Net Excess Generation to the Additional Meter(s).
2. The Additional Meter(s) must be identified at the time of the request.
3. In the event that more than one of the Net-Metering Customer's Additional Meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which Net-Metering Surplus or Net Excess Generation is to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.
4. At the time an Electric Utility processes a request for applying any remaining Net-Metering Surplus or Net Excess Generation as a credit to one (1) or more of a Net-~~m~~Metering Customer's meters in the rank order provided by the Net-~~m~~Metering Customer pursuant to Ark. Code Ann. § 23-18-604(~~de~~), the Electric Utility shall synchronize the billing cycles of each ~~a~~AAdditional ~~customer m~~Meter with the Net-Metering eCustomer's Generationprimary net-metering mMeter.

~~4.5.~~ Billing and crediting for the Net-Metering Facilities and Additional Meters of Non-Legacy Net-Metering Customers shall comply with the requirements of Ark. Code Ann. § 23-18-604(d)(2)(A).

E. ~~E. Any Renewable Energy Credit created as a result of electricity supplied by a Net-Metering Customer is the property of the Net-Metering Customer that generated the Renewable Energy Credit. Any Renewable Energy Credit may~~



be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

## **Rule 2.05 Meter Aggregation**

- A. Except as provided in subsections (B) and (C) of this Rule 2.05, an ~~E~~electric ~~U~~tility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- B. Pursuant to Ark. Code Ann. § 23-18-604(d), Aat the Net-Metering Customer's discretion, an Electric Utility ~~may~~ shall apply net-metering credits ~~from a Net-Metering Facility to any separate meter locations if the Net-Metering Facility and the separate meter locations are under common ownership within a single Electric Utility's service area for Net-Metering Customers who are billed under Ark. Code Ann. § 23-18-606(a)(2)(A)-(G) or the Net-Metering Surplus for all other customers from a Net-Metering Customer's Net-Metering Facility to the bill for another meter location of the Net-Metering Customer if the Net-Metering Facility and the separate meter location are under common ownership of the same Net-Metering Customer within a single Electric Utility's allocated service territory, subject to the limitations and exceptions provided in Ark. Code Ann. § 23-18-604(d) except as required by Ark. Code Ann. § 23-18-604(c)(11)(A), which does not impose those limitations on the Net-Metering Facilities of customers that meet its requirements (i.e., Legacy and Legacy-Transitional Net-Metering Customers).~~
- ~~C. Subsection (B) of this Rule 2.05 does not apply if more than two (2) customers that are governmental entities or other entities that are exempt from state and federal income tax defined under § 23-18-607(7)(C) co-locate at a site hosting the Net-Metering Facility.~~
- ~~DC.~~ A Net-Metering Customer seeking to aggregate multiple accounts under common ownership shall submit a request to the Electric Utility identifying the accounts that are under common ownership. The request shall include the following documents:
  - 1. Standard Application Form and Affidavit as approved by the Commission.
  - 2. Sworn Affidavit: The Net-Metering Customer shall submit a sworn affidavit by a person with personal knowledge affirming that the Net-Metering Customer is in fact the legal owner or authorized representative responsible for paying the bill for all accounts listed in the application form.

## **Rule 2.06 Application to Exceed Generating Capacity Limit**

- ~~A. 1. A Net-Metering Customer shall file an application with the Commission seeking approval to install a Net-Metering Facility with a generating~~



~~capacity of more than 1,000 kW for non-residential use under Ark. Code Ann. §§ 23-18-604(b)(9) as appropriate.~~

~~2. For purposes of Rule 2.06(A)(1), “generation capacity” includes the aggregate ability to produce electricity from all Net Metering Facilities under common ownership that are located within a single utility’s service territory.~~

~~A. The application shall be filed in conformance with Section 3 of the Commission’s Rules of Practice and Procedure and shall, at a minimum, include:~~

~~o. Evidence that the Net Metering Facility in excess of 1,000 kW satisfies the requirements of Ark. Code Ann. §§ 23-18-604(b)(9);~~

~~o. A description of the proposed Net Metering Facility for each discrete location including:~~

~~— Project proposal;~~

~~— Project location (street address, town, utility service area);~~

~~— Generator type (wind, solar, hydro, energy storage device, etc.);~~

~~— Generator rating in kW (DC or AC);~~

~~— Capacity factor;~~

~~— Point of interconnection with the Electric Utility;~~

~~— Single Phase or Three Phase interconnection;~~

~~— Planned method of interconnection consistent with Rule 3.01.B;~~

~~i. Expected facility performance calculated using an industry recognized simulation model (PVWatts, etc.);~~

~~o. Evidence that the electrical energy produced by the Net Metering Facility is not intended to exceed the amount necessary to offset part or all of the Net Metering Customer requirements for electricity in the form of:~~

~~— The monthly electric bills for the 12 months prior to the application for the Generation Meter and Additional Meter(s), if any, to be credited with Net Excess Generation or~~

~~— In the absence of historical data reasonable estimates for the class and character of service may be made; and~~

~~o. A copy of the Preliminary Interconnection Review Request submitted to the Electric Utility and the results of the utility’s interconnection site review conducted pursuant to Rule 3.03.~~

**Rule 2.067 Grandfathering Legacy Status for Net-Metering Facilities Rate Structures, Terms, and Conditions**

- A. ~~Net-Metering Facilities for residential use or for other than residential use that does not exceed one thousand (1,000) kW~~ A Net-Metering Facility of a Net-Metering Customer shall remain under the rate structure terms, and conditions in effect before December 31, 2022, until June 1, 2040, if the Net-Metering Customer has qualified under Ark. Code Ann. § 23-18-604(c)(11)(A) by having done one of the following:÷
1. Submitted a Standard Interconnection Agreement to the Electric Utility before September 30, 2024;
  2. Submitted a Facilities Agreement ~~or equivalent document~~ to establish an account with an Electric Utility and paid all ~~estimated make-ready~~ costs of constructing the Electric Utility facilities necessary to interconnect the Net-Metering Facility before September 30, 2024; or
  3. Filed a complaint with the Commission addressing a disputed Facilities Agreement ~~or equivalent document~~ to establish an account with an Electric Utility after the presentation by the Electric Utility to the Net-Metering Customer of the Facilities Agreement and the required costs of constructing the facilities necessary to interconnect the Net-Metering Facility before September 30, 2024.
- ~~1. The Net-Metering Facility of a Net-Metering Customer who submits a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, shall remain under the Net-Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net-Metering Customer, for a period of twenty (20) years beginning June 1, 2020.~~
- B. ~~Further, f~~For the purpose of a Net-Metering Facility qualifying for legacy-transitional status under Rule 2.06(A)(2), a Net-Metering Customer will be deemed to have paid “all costs of constructing Electric Utility Facilities necessary to interconnect the Net-Metering Facility before September 30, 2024” if prior to September 30, 2024, the Net-Metering Customer has paidpays all estimated make-readysueh costs as designated in the Facilities Agreement initially-presented to the Net-Metering Customer by an Electric Utility. If the Electric Utility adjusts the make-ready cost estimate for the Facilities Agreement based on actual make-ready costs incurred and requests the Net-Metering Customer to pay those additional costs subsequent to the initial presentation of the Facilities Agreement, such subsequent cost adjustment shall be paid by the Net-Metering Customer but shall not defeat the Net-Metering Customer’s qualification for legacy status under Rule 2.06(A).
- C. ~~2.~~A Net-Metering Facility may be upgraded by adding a material increase in nameplate generating capacity and retain grandfathered-legacy-transitional status so long as the Net-Metering Facility still meets the statutory definition

under Ark. Code Ann. § 23-18-603(9)(8) and meets the requirements of Ark. Code Ann. § 23-18-604(c)(11)(A). If a Net-Metering Facility adds a material increase in generating capacity after March 13, 2023, that does not meet the requirements of Ark. Code Ann. § 23-18-603(9) and Ark. Code Ann. § 23-18-604(c)(11)(A), the new and additional capacity will not qualify for legacy-transitional status and thus shall be billed pursuant to one (1) of the rate structures established in Ark. Code Ann. § 23-18-606. However, the addition of Non-Legacy generating capacity to a Legacy-Transitional Net-Metering Facility will not result in the revocation of Legacy Net-Metering status for any portion of the Net-Metering Facility previously qualified for such status.

~~B. — Net Metering Facilities for which approval is required to exceed one thousand (1,000) kW:~~

- ~~1. — If a Net Metering Customer (a) requests approval to exceed the statutory limit for a Net Metering Facility pursuant to Ark. Code Ann. § 23-18-604(b)(9), and (b) has submitted a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, the Net Metering Customer may request that the Net Metering Facility remain under the Net Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net Metering Customer. The request will be considered on a case by case basis for a grandfathering period up to twenty (20) years. The request to be grandfathered shall be made when the request to exceed the statutory limit is made.~~
- ~~2. — If a Net Metering Customer proposes to upgrade a Net Metering Facility under 1,000 kW and add additional generating capacity by either (a) an upgrade to the existing Net Metering Facility, or (b) an additional Net Metering Facility, and such upgrade would cause the total generating capacity to exceed 1,000 kW, then the original capacity of the Net Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net-Metering rate structure in effect when the Standard Interconnection Agreement for the additional capacity is signed by the Net Metering Customer.~~
- ~~3. — If a Net Metering Customer proposes to upgrade a Net Metering Facility for which approval was previously granted by the Commission pursuant to Ark. Code Ann. § 23-18-604(b)(9) and add additional generating by either (a) an upgrade to the existing Net Metering Facility, or (b) an additional Net Metering Facility, then the original capacity of the Net Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net-Metering rate structure in effect when the Standard Interconnection Agreement for the additional capacity is signed by the Net Metering Customer.~~
- ~~4. — The cost of any additional metering equipment required under subsections B.2. or B.3. above shall be borne by the Net Metering Customer.~~

~~DC. The Electric Utility need not have approved and signed the Standard Interconnection Agreement or Facilities Agreement fF~~ For the date of eligibility for grandfathering legacy status to be established: under Rule 2.06(A) and Ark. Code Ann. § 23-18-604(c)(11)(A):.

1. The Electric Utility need not have approved and signed the Standard Interconnection Agreement or Facilities Agreement; and
  2. Section 5. Certification of the Standard Interconnection Agreement need not be completed.
- ED.** The grandfather-legacy status period shall attach to the Net-Metering Facility on the premises rather than the Net-Metering Customer.
- FE.** If the Net-Metering Customer sells a premises with a Net-Metering Facility, the Standard Interconnection Agreement and Facilities Agreement may be transferred to the new Net-Metering Customer and the grandfather-legacy status period shall continue until June 1, 2040~~for the remainder of the twenty (20) year term, assuming no other triggering event occurs.~~
- GF.** A Net-Metering Customer may not transfer a Net-Metering Facility to a new premises or location and continue to operate under the grandfather-legacy status period.
- HG.** Maintenance and repair of existing Net-Metering Facilities, including replacement of system parts with newer technology after September 30, 2024, shall not be a triggering event which ends the grandfather-legacy status period, even if the modifications marginally increase system output due to increases in efficiency and new technology, so long as such maintenance and repair does not materially increase the generating capacity of the Net-Metering Facility.
- IH.** A Net-Metering Facility grandfathered-qualifying for legacy status under this Rule remains subject to any other change or modification in rates, terms, or conditions approved by the Commission.

## **Rule 2.078 Leases and Safe Harbor for Service Agreements**

- A. A Net-Metering Customer entering into a lease for a Net-Metering Facility shall provide to the Electric Utility a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the lease is in compliance with all Commission Rules and Ark. Code Ann. § 23-18-603(~~97~~)(~~AB~~)(ii).
- B. A Net-Metering Customer entering into a service agreement for a Net-Metering Facility who is relying on Ark. Code Ann. § 23-18-603(~~97~~)(~~AE~~) to qualify for net metering shall submit a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the customer qualifies for safe-harbor protection as provided by Ark. Code Ann. § 23-18-603(~~97~~)(~~AE~~)(iii)(a) and 26 U.S.C. § 7701(e)(3)(A) and that the service agreement is in compliance with all Commission Rules.
- C. Disputes over compliance with Subsection (A) or (B) above shall be submitted to Staff for review and attempted resolution. Thereafter, a Net-Metering Customer or Electric Utility thatwho disagrees with Staff's resolution may petition the

Commission to resolve the dispute. Electric Utilities shall presume that any person who submits a completed Notice and Affidavit form is in compliance with the Commission's Rules and the provisions under Ark. Code Ann. § 23-18-603(97)(B) or (C) until the Commission makes a finding otherwise.

### **Rule 2.08 Annual Avoided-Cost Redetermination**

- A. If an Electric Utility elects to use the rate structure outlined in Ark. Code Ann. § 23-18-606(a)(1), the Electric Utility shall file ~~any needed revisions to its revised~~ Net-Metering tariff on or before ~~February 1~~January 15 of each calendar year, to ~~become~~ effective on March 1 of the same year, updating the Avoided Cost to reflect the twelve-month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator (MISO) or Southwest Power Pool (SPP) Independent System Operator Market.
- B. The Electric Utility shall use the historic hourly average real-time Locational Marginal Price for the prior calendar year for the purpose of calculating the annual Avoided Cost rate updates in its Net-Metering tariff. Any Electric Utility whose load zone encompasses both MISO and SPP shall use a blended rate to calculate the Avoided Cost. A Distribution Cooperative shall ~~use the~~calculate its Avoided Cost rate based on the load zones applicable to the wholesale power it purchases ~~as calculated by from the~~ Arkansas Electric Cooperative Corporation.

### SECTION 3. INTERCONNECTION OF NET- METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS

#### **Rule 3.01 Requirements for Initial Interconnection of a Net-Metering Facility**

- B.A.** A Net-Metering Customer and owner of the Net-Metering Facility, if different, shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the Electric ~~u~~Utility's facilities.
- C.B.** A Net-Metering Facility shall be capable of operating in parallel and safely commencing the delivery of power into the utility system at a single point of interconnection. To prevent a Net-Metering Facility from back-feeding a de-energized line, a Net-Metering Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the Electric Utility and clearly labeled. ~~This requirement for a manual disconnect switch shall be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and tested by utility personnel.~~
- D.C.** The Net-Metering Customer and owner of the Net-Metering Facility, if different, shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Net-Metering eCustomer intends to interconnect the Net-Metering Facilities to the Electric ~~u~~Utility's facilities. Part I, Standard Information, Sections 1 through ~~5~~4 of the Standard Interconnection Agreement must be completed ~~by the Net-Metering Customer and Owner (if different from Customer)-~~ for the notification to be valid. The Net-Metering eCustomer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Net-Metering eCustomer upon request.
- E.D.** Following notification by the Net-Metering Customer or owner as specified in Rule 3.01.C., the Electric ~~u~~Utility shall review the plans ~~of for~~ the facility and provide the results of its review to the Net-Metering eCustomer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.



- ~~F.E.~~ The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).
- ~~G.F.~~ The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet all safety and performance standards adopted by the Electric Utility and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the Net-Metering Facility to the Electric Utility's system.
- ~~G.~~ If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.
- H. Pursuant to Ark. Code Ann. § 23-18-603(9)(D), if an Electric Utility owns transmission facilities that will be impacted by a Net-Metering Facility, a Net-Metering Customer must obtain an Electric Utility's permission to operate its facilities in parallel with the Electric Utility's transmission facilities.

**Rule 3.02 Requirements for Modifications or Changes to a Net-Metering Facility**

- A. Prior to being made, the Net-Metering Customer or owner of the Net-Metering Facility shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Net-Metering Customer or owner of the Net-Metering Facility shall provide detailed information describing the modifications or changes to the Electric Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The utility shall review the proposed changes to the facility and provide the results of its evaluation to the customer, in writing, within thirty (30) days of receipt of the customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- B. If the Net-Metering Customer or owner of the Net-Metering Facility makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.

- C. A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.
- D. If a Net-Metering Customer proposes a modification or upgrade to a Net-Metering Facility that has previous qualified for Legacy or Legacy-Transitional status, an Electric Utility may only require the Net-Metering Customer to submit a new Standard Interconnection Agreement for the modification or upgrade if the customer is proposing a material increase in nameplate generating capacity.

### **Rule 3.03 Requirements for Preliminary Interconnection Site Review Request**

- A. For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility to determine the Net-Metering Facility's impact to the Electric Utility's grid through technical review and if additional site screening may be required to determine the applicable interconnection costs prior to interconnection of the Net-Metering Facility Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Rule 2.06.B.4, or as otherwise requested by the customer, the Net-Metering eCustomer ~~may~~shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Net-Metering eCustomer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Each Preliminary Interconnection Site Review Request will be considered separately and in the order in which received. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Net-Metering eCustomer upon request.
- B. Following notification by the Net-Metering eCustomer as specified in Rule 3.03.A., the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Net-Metering eCustomer, in writing, within 30 calendar days. If the Net-Metering eCustomer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Net-Metering eCustomer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it ~~shall~~ will provide the Net-Metering eCustomer with an estimated date by which it will complete the review. The Net-Metering eCustomer may request parallel processing of multiple reviews but must pay actual costs of



conducting the review and any subsequent costs associated with site screening that may be required under Rule 3.03.C. In such event, the Electric Utility shall respond to the request and shall process and present the results of the multiple reviews within a reasonable time, not to exceed ninety (90) days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

- C. The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Net-Metering eCustomer if additional site screening may be required prior to interconnection of the facility. The Net-Metering eCustomer shall be responsible for the actual costs of conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.
- D. The preliminary interconnection site review does not relieve the Net-Metering eCustomer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility. The preliminary interconnection site review process is optional for a Net-Metering Customer and may be used to seek to determine the Net-Metering Customer's Facility's impact to the Electric Utility's grid through technical review and if additional site screening may be required to determine the appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities prior to installing a Net-Metering Facility. A Net-Metering Customer may choose to proceed with installing a Net-Metering Facility and submitting a Standard Interconnection Agreement without going through the preliminary interconnection site review process. Regardless of whether a Net-Metering Customer submits a Preliminary Interconnection Site Review Request, the Net-Metering Customer is responsible for its appropriate portion of any required interconnection costs.
- E. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee for each Preliminary Interconnection Site Review Request submitted or at the time of interconnection after executing a Standard Interconnection Agreement to recover administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its Net-Metering tariff.

#### **Rule 3.04 Requirements for Facilities Study and Facilities Agreement**

- A. ~~Following the submission of a Preliminary Interconnection Site Review Request, a~~ Net-Metering Customer may request that the Electric Utility conduct a Facilities Study for the purpose of determining any applicable costs of constructing Electric Utility facilities necessary to mitigate any potential

- adverse system impacts and interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). The Facilities Study request should be made in writing, but does not have to be made on any particular form unless the Electric Utility has an approved request form approved as part of its Net-Metering tariff.
- B. The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, ~~and~~ construction work (including protection), ~~and any additional requirements~~ needed to implement system upgrades and interconnection facilities necessary to safely interconnect a Net-Metering Facility to the Electric Utility's system pursuant to ~~Ark. Code Ann. §23-18-604(c)(9)(B)(i) and (ii)~~. The Facilities Agreement shall reflect that estimate as part of its terms when presented to the Net-Metering Customer.
- C. An Electric Utility may charge a Net-Metering Customer ~~a Commission-approved standard one-time fee in the form of~~ a deposit for each Facilities Study to recover estimated ~~administrative and related interconnection review study~~ costs pursuant to Ark. Code Ann. § 23-18-604(c)(9)(AB), as filed in its standard Net-Metering tariff. Any portion of the deposit not actually incurred by the ~~Electric Utility as cost~~ as a result of the study shall be promptly returned to the Net-Metering Customer, ~~or credited towards the facility costs established by the Facilities Agreement for the Net-Metering Facility.~~
- D. Each Electric Utility shall file with its Net-Metering tariff for Commission approval its standard Facilities Agreement.
- E. Following the completion of a Facilities Study, if a Net-Metering Customer elects to proceed with interconnection, the Net-Metering Customer shall execute a standard Facilities Agreement in the form filed with the Electric Utility's Net-Metering tariff and approved by the Commission.
- F. ~~In order to be complete, t~~The Facilities Agreement shall specify the Net-Metering Customer's appropriate portion of the ~~estimated costs and associated expenses~~ required to provide interconnection service to the Net-Metering Facility ~~Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities~~ pursuant to Ark. Code Ann. § 23-18-604(c)(9)(B)(~~1~~)(A), including the Net-Metering Customer's appropriate portion of any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility, as determined by the Facilities Study.
- G. Deadlines for Electric Utilities: An Electric Utility shall use reasonable efforts to complete a Facilities Study within 120 days. If a Facilities Study will take more than 120 days, an Electric Utility shall notify the customer in writing that the review cannot be completed in 120 days and provide an alternate schedule. : An Electric Utility shall not unreasonably delay providing the results of a Facilities Study and corresponding Facilities Agreement. ~~If A Net-Metering Customer requests a Facilities Study on or before May 1, 2024, the Electric Utility shall provide the results of the Facilities Study and a corresponding Facilities Agreement no later than September 1, 2024. If an Electric Utility does not~~

~~provide a Net-Metering Customer with a completed Facilities Agreement by September 1, 2024, under the scenario described above, the Electric Utility shall be deemed to have presented the Net-Metering Customer with its standard Facilities Agreement on file in its approved Net-Metering tariff with required costs of \$0.00 for the purpose of allowing the Net-Metering Customer to file a complaint with the Commission addressing a disputed Facilities Agreement under Rule 2.06 and Ark. Code Ann. § 23-18-604 (c)(11)(A)(iii).~~

- H. In the event that an Electric Utility is not able to provide final interconnection costs within the deadlines outlined in Rule 3.04(G) above, the Electric Utility shall provide a good faith estimate of the appropriate portion of the costs and associated expenses required to (i) provide service to the Net-Metering Customer and (ii) enable the Net-Metering Customer's use of the Electric Utility's Facilities, including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). If the Net-Metering Customer and Electric Utility proceed with executing the Facilities Agreement based on a good faith estimate, the Electric Utility shall credit or charge the Net-Metering Customer for any difference between the estimate and actual costs once the final appropriate costs are determined.

**SECTION 4. STANDARD INTERCONNECTION AGREEMENT,  
PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST,  
FACILITIES AGREEMENT, AND STANDARD NET-METERING TARIFFS  
FOR NET-METERING FACILITIES**

**Rule 4.01 Standard Interconnection Agreement, Preliminary  
Interconnection Site Review Request, Facilities Agreement, and Standard Net-  
Metering Tariffs**

Each Electric Utility shall file, for approval by the Commission, ~~the~~a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A), ~~the~~ Preliminary Interconnection Site Review Request (Appendix A-1), its standard Facilities Agreement (Appendix A-2), and ~~a two~~ Net-Metering Tariffs (Legacy and Non-Legacy) in standard tariff format (Appendix B).

- A. Facilities Agreement: Each Electric Utility shall file with its Net-Metering Tariff as Appendix A-2 its standard Facilities Agreement.
- B. Standard Net-Metering tariffs: Each Electric Utility shall file the following Net-Metering tariffs:
  - 1. A Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who qualify for legacy status pursuant to Rule 2.06; and
  - 2. A Non-Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who do not qualify for legacy status pursuant to Rule 2.06.

When filing its Net-Metering tariffs for Commission approval, an Electric Utility may propose deviations to the standard Net-Metering tariffs, ~~including Appendices~~, for the Commission's consideration. Any Electric Utility which requests a deviation from the standard Net-Metering tariffs shall specifically identify the requested deviation(s) and file supporting testimony pursuant to the Commission's *Rules of Practice and Procedure*, ~~demonstrating good cause and public interest for the proposed deviation~~.

**Rule 4.02 Additional Filing and Reporting Requirements**

Each Electric Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each Net-Metering Facility, the type of resource (Solar, Wind, Storage, etc.), its use (by specific rate class(es), generator capacity rating, inverter capacity rating, and if the Net-Metering Facility is associated with Additional Meters (Yes or No), as of the end of the previous calendar year. The annual report shall be provided in spreadsheet format.

## SECTION 5. RULES TO GUARD AGAINST GAMING

### **Rule 5.01 Gaming Defined**

Gaming is defined as manipulating, misrepresenting, or otherwise configuring a Net-Metering Facility or Facilities in a manner that is intended to result in, or that actually results in, the avoidance of statutory or Commission limits or rules.

Gaming of the Net-Metering Rules includes, but is not limited to, the following actions:

- A. Adding additional capacity to an existing Net-Metering Facility without complying with Rule 3.02~~notifying the Electric Utility to which the Net-Metering Facility is interconnected;~~ and
- ~~B. Changing the ownership, lease, or service contact of a Net-Metering Facility for the purpose of avoiding the 1,000 kW generation capacity threshold;~~
- ~~C. Failing to include any and all facilities used for Net-Metering under common ownership in a single utility's service area as a single facility for generation capacity purposes pursuant to Rule 2.06, regardless of the location of the facility and the customer's decision to aggregate for meter, bill, and crediting purposes;~~
- B.D. Unauthorized interconnections.

### **Rule 5.02 Gaming Prohibited**

Gaming of the Net-Metering Rules is prohibited.

### **Rule 5.03 Penalties for Gaming**

Any Net-Metering Customer found to be engaged in activity considered to be gaming under the Net-metering Rules may have its qualification as a Net-Metering Customer suspended or terminated by the Commission following notice and opportunity for hearing.

## APPENDIX A

### **STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES**

#### **I. STANDARD INFORMATION**

##### **Section 1. Customer Information**

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Facility Location (if different from above): \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_

Utility Customer Account Number (from electric bill) to which the Net-Metering Facility is physically attached: \_\_\_\_\_

Type of Facility (circle one)

Customer-owned \_\_\_\_\_ Leased \_\_\_\_\_ Service Agreement \_\_\_\_\_

##### **Section 2. Owner Information (if different from Customer)**

Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ Fax: \_\_\_\_\_

##### **Section 3. Generation Facility Information**

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell

Micro turbine Energy Storage Device (circle all that apply)

Generator Rating (kW): \_\_\_\_\_ DC

Inverter Rating (kW): \_\_\_\_\_ AC

Describe Location of Accessible and Lockable Disconnect: \_\_\_\_\_

Inverter Manufacturer: \_\_\_\_\_ Inverter Model: \_\_\_\_\_

Inverter Location: \_\_\_\_\_ Inverter Power Rating: \_\_\_\_\_

Expected Capacity Factor: \_\_\_\_\_

Expected annual production of electrical energy (kWh) calculated using industry recognized simulation model (PVWatts, etc.): \_\_\_\_\_

##### **Section 4. Installation Information**

Attach a detailed electrical diagram of the Net-Metering Facility.

Installed by: \_\_\_\_\_

Qualifications/Credentials: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Daytime Phone: \_\_\_\_\_ Installation Date: \_\_\_\_\_

**Section 5. Certification**

The system has been installed in compliance with national electric codes, including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL) and (if applicable) the local Building/Electrical Code of  
- \_\_\_\_\_ (City/County)

Signed (Inspector): \_\_\_\_\_ Date: \_\_\_\_\_  
(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Net Metering Customer): \_\_\_\_\_ Date: \_\_\_\_\_  
Signed (Owner if different from Customer): \_\_\_\_\_ Date: \_\_\_\_\_

**~~Section 6. E-mail Addresses for parties~~**

~~Customer's e-mail address: \_\_\_\_\_~~  
~~Owner's e-mail address (if different from Customer): \_\_\_\_\_~~  
~~Utility's e-mail address: \_\_\_\_\_~~  
~~(To be provided by utility.)~~

**Section 6.7. Utility Verification and Approval**

Facility Interconnection Approved: \_\_\_\_\_ Date: \_\_\_\_\_  
Metering Facility Verification by: \_\_\_\_\_ Verification Date: \_\_\_\_\_  
Utility's e-mail address: \_\_\_\_\_



## **II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS**

This Interconnection Agreement for Net-Metering Facilities ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_ ("Electric Utility") and \_\_\_\_\_ ("Customer"), a \_\_\_\_\_ (specify whether corporation or other) and \_\_\_\_\_ ("Owner"), a \_\_\_\_\_ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

### **Section 1. The Net-Metering Facility**

The Net-Metering Facility meets the requirements of Ark. Code Ann. § 23-18-603(108) and the Arkansas Public Service Commission's *Net-Metering Rules*.

### **Section 2. Governing Provisions**

The Parties shall be subject to the applicable provisions of Ark. Code Ann. § 23-18-~~604~~601, et seq. and the terms and conditions set forth in this Agreement, the Commission's *Net-Metering Rules*, the Commission's *General Service Rules*, and the Electric Utility's applicable tariffs.

### **Section 3. Interruption or Reduction of Deliveries**

The Electric Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Electric Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Electric Utility shall have the right to disconnect and lock out the Customer's facility from the Electric Utility's electric system. The Customer's facility shall remain disconnected until such time as the Electric Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

### **Section 4. Interconnection**

Customer shall deliver the as-available energy to the Electric Utility at the Electric Utility's meter.

Electric Utility shall furnish and install a standard kilowatt hour meter for Legacy-Transitional Net-Metering Customers or a single standard two-channel digital hour meter for Non-Legacy Net-Metering Customers. Customer shall provide and install a meter socket for the Electric Utility's meter and any related interconnection equipment per the Electric Utility's technical requirements, including safety and performance standards.

The Net-Metering Customer and Owner of the Net-Metering Facility, if different, shall



submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Customer intends to interconnect the Net-Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 546 of the Standard Interconnection Agreement must be completed by the Net-Metering Customer and Owner (if different from Customer), for the notification to be valid. The Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Customer upon request.

Following submission of the Standard Interconnection Agreement by the Customer, the utility shall review the plans of the facility and provide the results of its review to the Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

To prevent a Net-Metering Facility-Customer from back-feeding a de-energized line, the Customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours. ~~This requirement for a manual disconnect switch will be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the Customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by utility personnel.~~

Customer, at Customer's expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at Customer's expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission that are necessary to assure safe and reliable operation of the Net Metering Facility to the utility's system.

Customer shall not commence Parallel Operation of the Net-Metering Facility until the Net Metering Facility has been inspected and approved by the Electric Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Electric Utility's approval to operate the Customer's Net-Metering Facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's Net-Metering Facility.

## **Section 5. Modifications or Changes to the Net-Metering Facility Described in Part 1, Section 2**

Prior to being made, the Customer shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part 1, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities, in compliance with the Commission's Net-Metering Rules and the Electric Utility's tariffs. ~~The notice provided by the Customer shall provide detailed information describing the modifications or changes to the Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The Electric Utility shall review the proposed changes to the facility and provide the results of its evaluation to the Customer, in writing, within thirty (30) calendar days of receipt of the Customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.~~

If the Customer makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's *General Service Rules*.

A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

## **Section 6. Maintenance and Permits**

The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the Net-Metering Facility and interconnection facilities. The Customer shall maintain the Net-Metering Facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

## **Section 7. Access to Premises**

The Electric Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Electric Utility may disconnect the interconnection facilities without notice if the Electric Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Electric Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

## **Section 8. Indemnity and Liability**

The following is Applicable to Agreements between the Electric Utility and to all Customers and Owners except the State of Arkansas and any entities thereof, local governments, and federal agencies:

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages, expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering, design,

construction, ownership, maintenance or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such Party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the Parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence. Nothing in this paragraph shall be applicable to the Parties in any agreement entered into with the State of Arkansas or any entities thereof, or with local governmental entities or federal agencies. Furthermore, nothing in this Agreement shall be construed to waive the sovereign immunity of the State of Arkansas or any entities thereof. The Arkansas State Claims Commission has exclusive jurisdiction over claims against the state.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a Party to this Agreement. Neither the Electric Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or the making of replacements, additions or betterment to, or by failure of, the Customer's facilities by the Customer or any other person or entity.

### **Section 9. Notices**

The Net-Metering Customer shall notify the Electric Utility of any changes in the information provided herein.

All written notices shall be directed as follows:

Attention:

[Electric Utility Agent or Representative] \_\_\_\_\_

[Electric Utility Name and Address] \_\_\_\_\_

[Electric Utility Email Address] \_\_\_\_\_

Attention:

[Customer]

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Email: \_\_\_\_\_

Customer notices to Electric Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

### **Section 10. Term of Agreement**

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

### **Section 11. Assignment**

This Agreement and all provisions hereof shall inure to and be binding upon the respective Parties hereto, their personal representatives, heirs, successors, and assigns. The Customer and/or Owner shall ~~not assign this Agreement or any part hereof without the prior written consent of the Electric Utility, and such unauthorized assignment may result in termination of this Agreement.~~ notify the Electric Utility if this Agreement is assigned to a new Net-Metering Customer pursuant to Rule 2.06(F).

### **Section 12. Net-Metering Customer and Owner Certification**

I hereby certify that all of the information provided in this Agreement is true and correct, to the best of my knowledge, and that I have read and understand the Terms and Conditions of this Agreement.

Signature (Customer): \_\_\_\_\_ Date: \_\_\_\_\_

Signature (Owner if different from Customer): \_\_\_\_\_ Date: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Customer:

Electric Utility:

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address:

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Address:

E-mail Address:

\_\_\_\_\_

\_\_\_\_\_

Third-Party Owner (if applicable):

---

By: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address:

---

---

E-mail Address:

---

**STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING  
FACILITIES**

**Disclaimer**

**POSSIBLE FUTURE RULES OR RATE CHANGES, OR BOTH  
AFFECTING YOUR NET-METERING FACILITY**

The following is a supplement to the Interconnection Agreement you signed with  
\_\_\_\_\_[Electric Utility].

1. Electricity rates, basic charges, and service fees, set by [Electric Utility] and approved by the Arkansas Public Service Commission (Commission), are subject to change.
2. I understand that I will be responsible for paying any future increases to my electricity rates, basic charges, or service fees from [Electric Utility].
3. My Net-Metering System is subject to the current rates of [Electric Utility], and the rules and regulations of the Commission. The [Electric Utility] may change its rates in the future with approval of the Commission or the Commission may alter its rules and regulations, or both may happen. If either or both occurs, my system will be subject to those changes.

By signing below, you acknowledge that you have read and understand the above disclaimer.

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature (Customer)

\_\_\_\_\_  
Date

## APPENDIX A-1

### **PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST**

#### **I. STANDARD INFORMATION**

##### **Section 1. Customer Information**

Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Facility Location (if different from above): \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ Fax: \_\_\_\_\_

If the requested point of interconnection is the same as an existing electric service, provide the electric service account number: \_\_\_\_\_

Additional Customer Accounts (from electric bill) to be credited with Net Excess Generation: \_\_\_\_\_

Annual Energy Requirements (kWh) in the previous twelve (12) months for the account physically attached to the Net-Metering Facility and for any additional accounts listed (in the absence of historical data reasonable estimates for the class and character of service may be made): \_\_\_\_\_

Type of Facility (circle one)

Customer-owned \_\_\_\_\_ Leased \_\_\_\_\_ Service Agreement \_\_\_\_\_

##### **Section 2. Owner Information (if different from customer information)**

Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_ Fax: \_\_\_\_\_

##### **Section 3. Generation Facility Information**

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell

Micro Turbine Energy Storage Device (circle all that apply)

Generator Rating (kW): \_\_\_\_\_ DC

Inverter Rating (kW): \_\_\_\_\_ AC

Capacity Factor: \_\_\_\_\_

Expected annual production of electrical energy (kWh) of the facility calculated using industry recognized simulation model (PVWatts, etc): \_\_\_\_\_

##### **Section 4. Interconnection Information**

Attach a detailed electrical diagram showing the configuration of all generating facility equipment, including protection and control schemes.

Requested Point of Interconnection: \_\_\_\_\_

Customer-Site Load (kW) at Net-Metering Facility location (if none, so state):

Interconnection Request: Single Phase:\_\_\_\_\_Three Phase:\_\_\_\_\_

**Section 5. Signature**

I hereby certify that, to the best of my knowledge, all the information provided in this Preliminary Interconnection Site Review is true and correct.

Net-Metering Customer Signature:\_\_\_\_\_Date: \_\_\_\_\_

Owner Signature (if different from Customer):\_\_\_\_\_Date: \_\_\_\_\_



## **II. TERMS AND CONDITIONS**

### **Section 1. Requirements for Request**

For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility ~~pursuant to the requirement of Rule 2.06.B.4, or as if otherwise~~ requested by the Customer, the Customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Customer upon request.

### **Section 2. Utility Review**

Following submission of the Preliminary Interconnection Site Review Request by the Customer the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Customer, in writing, within 30 calendar days. If the Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it ~~shall~~will provide the Customer with an estimated date by which it will complete the review. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Customer if additional site screening may be required prior to interconnection of the facility. The Customer shall be responsible for the actual costs for conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

### **Section 3. Application to Exceed 1,000 kW Net Metering Facility Size Limit**

~~This Preliminary Interconnection Site Review Request and the results of the Electric Utility's review of the facility interconnection shall be filed with the Commission with the customer's application to exceed the 1,000 kW facility size limit pursuant to Net Metering Rule 2.06.B.4.~~

### **Section 34. Standard Interconnection Agreement**

The preliminary interconnection site review does not relieve the Customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

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Part III. Rate Schedule No. <u>X</u>		
Title: <u>LEGACY</u> NET-METERING		

X. LEGACY NET-METERING

## X.1. DEFINITIONS

~~X.1.1. Legacy Net-Metering Customer – A Net-Metering Customer whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A). A customer who meets either the definition of Legacy Net-Metering Customer or Legacy-Transitional Net-Metering Customer as defined in the Net-Metering Rules.~~

~~X.1.2 Legacy Net-Metering Facility – A Net-Metering Facility meeting the requirements of Ark. Code Ann. § 23-18-603, as in effect on March 12, 2023 (i.e., before the effective date of Act 278 of 2023).~~

~~X.1.3 Legacy-Transitional Net-Metering Facility – A Net-Metering Facility meeting the requirements of Ark. Code Ann. § 23-18-603, as in effect on March 13, 2023 (i.e., the effective date of Act 278 of 2023).~~

~~X.1.42 All other terms are as defined in Ark. Code Ann. § 23-18-603, except as required by context or by Ark. Code Ann. § 23-18-604(c)(11)(A) as interpreted by the Commission in Docket No. 23-021-R.~~

~~X.1.1. Avoided Cost~~

~~As defined in A.C.A. 23-18-603(1).~~

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~~**X.1.2. Net Metering**~~~~As defined in A.C.A. 23-18-603(76)~~~~**X.1.3. Net Metering Customer**~~~~As defined in A.C.A. 23-18-603(7)~~~~**X.1.4. Net Metering Facility**~~~~As defined in A.C.A. 23-18-603(8)~~~~**X.1.5. Electric Utility**~~~~As defined in A.C.A. 23-18-603(3)~~~~**X.1.6. Net Excess Generation**~~~~As defined in A.C.A. 23-18-603(5)~~~~**X.1.7. Renewable Energy Credit**~~~~As defined in A.C.A. 23-18-603(10)~~~~**X.1.8. Quantifiable Benefits**~~~~As defined in A.C.A. 23-18-603(9)~~**X.2. AVAILABILITY**

THIS SPACE FOR PSC USE ONLY

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Part III. Rate Schedule No. <u>X</u>		
Title: <u>LEGACY</u> NET-METERING		PSC File Mark Only

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) \_\_\_\_\_ (list schedules) who is a Legacy Net-Metering Customer as defined herein and who has obtained a signed Standard Interconnection Agreement for a Legacy Net-Metering Facility or Facilities or a Legacy-Transitional Net-Metering Facility or Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 et. seq.

The generating capacity of Net Metering Facilities may not exceed the greater of: 1) twenty five kilowatts (25 kW) or 2) one hundred percent (100%) of the Net Metering Customer's highest monthly usage in the previous twelve (12) months for Residential Use. The generating capacity of Net Metering Facilities may not exceed one thousand kilowatts (1,000 kW) for non-residential use unless otherwise allowed by the Commission. Net Metering is intended primarily to offset part or all of the customer's energy use.

The provisions of the customer's standard rate schedule are modified as specified herein.

X.2.2. Legacy Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation or ~~or~~ co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(9)(B) the Net-Metering Rules.

### X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS

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Title: <u>LEGACY</u> NET-METERING		

X.3.1. The monthly billing rate structure, terms, and conditions outlined herein apply until June 1, 2040, to Net-Metering Facilities of Legacy Net-Metering Customers.

X.3.24. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.32. On a monthly basis, the Legacy Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules.

X.3.43. If the kWhs supplied by the Electric Utility exceeds the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Legacy Net-Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Legacy Net-Metering Customer's standard rate schedule.

~~X.3.4. For Net Metering Customers who receive service under a rate that does not include a demand component, the Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh or kWh multiplied by the applicable rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kWh or kWh multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the Electric Utility during the billing period.~~

~~X.3.5. For Net Metering Customers who receive service under a rate that includes a~~

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~~demand component with a generating capacity of 1,000 kW or less, the Electric Utility shall credit the Net Metering Customer with any accumulated Net Excess Generation in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity that the Net Metering Customer has received from or fed back to the Electric Utility during the billing period.~~

~~X.3.6 For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. § 23-18-604(b)(9), the Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh or kWh multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kWh or kWh multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~\_\_\_\_\_ The Electric Utility shall also bill the Net Metering Customer a grid charge.~~

~~\_\_\_\_\_ Grid charge rate: \$0.00.~~

X.3.57. If the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Legacy Net- Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Legacy Net-Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.

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X.3.68. Net Excess Generation shall first be credited to the Legacy Net-Metering Customer's meter to which the Net-Metering Facility is physically attached (Generation Meter).

X.3.79. After application of X.3.678. and upon request of the Legacy Net-Metering Customer pursuant to X.3.944., any remaining Net Excess Generation shall be credited to one or more of the Legacy Net-Metering Customer's meters (Additional Meters) in the rank order provided by the Legacy Net-Metering Customer.

X.3.840. Net Excess Generation shall be credited as described in X.3.78. and X.3.89. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Legacy Net-Metering Customer's account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than twenty-four (24) months, a Legacy Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Legacy Net-Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum determined under the Net Metering Rules, if the sum to be paid to the Legacy Net-Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility's Avoided Cost, ~~plus any additional sum determined under the Net Metering Rules~~ any Net Excess Generation Credits remaining in a Legacy Net-Metering Customer's account when the Legacy Net-Metering Customer:

- 1) ceases to be a customer of the Electric Utility;
- 2) ceases to operate the Net-Metering Facility; or
- 3) transfers the Net-Metering Facility to another person.



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When purchasing Net Excess Generation credits from a Legacy Net-Metering Customer, the Electric Utility shall calculate the payment based on its Avoided Costs ~~plus any additional sum determined under the Net Metering Rules~~ for the current year.

X.3.944. Upon request from a Legacy Net-Metering Customer an Electric Utility must apply Net Excess Generation to the Legacy Net-Metering Customer's Additional Meters provided that:

- (a) The Legacy Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Legacy Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.

However, the common ownership requirement shall not apply if more than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under Ark. Code Ann. § 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.

- (c) In the event that more than one of the Legacy Net-Metering Customer's meters is identified, the Legacy Net-Metering Customer

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must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Legacy Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

**X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS**

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Legacy Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

**[Either indicate "None" or list all charges, fees, or requirements]**

X.4.2 None

OR

~~X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter~~

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Legacy Net-Metering Customer or per service]

**X.5 RENEWABLE ENERGY CREDITS**

X.~~53.112~~. Any Renewable Energy Credit created as the result of electricity supplied by a Legacy Net-Metering Customer is the property of the Legacy Net-Metering Customer that generated the Renewable Energy Credit.

~~X.3.13. Grandfathering shall be governed by Ark. Code Ann. 23-18-604(b)(10).~~

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ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

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ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

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ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

## ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No.

Replacing: Sheet No.

Name of Company

Kind of Service: Electric Class of Service: AllPart III. Rate Schedule No. XTitle: NON-LEGACY NET-METERING

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**X. NON-LEGACY NET-METERING****X.1. DEFINITIONS**

**X.1.1. Non-Legacy Net-Metering Customer – A Net-Metering Customer who meets the definition of Non-Legacy Net-Metering Customer as defined in the Net-Metering Rules, whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A).**

**X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.**

**X.1.1. Avoided Cost**

As defined in A.C.A. 23-18-603(1)

**X.1.2. Net-Metering**

As defined in A.C.A. 23-18-603(6)

**X.1.3. Net Metering Customer**

As defined in A.C.A. 23-18-603(7)

**X.1.4. Net Metering Facility**

As defined in A.C.A. 23-18-603(8)

**X.1.5. Electric Utility**

As defined in A.C.A. 23-18-603(3)

**X.1.6. Net Excess Generation**

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~~As defined in A.C.A. 23-18-603(5)~~

~~X.1.7. Renewable Energy Credit~~

~~As defined in A.C.A. 23-18-603(10)~~

~~X.1.8. Quantifiable Benefits~~

~~As defined in A.C.A. 23-18-603(9)~~

**X.2. AVAILABILITY**

- X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) \_\_\_\_\_ (list schedules) who is a Non-Legacy Net-Metering Customer, ~~and~~ and who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 et. seq., ~~and who does not qualify as a Legacy Net-Metering Customer.~~
- ~~The generating capacity of Net-Metering Facilities may not exceed the greater of: 1) twenty five kilowatts (25 kW) or 2) one hundred percent (100%) of the Net-Metering Customer's highest monthly usage in the previous twelve (12) months for Residential Use. The generating capacity of Net-Metering Facilities may not exceed one thousand kilowatts (1,000 kW) for non-residential use unless otherwise allowed by the Commission. Net-Metering is intended primarily to offset part or all of the customer's energy use.~~

The provisions of the customer's standard rate schedule are modified as specified herein.

- X.2.2. Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation ~~or~~ co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(89)(B) the Net-Metering Rules.



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~~X.3. MONTHLY BILLING~~

- ~~X.3.1. The Electric Utility shall separately meter, bill, and credit each Net Metering Facility even if one (1) or more Net Metering Facilities are under common ownership.~~
- ~~X.3.2. On a monthly basis, the Net Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules.~~
- ~~X.3.3. If the kWhs supplied by the Electric Utility exceeds the kWhs generated by the Net Metering Facility and fed back to the Electric Utility during the Billing Period, the Net Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Net Metering Customer's standard rate schedule.~~
- ~~X.3.4. For Net Metering Customers who receive service under a rate that does not include a demand component, the Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh or kWh multiplied by the applicable rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kWh or kWh multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the Electric Utility during the billing period.~~
- ~~X.3.5. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity of 1,000 kW or less, the Electric Utility shall credit the Net Metering Customer with any accumulated Net Excess Generation in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity that the Net Metering Customer has received from or fed back to the Electric Utility during the billing period.~~
- ~~X.3.6. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. § 23-~~

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~~18-604(b)(9), the Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kWh or kWh multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kWh or kWh multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~\_\_\_\_\_ The Electric Utility shall also bill the Net Metering Customer a grid charge.~~

~~\_\_\_\_\_ Grid charge rate: \$0.00.~~

~~X.3.7. If the kWhs generated by the Net Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Net Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Net Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.~~

~~X.3.8. Net Excess Generation shall first be credited to the Net Metering Customer's meter to which the Net Metering Facility is physically attached (Generation Meter).~~

~~X.3.9. After application of X.3.8. and upon request of the Net Metering Customer pursuant to X.3.11., any remaining Net Excess Generation shall be credited to one or more of the Net Metering Customer's meters (Additional Meters) in the rank order provided by the Net Metering Customer.~~

~~X.3.10. \_\_\_\_\_ Net Excess Generation shall be credited as described in X.3.8. and X.3.9. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Net Metering Customer's account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than twenty four (24) months, a Net Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Net Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum~~

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~~determined under the Net Metering Rules, if the sum to be paid to the Net Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility's Avoided Cost, plus any additional sum determined under the Net Metering Rules any Net Excess Generation Credits remaining in a Net Metering Customer's account when the Net Metering Customer:~~

- ~~\_\_\_\_\_ 1) ceases to be a customer of the Electric Utility;~~
- ~~\_\_\_\_\_ 2) ceases to operate the Net Metering Facility; or~~
- ~~\_\_\_\_\_ 3) transfers the Net Metering Facility to another person.~~

~~When purchasing Net Excess Generation credits from a Net Metering Customer, the Electric Utility shall calculate the payment based on its Avoided Costs plus any additional sum determined under the Net Metering Rules for the current year.~~

~~X.3.11. \_\_\_\_\_ Upon request from a Net Metering Customer an Electric Utility must apply Net Excess Generation to the Net Metering Customer's Additional Meters provided that:~~

~~The Net Metering Customer must give at least 30 days' notice to the Electric Utility.~~

~~The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.~~

~~However, the common ownership requirement shall not apply if more than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.~~

~~(a) In the event that more than one of the Net Metering Customer's meters is identified, the Net Metering Customer must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net Metering Customer cannot designate the rank order~~

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~~more than once during the Annual Billing Cycle.~~

~~X.3.12. Any Renewable Energy Credit created as the result of electricity supplied by a Net Metering Customer is the property of the Net Metering Customer that generated the Renewable Energy Credit.~~

~~X.3.12. Grandfathering shall be governed by Ark. Code Ann. 23-18-604(b)(10).~~

Per Ark. Code Ann. § 23-18-606(a)(1) (Note: Pursuant to Per Ark. Code Ann. § 23-18-606(a), each Electric Utility must elect either Option 1 or Option 2.)

### **X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – AVOIDED COST**

X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(1).

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

(a) Supplied by the Electric Utility to the Net-Metering Customer; and

(b) Fed back to the Electric Utility from the Net-Metering Customer's Net-Metering Facility at any time during the applicable billing period.

X.3.4 The Electric Utility shall apply the:

(a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A);

(b) Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A) to the applicable net-metering customers, including without limitation any rates,

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riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure; and

- (c) Avoided Cost of the Electric Utility to all kWhs supplied to the Electric Utility by a Net-Metering Customer during the applicable billing period to be credited to the total bill of the Net-Metering Customer in a dollar value, excluding the customer charge and any applicable demand charge or minimum bill provision that the Net-Metering Customer shall pay each month.

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net-Metering Surplus as measured in dollars during the next applicable billing period.

X.3.6 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net-Metering Surplus to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to

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which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

### X. 3.7 Annual Avoided Cost Redetermination

The Electric Utility shall file a revised Avoided Cost on or before ~~February 1~~ ~~January 15~~ of each calendar year in compliance with Rule 2.08 of the Net-Metering Rules. The revised Avoided Cost shall be filed in the docket initiated for the Electric Utility and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Avoided Cost and otherwise comply with the Commission's *Rules of Practice and Procedure*. The revised Avoided Cost shall be determined by the application of Ark. Code Ann. § 23-18-603 and the Net-Metering Rules to reflect the twelve month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator or Southwest Power Pool Independent System Operator Market. The revised Avoided Cost shall be effective for bills rendered on and after the first billing cycle of March of the filing year and shall then remain in effect for twelve (12) months.

The Avoided Cost rate for March 1, 20XX, to February 28, 20XX, is \$~~X.XX~~/kWh.

### Option 2: Per A.C.A. 23-18-606(a)(2)

### X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – MONTHLY GRID CHARGE

X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(2).

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

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X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

- (a) Supplied by the Electric Utility to the Net-Metering Customer; and
- (b) Fed back to the Electric Utility from the Net-Metering Customer's Net-Metering Facility at any time during the applicable billing period.

X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A); and
- (b) Commission-approved riders or surcharges under Ark. Code Ann. § 23-18-604(c)(1)(A), including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure.

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation during the next applicable billing period.

X.3.6 The Electric Utility shall calculate the net kWhs of the electric energy supplied by the Electric Utility to the Net-Metering Customer, less the Net Excess Generation and any Net Excess Generation carried forward from prior billing periods.

X.3.7 The Electric Utility shall apply the Commission-approved retail rate, not to exceed the kWhs supplied to the net-Metering Customer by the Electric Utility during the applicable billing period.

X.3.8 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.



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(b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).

(c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.3.9 After applying Net Excess Generation to any Additional Meters pursuant to X.4.7, the Electric Utility shall carry forward any remaining Net Excess Generation to the next billing period.

X.3.10 The Electric Utility shall calculate and apply the Monthly Grid Charge pursuant to Ark. Code Ann. § 23-18-607.

X.3.11 The Monthly Grid Charge is \$X.XX/kWh.

#### **X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS**

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

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**[Either indicate "None" or list all charges, fees, or requirements]**

X.4.2 None

OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Net-Metering Customer or per service]

## **X. 5 RENEWABLE ENERGY CREDITS**

X.5.1 A Net-metering customer retains any Renewable Energy Credit created as a result of the electricity supplied by a Net-Metering Customer that generated the renewable energy credit.

X.5.2 The Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

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ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING  
FACILITIES

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

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ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No.

Replacing: Sheet No.

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Part III. Rate Schedule No. X

Title: NON-LEGACY NET-METERING

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ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

**ATTACHMENT 2 TO ORDER NO. 7**

**CLEAN VERSION OF ADOPTED RULES**

# ARKANSAS PUBLIC SERVICE COMMISSION



## NET-METERING RULES

Last Revised: September 29  
Order No. 7  
Docket No. 23-021-R  
Effective: XX/XX/202X



## NET-METERING RULES

### ADMINISTRATIVE HISTORY

<b><u>Docket</u></b>	<b><u>Date</u></b>	<b><u>Order No.</u></b>	<b><u>Subject Matter of Docket/ Order</u></b>
02-046-R	07/26/02	4	Adopted rules relating to the terms and conditions of – Net-Metering.
06-105-U	11/27/07	8	Amended definitions; Rules 1.02, 2.01, and 2.04; Section 1 of the Standard Interconnection Agreement, Appendix A; and X.1.1, X.2.3, and X.2.4 of the Net-Metering Tariff, Appendix B.
	11/29/07	10	Amended Rule 4.02 to delete reference to Docket No. 86-033-A.
	11/30/07	11	Amended the Standard Interconnection Agreement, Appendix A to add e-mail address lines to the signature block.
	12/19/07	12	Errata order correcting clerical errors in the amendments adopted in Order No. 8.
12-001-R	06/15/12	6	Amended Section 7 of the Standard Interconnection Agreement, Appendix A to exempt state governmental agencies and entities, local governmental entities, and federal entities from the indemnity requirement.
12-060-R	09/03/13	7	Amended Rule 2.04 to provide for meter aggregation, incorporated the provisions of Act 1221 of 2013 concerning the carryover of net-metering credits, and added a definition of Net-Metering Customer to track the definition in Ark. Code Ann. § 23-18-603.
	10/11/13	10	Updated the Net-Metering Tariff to reflect the amendments adopted in Order No. 7.
16-027-R	03/08/17	10	Revised Rules to comply with Act 827 of 2015.
	08/16/17	14	Errata Order.
	06/01/20	28, 33	Revised Rules to comply with Act 464 of 2019.
23-021-R	09/29/23	7	Revised Rules to comply with Act 278 of 2023

## NET-METERING RULES

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STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES ..... A-1

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## **SECTION 1. GENERAL PROVISIONS**

### **Rule 1.01 Definitions**

The following definitions shall apply throughout the Net-Metering Rules (NMRs), and any references to the NMRs shall include these definitions, except as required by context or by Ark. Code Ann. § 23-18-604(c)(11)(A) as interpreted by the Commission in Docket No. 23-021-R:

**(a) Additional Meter**

A meter associated with the Net-Metering Customer's account to which the Net-Metering Customer may request an Electric Utility apply credit with Net Excess Generation or Net-Metering Surplus from the Net-Metering Customer's Generation Meter. Additional Meter(s): 1) shall be under common ownership within a single Electric Utility's service area; 2) shall be used to measure the Net-Metering Customer's requirements for electricity; 3) may be in a different class of service than the Generation Meter; 4) shall be assigned to one, and only one, Generation Meter; 5) shall not be a Generation Meter; and 6) shall not be associated with unmetered service.

**(b) Annual Billing Cycle**

The normal annual fiscal accounting period used by the Electric Utility.

**(c) Avoided Cost**

As defined in Ark. Code Ann. § 23-18-603(1).

**(d) Billing Period**

The billing period for net-metering will be the same as the billing period under the Net-Metering Customer's applicable standard rate schedule.

**(e) Biomass Resource**

A resource that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

**(f) Commission**

The Arkansas Public Service Commission.

**(g) Distribution Cooperative**

A member-owned Electric Utility organized pursuant to the Electric Cooperative Corporation Act, Ark. Code Ann. §§ 23-18-301 *et seq.*, that purchases the wholesale electricity it distributes to its members from Arkansas Electric Cooperative Corporation.

**(h) Electric Utility**

As defined in Ark. Code Ann. § 23-18-603(3). Pursuant to Ark. Code Ann. § 23-18-604(e), a person who acts as a lessor or service provider as described in Ark. Code Ann. § 23-18-603(8)(A)(ii) or (iii) shall not be considered an Electric Utility.

**(i) Energy Storage Device**

A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time.

**(j) Facilities Agreement**

An agreement that provides the Net-Metering Customer a good faith estimate, based on the results of a Facilities Study, for the Net-Metering Customer's appropriate portion of the make-ready costs and associated expenses required to enable the Net-Metering Customer's use of the Electric Utility's facilities and to cover the direct costs of interconnection and any grid upgrades required to connect the Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(9)(B)(i) and (ii), including applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility as referred to in Ark. Code Ann. § 23-18-604(c)(11)(A)(ii).

**(k) Facilities Study**

A comprehensive engineering study conducted by an Electric Utility, detailing the electric system infrastructure and the impacts to the transmission and/or distribution systems that would result if a proposed interconnection request were connected without project modifications or electric system modifications. The purpose of a Facilities Study is to determine the required modifications to the Electric Utility's transmission and/or distribution system to mitigate any potential adverse system impacts, including the appropriate portion of the estimated make-ready costs and the approximate time required to build and install such modifications as necessary to accommodate an interconnection request.

**(l) Fuel Cell Resource**

A resource that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

**(m) Generation Meter**

The meter associated with the Net-Metering Customer's account to which the Net-Metering Facility is physically attached.

**(n) Geothermal Resource**

A resource in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

**(o) Hydroelectric Resource**

A resource in which the prime mover is a water wheel. The water wheel is driven by falling water.

**(p) Locational Marginal Price**

Locational Marginal Price is a market-based pricing mechanism used in electricity markets to determine the cost of electricity at a specific location on the power grid. It reflects the cost of supplying electricity at a particular point, taking into account the cost of generation, transmission losses, and congestion on the power grid.

**(q) Micro Turbine Resource**

A resource that uses a small combustion turbine to produce electricity.

**(r) Monthly Grid Charge**

As defined in Ark. Code Ann, § 23-18-603(4).

**(s) Net Excess Generation**

As defined in Ark. Code Ann, § 23-18-603(6).

**(t) Net Metering**

As defined in Ark. Code Ann, § 23-18-603(7).

**(u) Net-Metering Customer**

As defined in Ark. Code Ann, § 23-18-603(8).

**(1) Legacy Net-Metering Customer**

A customer who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023.

**(2) Legacy-Transitional Net-Metering Customer**

A customer who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility on or after March 13, 2023, but whose Net-Metering Facility qualifies to remain under the rate structure, terms,

and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A).

(3) **Non-Legacy Net-Metering Customer**

A Net-Metering Customer whose Net-Metering Facility does not qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A).

(v) **Net-Metering Facility**

As defined in Ark. Code Ann, § 23-18-603(9).

(w) **Net-Metering Surplus**

As defined in Ark. Code Ann, § 23-18-603(10).

(x) **Parallel Operation**

(1) Parallel Operation with an Electric Utility's distribution facilities: The operation of a Net-Metering Facility in compliance with applicable safety standards and power generation limits under the Net-Metering Rules while the Net-Metering Facility is connected to the Electric Utility's distribution system.

(2) Parallel Operation with an Electric Utility's transmission facilities: The operation of a Net-Metering Facility in compliance with applicable safety standards and power generation limits under the Net-Metering Rules if an Electric Utility owns transmission facilities that will be impacted by a Net-Metering Facility.

(y) **Renewable Energy Credit**

As defined in Ark. Code Ann, § 23-18-603(11).

(z) **Residential Use**

Service provided under an Electric Utility's standard rate schedules applicable to residential service.

(aa) **Solar Resource**

A resource in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

(bb) **Wind Resource**

A resource in which an electric generator is powered by a wind-driven turbine.

### **Rule 1.02 Purpose**

The purpose of these Net-Metering Rules is to establish rules for net energy metering and interconnection.

### **Rule 1.03 Statutory Provisions**

- A. These Rules are developed pursuant to the Cost Shifting Prevention Act of 2023 (Ark. Code Ann. §§ 23-18-601 *et seq.* as amended).
- B. These Rules are promulgated pursuant to the Commission's authority under Ark. Code Ann. §§ 23-2-301, 23-2-304(a)(3), 23-2-305, and 23-18-604(b)(1).
- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

### **Rule 1.04 Other Provisions**

- A. These Rules apply to all Electric Utilities, as defined in these Rules, that are jurisdictional to the Commission.
- B. The Net-Metering Rules are not intended to, and do not affect or replace any Commission approved general service regulation, policy, procedure, rule, or service application of any utility which addresses items other than those covered in these Rules.
- C. Net-Metering Customers taking service under the provisions of the Net-Metering tariff may not simultaneously take service under the provisions of any other alternative source generation, cogeneration, or interruptible service tariffs except as provided in Ark. Code Ann. § 23-18-603(8)(B)(i) and (ii) and Ark. Code Ann. § 23-18-604(c)(11)(A).
- D. When calculating a Net-Metering Customer's "highest monthly usage" pursuant to Ark. Code Ann. § 23-18-603(9), an Electric Utility shall base its calculation upon the Net-Metering Customer's energy usage in kWh and shall establish the corresponding Net-Metering Facility size limitation as the Facility's estimated average output that would meet the Customer's usage in that same month of the year. The lesser of the limit based upon highest monthly usage or the statutory nameplate generating capacity will then apply.
- E. Electric Utilities shall not require Legacy Net-Metering Customers who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023, to reduce the generating capacity of the individual Net-Metering Facility to meet the new generating capacity limits in Ark. Code Ann. § 23-18-603(9) that became effective on March 13, 2023.



- F. Electric Utilities shall not require Legacy Net-Metering Customers who submitted a Standard Interconnection Agreement for a particular Net-Metering Facility prior to March 13, 2023, to relocate any of their Net-Metering Facilities to meet the new limitations in Ark. Code Ann. § 23-18-603(9) on co-locating that became effective on March 13, 2023.

## **SECTION 2. NET-METERING REQUIREMENTS**

### **Rule 2.01 Electric Utility Requirements**

- A. An Electric Utility shall allow Net-Metering Facilities of Legacy Net-Metering Customers and Legacy-Transitional Net-Metering Customers to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions. An Electric Utility shall not require Legacy Net-Metering Customers or Legacy-Transitional Net-Metering Customers to purchase or install a two-channel digital meter as a condition of continued net-metering service until June 1, 2040.
- B. An Electric Utility shall allow Net-Metering Facilities of Non-Legacy Net-Metering Customers to be interconnected using, at a minimum, a single standard two-channel digital meter capable of registering the flow of electricity in two (2) directions that separately measures the electric energy in kWh that is:
  - 1. Supplied by an Electric Utility to the Net-Metering Customer; and
  - 2. Generated by the Net-Metering Customer's Net-Metering Facility and fed back to an Electric Utility.

### **Rule 2.02 Metering Requirements**

- A. Metering equipment shall 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. If nonstandard metering equipment is required, the customer is responsible for the cost differential between the required metering equipment and the utility's standard two-channel digital metering equipment for the customer's current rate schedule, as applicable pursuant to Rule 2.01.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be as defined in the Commission's Special Rules - Electric. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net-Metering Facility is placed in operation in accordance with these Rules.

### **Rule 2.03 Cost Recovery and New or Additional Charges**

- A. Any new or additional charge which would increase a Net-Metering Customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Commission for approval in its Net-Metering tariffs, including (but not limited to) the following:
  - 1. a charge to recover any cost of the standard two-channel digital meter that is not otherwise included in the rates paid by the Net-Metering Customer;

and

2. a standard one-time fee to recover administrative and related interconnection review costs.
- B. An Electric Utility may recover any Net-Metering Surplus or the dollar value of any Net-Excess Generation applied to the bills of Net-Metering Customers in the same manner that the Electric Utility recovers the cost of fuel and purchased energy.
- C. Each Electric Utility shall follow its Net-Metering tariff or other applicable rate schedules as approved by the Commission to ensure that each Net-Metering Customer pays either the entire costs of an Electric Utility's facilities and associated expenses or the appropriate portion of the costs and associated expenses required to:
1. Provide service to the Net-Metering Customer; and
  2. Enable the Net-Metering Customer's use of the Electric Utility facilities.

**Rule 2.04 Billing for Net Metering**

- A. Each Electric Utility shall elect in its standard Net-Metering tariff one of the rate structures outlined under Ark. Code. Ann. § 23-18-606.
- B. Each Electric Utility shall bill Net-Metering Customers under either of two different Net-Metering tariffs as outlined in the Appendix B standard Net-Metering tariffs:
1. For a Net-Metering Facility of a Net-Metering Customers which qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.
  2. For a Net-Metering Facility of a Net-Metering Customer which does not qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall bill a Net-Metering Customer under the alternative rate structure elected by the Electric Utility pursuant to Ark. Code. Ann. § 23-18-606.

- C. If the Net-Metering Customer has any accumulated Net-Metering Surplus or Net-Excess Generation during the applicable Billing Period:
1. The Net-Metering Surplus or Net Excess Generation shall first be credited to the Net-Metering Customer's Generation Meter.
  2. After application of subsection C.1. and upon request of the Net-Metering Customer pursuant to subsection D., any remaining Net-Metering Surplus or Net Excess Generation shall be credited to one or more of the Net-Metering Customer's Additional Meters in the rank order provided by the Net-Metering Customer.
  3. The Net-Metering Surplus or Net Excess Generation shall be credited as described in subsections C.1. and C.2. during subsequent Billing Periods. The amount of Net Excess Generation credits remaining in a Net-Metering Customer's account at the close of a Billing Period shall not expire and shall be carried forward to subsequent Billing Periods indefinitely.
    - a. For Net Excess Generation credits older than 24 months, a Legacy or Legacy-Transitional Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation Credits in the Legacy or Legacy-Transitional Net-Metering Customer's account at the Electric Utility's Avoided Cost if the sum to be paid to the Legacy or Legacy-Transitional Net-Metering Customer is at least \$100.
    - b. An Electric Utility shall purchase at the Electric Utility's Avoided Cost, any Net Excess Generation or Net-Metering Surplus credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:
      - i. ceases to be a customer of the Electric Utility;
      - ii. ceases to operate the Net-Metering Facility; or
      - iii. transfers the Net-Metering Facility to another person.
- D. Upon request from a Net-Metering Customer, an Electric Utility must apply Net-Metering Surplus or Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:
1. The Net-Metering Customer gives at least 30 days' notice to the Electric Utility of its request to apply Net-Metering Surplus or Net Excess Generation to the Additional Meter(s).
  2. The Additional Meter(s) must be identified at the time of the request.
  3. In the event that more than one of the Net-Metering Customer's

Additional Meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which Net-Metering Surplus or Net Excess Generation is to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

4. At the time an Electric Utility processes a request for applying any remaining Net-Metering Surplus or Net Excess Generation as a credit to one (1) or more of a Net-Metering Customer's meters in the rank order provided by the Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d), the Electric Utility shall synchronize the billing cycles of each Additional Meter with the Net-Metering Customer's Generation Meter.
  5. Billing and crediting for the Net-Metering Facilities and Additional Meters of Non-Legacy Net-Metering Customers shall comply with the requirements of Ark. Code Ann. § 23-18-604(d)(2)(A).
- E. Any Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

#### **Rule 2.05 Meter Aggregation**

- A. Except as provided in subsections (B) and (C) of this Rule 2.05, an Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- B. Pursuant to Ark. Code Ann. § 23-18-604(d), at the Net-Metering Customer's discretion, an Electric Utility shall apply net-metering credits for Net-Metering Customers who are billed under Ark. Code Ann. § 23-18-606(a)(2)(A)-(G) or the Net-Metering Surplus for all other customers from a Net-Metering Customer's Net-Metering Facility to the bill for another meter location of the Net-Metering Customer if the Net-Metering Facility and the separate meter location are under common ownership of the same Net-Metering Customer within a single Electric Utility's allocated service territory, subject to the limitations and exceptions provided in Ark. Code Ann. 23-18-604(d) except as required by Ark. Code Ann. § 23-18-604(c)(11)(A), which does not impose those limitations on the Net-Metering Facilities of customers that meet its requirements (*i.e.*, Legacy and Legacy-Transitional Net-Metering Customers).
- C. A Net-Metering Customer seeking to aggregate multiple accounts under common ownership shall submit a request to the Electric Utility identifying the accounts that are under common ownership. The request shall include the following documents:
  1. Standard Application Form and Affidavit as approved by the Commission.
  2. Sworn Affidavit: The Net-Metering Customer shall submit a sworn affidavit by a person with personal knowledge affirming that the Net-

Metering Customer is in fact the legal owner or authorized representative responsible for paying the bill for all accounts listed in the application form.

**Rule 2.06 Legacy Status for Net-Metering Facilities**

- A. A Net-Metering Facility of a Net-Metering Customer shall remain under the rate structure terms, and conditions in effect before December 31, 2022, until June 1, 2040, if the Net-Metering Customer has qualified under Ark. Code Ann. § 23-18-604(c)(11)(A) by having done one of the following:
1. Submitted a Standard Interconnection Agreement to the Electric Utility before September 30, 2024;
  2. Submitted a Facilities Agreement or equivalent document to establish an account with an Electric Utility and paid all estimated make-ready costs of constructing the Electric Utility facilities necessary to interconnect the Net-Metering Facility before September 30, 2024; or
  3. Filed a complaint with the Commission addressing a disputed Facilities Agreement or equivalent document to establish an account with an Electric Utility after the presentation by the Electric Utility to the Net-Metering Customer of the Facilities Agreement and the required costs of constructing the facilities necessary to interconnect the Net-Metering Facility before September 30, 2024.
- B. For the purpose of a Net-Metering Facility qualifying for legacy-transitional status under Rule 2.06(A)(2), a Net-Metering Customer will be deemed to have paid “all costs of constructing Electric Utility Facilities necessary to interconnect the Net-Metering Facility before September 30, 2024” if prior to September 30, 2024, the Net-Metering Customer has paid all estimated make-ready costs as designated in the Facilities Agreement presented to the Net-Metering Customer by an Electric Utility. If the Electric Utility adjusts the make-ready cost estimate for the Facilities Agreement based on actual make-ready costs incurred and requests the Net-Metering Customer to pay those additional costs subsequent to the initial presentation of the Facilities Agreement, such subsequent cost adjustment shall be paid by the Net-Metering Customer but shall not defeat the Net-Metering Customer’s qualification for legacy status under Rule 2.06(A).
- C. A Net-Metering Facility may be upgraded by adding a material increase in nameplate generating capacity and retain legacy-transitional status so long as the Net-Metering Facility still meets the statutory definition under Ark. Code Ann. § 23-18-603(9) and meets the requirements of Ark. Code Ann. § 23-18-604(c)(11)(A). If a Net-Metering Facility adds a material increase in generating capacity after March 13, 2023, that does not meet the requirements of Ark. Code Ann. § 23-18-603(9) and Ark. Code Ann. § 23-18-604(c)(11)(A), the new and additional capacity will not qualify for legacy-transitional status and thus shall be billed pursuant to one (1) of the rate structures established in Ark. Code Ann. § 23-18-606. However, the addition of Non-Legacy generating capacity to a

Legacy-Transitional Net-Metering Facility will not result in the revocation of Legacy Net-Metering status for any portion of the Net-Metering Facility previously qualified for such status.

- D. For the date of eligibility for legacy status to be established under Rule 2.06(A) and Ark. Code Ann. § 23-18-604(c)(11)(A):
  - 1. The Electric Utility need not have approved and signed the Standard Interconnection Agreement or Facilities Agreement; and
  - 2. Section 5. Certification of the Standard Interconnection Agreement need not be completed.
- E. The legacy status period shall attach to the Net-Metering Facility on the premises rather than the Net-Metering Customer.
- F. If the Net-Metering Customer sells a premises with a Net-Metering Facility, the Standard Interconnection Agreement and Facilities Agreement may be transferred to the new Net-Metering Customer and the legacy status period shall continue until June 1, 2040.
- G. A Net-Metering Customer may not transfer a Net-Metering Facility to a new premises or location and continue to operate under the legacy status period.
- H. Maintenance and repair of existing Net-Metering Facilities, including replacement of system parts with newer technology after September 30, 2024, shall not be a triggering event which ends the legacy status period, even if the modifications marginally increase system output due to increases in efficiency and new technology, so long as such maintenance and repair does not materially increase the generating capacity of the Net-Metering Facility.
- I. A Net-Metering Facility qualifying for legacy status under this Rule remains subject to any other change or modification in rates, terms, or conditions approved by the Commission.

#### **Rule 2.07 Leases and Safe Harbor for Service Agreements**

- A. A Net-Metering Customer entering into a lease for a Net-Metering Facility shall provide to the Electric Utility a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the lease is in compliance with all Commission Rules and Ark. Code Ann. § 23-18-603(9)(A)(ii).
- B. A Net-Metering Customer entering into a service agreement for a Net-Metering Facility who is relying on Ark. Code Ann. § 23-18-603(9)(A) to qualify for net metering shall submit a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the customer qualifies for safe-harbor protection as provided by Ark. Code Ann. § 23-18-603(9)(A)(iii)(a) and



26 U.S.C. § 7701(e)(3)(A) and that the service agreement is in compliance with all Commission Rules.

- C. Disputes over compliance with Subsection (A) or (B) above shall be submitted to Staff for review and attempted resolution. Thereafter, a Net-Metering Customer or Electric Utility that disagrees with Staff's resolution may petition the Commission to resolve the dispute. Electric Utilities shall presume that any person who submits a completed Notice and Affidavit form is in compliance with the Commission's Rules and the provisions under Ark. Code Ann. § 23-18-603(9) until the Commission makes a finding otherwise.

**Rule 2.08 Annual Avoided-Cost Redetermination**

- A. If an Electric Utility elects to use the rate structure outlined in Ark. Code Ann. § 23-18-606(a)(1), the Electric Utility shall file any needed revisions to its Net-Metering tariff on or before February 1 of each calendar year, to become effective on March 1 of the same year, updating the Avoided Cost to reflect the twelve-month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator (MISO) or Southwest Power Pool (SPP) Independent System Operator Market.
- B. The Electric Utility shall use the historic hourly average real-time Locational Marginal Price for the prior calendar year for the purpose of calculating the annual Avoided Cost rate updates in its Net-Metering tariff. Any Electric Utility whose load zone encompasses both MISO and SPP shall use a blended rate to calculate the Avoided Cost. A Distribution Cooperative shall use the Avoided Cost rate based on the load zones applicable to the wholesale power it purchases as calculated by Arkansas Electric Cooperative Corporation.



### **SECTION 3. INTERCONNECTION OF NET- METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS**

#### **Rule 3.01 Requirements for Initial Interconnection of a Net-Metering Facility**

- A. A Net-Metering Customer and owner of the Net-Metering Facility, if different, shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the Electric Utility's facilities.
- B. A Net-Metering Facility shall be capable of operating in parallel and safely commencing the delivery of power into the utility system at a single point of interconnection. To prevent a Net-Metering Facility from back-feeding a de-energized line, a Net-Metering Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the Electric Utility and clearly labeled.
- C. The Net-Metering Customer and owner of the Net-Metering Facility, if different, shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Net-Metering Customer intends to interconnect the Net-Metering Facilities to the Electric Utility's facilities. Part I, Standard Information, Sections 1 through 5 of the Standard Interconnection Agreement must be completed by the Net-Metering Customer and Owner (if different from Customer) for the notification to be valid. The Net-Metering Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Net-Metering Customer upon request.
- D. Following notification by the Net-Metering Customer or owner as specified in Rule 3.01.C., the Electric Utility shall review the plans for the facility and provide the results of its review to the Net-Metering Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- E. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).
- F. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet all safety and performance standards adopted by the Electric Utility and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the Net-Metering Facility to the Electric Utility's system.

- G. If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.
- H. Pursuant to Ark. Code Ann. § 23-18-603(9)(D), if an Electric Utility owns transmission facilities that will be impacted by a Net-Metering Facility, a Net-Metering Customer must obtain an Electric Utility's permission to operate its facilities in parallel with the Electric Utility's transmission facilities.

**Rule 3.02 Requirements for Modifications or Changes to a Net-Metering Facility**

- A. Prior to being made, the Net-Metering Customer or owner of the Net-Metering Facility shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Net-Metering Customer or owner of the Net-Metering Facility shall provide detailed information describing the modifications or changes to the Electric Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The utility shall review the proposed changes to the facility and provide the results of its evaluation to the customer, in writing, within thirty (30) days of receipt of the customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- B. If the Net-Metering Customer or owner of the Net-Metering Facility makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.
- C. A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.
- D. If a Net-Metering Customer proposes a modification or upgrade to a Net-Metering Facility that has previously qualified for Legacy or Legacy-Transitional status, an Electric Utility may only require the Net-Metering Customer to submit a new Standard Interconnection Agreement for the modification or upgrade if the customer is proposing a material increase in nameplate generating capacity.

**Rule 3.03 Requirements for Preliminary Interconnection Site Review Request**

- A. For the purpose of requesting that the Electric Utility conduct a preliminary

interconnection site review for a proposed Net-Metering Facility to determine the Net-Metering Facility's impact to the Electric Utility's grid through technical review and if additional site screening may be required to determine the applicable interconnection costs prior to interconnection of the Net-Metering Facility, the Net-Metering Customer may notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Net-Metering Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Each Preliminary Interconnection Site Review Request will be considered separately and in the order in which received. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Net-Metering Customer upon request.

- B. Following notification by the Net-Metering Customer as specified in Rule 3.03.A., the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Net-Metering Customer, in writing, within 30 calendar days. If the Net-Metering Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Net-Metering Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it shall provide the Net-Metering Customer with an estimated date by which it will complete the review. The Net-Metering Customer may request parallel processing of multiple reviews but must pay actual costs of conducting the review and any subsequent costs associated with site screening that may be required under Rule 3.03.C. In such event, the Electric Utility shall respond to the request and shall process and present the results of the multiple reviews within a reasonable time, not to exceed ninety (90) days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- C. The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Net-Metering Customer if additional site screening may be required prior to interconnection of the facility. The Net-Metering Customer shall be responsible for the actual costs of conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.
- D. The preliminary interconnection site review does not relieve the Net-Metering Customer of the requirement to execute a Standard Interconnection Agreement

prior to interconnection of the facility. The preliminary interconnection site review process is optional for a Net-Metering Customer and may be used to determine the Net-Metering Facility's impact to the Electric Utility's grid through technical review and if additional site screening may be required to determine the appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities prior to installing a Net-Metering Facility. A Net-Metering Customer may choose to proceed with installing a Net-Metering Facility and submitting a Standard Interconnection Agreement without going through the preliminary interconnection site review process. Regardless of whether a Net-Metering Customer submits a Preliminary Interconnection Site Review Request, the Net-Metering Customer is responsible for its appropriate portion of any required interconnection costs.

- E. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee for each Preliminary Interconnection Site Review Request submitted or at the time of interconnection after executing a Standard Interconnection Agreement to recover administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its Net-Metering tariff.

#### **Rule 3.04 Requirements for Facilities Study and Facilities Agreement**

- A. A Net-Metering Customer may request that the Electric Utility conduct a Facilities Study for the purpose of determining any applicable costs of constructing Electric Utility facilities necessary to mitigate any potential adverse system impacts and interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). The Facilities Study request should be made in writing but does not have to be made on any particular form unless the Electric Utility has an approved request form approved as part of its Net-Metering tariff.
- B. The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, construction work (including protection), and any additional requirements needed to implement system upgrades and interconnection facilities necessary to safely interconnect a Net-Metering Facility to the Electric Utility's system pursuant to Ark. Code Ann. §23-18-604(c)(9)(B)(i) and (ii). The Facilities Agreement shall reflect that estimate as part of its terms when presented to the Net-Metering Customer.
- C. An Electric Utility may charge a Net-Metering Customer a deposit for each Facilities Study to recover estimated interconnection study costs pursuant to Ark. Code Ann. § 23-18-604(c)(9)(B), as filed in its standard Net-Metering tariff. Any portion of the deposit not actually incurred by the Electric Utility as a result of the study shall be promptly returned to the Net-Metering Customer, or credited towards the facility costs established by the Facilities Agreement for the Net-Metering Facility.
- D. Each Electric Utility shall file with its Net-Metering tariff for Commission

approval its standard Facilities Agreement.

- E. Following the completion of a Facilities Study, if a Net-Metering Customer elects to proceed with interconnection, the Net-Metering Customer shall execute a standard Facilities Agreement in the form filed with the Electric Utility's Net-Metering tariff and approved by the Commission.
- F. The Facilities Agreement shall specify the Net-Metering Customer's appropriate portion of the estimated costs required to provide interconnection service to the Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(9)(B), including the Net-Metering Customer's appropriate portion of any costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility, as determined by the Facilities Study.
- G. Deadlines for Electric Utilities: An Electric Utility shall use reasonable efforts to complete a Facilities Study within 120 days. If a Facilities Study will take more than 120 days, an Electric Utility shall notify the customer in writing that the review cannot be completed in 120 days and provide an alternate schedule. An Electric Utility shall not unreasonably delay providing the results of a Facilities Study and corresponding Facilities Agreement.
- H. In the event that an Electric Utility is not able to provide final interconnection costs within the deadlines outlined in Rule 3.04(G) above, the Electric Utility shall provide a good faith estimate of the appropriate portion of the costs and associated expenses required to (i) provide service to the Net-Metering Customer and (ii) enable the Net-Metering Customer's use of the Electric Utility's Facilities, including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). If the Net-Metering Customer and Electric Utility proceed with executing the Facilities Agreement based on a good faith estimate, the Electric Utility shall credit or charge the Net-Metering Customer for any difference between the estimate and actual costs once the final appropriate costs are determined.

**SECTION 4. STANDARD INTERCONNECTION AGREEMENT,  
PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST,  
FACILITIES AGREEMENT, AND STANDARD NET-METERING TARIFFS  
FOR NET-METERING FACILITIES**

**Rule 4.01 Standard Interconnection Agreement, Preliminary  
Interconnection Site Review Request, Facilities Agreement, and Standard Net-  
Metering Tariffs**

Each Electric Utility shall file, for approval by the Commission, the Standard Interconnection Agreement for Net-Metering Facilities (Appendix A), the Preliminary Interconnection Site Review Request (Appendix A-1), its standard Facilities Agreement (Appendix A-2), and two Net-Metering Tariffs (Legacy and Non-Legacy) in standard tariff format (Appendix B).

- A. Facilities Agreement: Each Electric Utility shall file with its Net-Metering Tariff as Appendix A-2 its standard Facilities Agreement.
- B. Standard Net-Metering tariffs: Each Electric Utility shall file the following Net-Metering tariffs:
  - 1. A Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who qualify for legacy status pursuant to Rule 2.06; and
  - 2. A Non-Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who do not qualify for legacy status pursuant to Rule 2.06.

When filing its Net-Metering tariffs for Commission approval, an Electric Utility may propose deviations to the standard Net-Metering tariffs, including Appendices, for the Commission's consideration. Any Electric Utility which requests a deviation from the standard Net-Metering tariffs shall specifically identify the requested deviation(s) and file supporting testimony pursuant to the Commission's *Rules of Practice and Procedure*, demonstrating good cause and public interest for the proposed deviation .

**Rule 4.02 Additional Filing and Reporting Requirements**

Each Electric Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each Net-Metering Facility, the type of resource (Solar, Wind, Storage, etc.), its use (by specific rate class(es), generator capacity rating, inverter capacity rating, and if the Net-Metering Facility is associated with Additional Meters (Yes or No), as of the end of the previous calendar year. The annual report shall be provided in spreadsheet format.

## **SECTION 5. RULES TO GUARD AGAINST GAMING**

### **Rule 5.01 Gaming Defined**

Gaming is defined as manipulating, misrepresenting, or otherwise configuring a Net-Metering Facility or Facilities in a manner that is intended to result in, or that actually results in, the avoidance of statutory or Commission limits or rules.

Gaming of the Net-Metering Rules includes, but is not limited to, the following actions:

- A. Adding additional capacity to an existing Net-Metering Facility without complying with Rule 3.02; and
- B. Unauthorized interconnections.

### **Rule 5.02 Gaming Prohibited**

Gaming of the Net-Metering Rules is prohibited.

### **Rule 5.03 Penalties for Gaming**

Any Net-Metering Customer found to be engaged in activity considered to be gaming under the Net-metering Rules may have its qualification as a Net-Metering Customer suspended or terminated by the Commission following notice and opportunity for hearing.



## APPENDIX A

### **STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES**

#### **I. STANDARD INFORMATION**

##### **Section 1. Customer Information**

Name: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_  
Facility Location (if different from above): \_\_\_\_\_  
Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_  
Utility Customer Account Number (from electric bill) to which the Net-Metering Facility is physically attached: \_\_\_\_\_  
Type of Facility (circle one)  
Customer-owned \_\_\_\_\_ Leased \_\_\_\_\_ Service Agreement \_\_\_\_\_

##### **Section 2. Owner Information (if different from Customer)**

Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_ Fax: \_\_\_\_\_

##### **Section 3. Generation Facility Information**

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell  
Micro turbine Energy Storage Device (circle all that apply)  
Generator Rating (kW): \_\_\_\_\_ DC  
Inverter Rating (kW): \_\_\_\_\_ AC

Describe Location of Accessible and Lockable Disconnect: \_\_\_\_\_

Inverter Manufacturer: \_\_\_\_\_ Inverter Model: \_\_\_\_\_  
Inverter Location: \_\_\_\_\_ Inverter Power Rating: \_\_\_\_\_

Expected Capacity Factor: \_\_\_\_\_  
Expected annual production of electrical energy (kWh) calculated using industry recognized simulation model (PVWatts, etc.): \_\_\_\_\_



**Section 4. Installation Information**

Attach a detailed electrical diagram of the Net-Metering Facility.

Installed by: \_\_\_\_\_

Qualifications/Credentials: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Installation Date: \_\_\_\_\_

**Section 5. Certification**

The system has been installed in compliance with national electric codes, including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL) and (if applicable) the local Building/Electrical Code of \_\_\_\_\_ (City/County)

Signed (Inspector): \_\_\_\_\_ Date: \_\_\_\_\_

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Net Metering Customer): \_\_\_\_\_ Date: \_\_\_\_\_

Signed (Owner if different from Customer): \_\_\_\_\_ Date: \_\_\_\_\_

**Section 6. Utility Verification and Approval**

Facility Interconnection Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Metering Facility Verification by: \_\_\_\_\_ Verification Date: \_\_\_\_\_

Utility's e-mail address: \_\_\_\_\_

## **II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS**

This Interconnection Agreement for Net-Metering Facilities ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by \_\_\_\_\_ ("Electric Utility") and \_\_\_\_\_ ("Customer"), a \_\_\_\_\_ (specify whether corporation or other) and \_\_\_\_\_ ("Owner"), a \_\_\_\_\_ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

### **Section 1. The Net-Metering Facility**

The Net-Metering Facility meets the requirements of Ark. Code Ann. § 23-18-603(10) and the Arkansas Public Service Commission's *Net-Metering Rules*.

### **Section 2. Governing Provisions**

The Parties shall be subject to the applicable provisions of Ark. Code Ann. § 23-18-601, *et seq.* and the terms and conditions set forth in this Agreement, the Commission's *Net-Metering Rules*, the Commission's *General Service Rules*, and the Electric Utility's applicable tariffs.

### **Section 3. Interruption or Reduction of Deliveries**

The Electric Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Electric Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Electric Utility shall have the right to disconnect and lock out the Customer's facility from the Electric Utility's electric system. The Customer's facility shall remain disconnected until such time as the Electric Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

### **Section 4. Interconnection**

Customer shall deliver the as-available energy to the Electric Utility at the Electric Utility's meter.

Electric Utility shall furnish and install a standard kilowatt hour meter for Legacy-Transitional Net-Metering Customers or a single standard two-channel digital hour meter for Non-Legacy Net-Metering Customers. Customer shall provide and install a meter socket for the Electric Utility's meter and any related interconnection equipment per the Electric Utility's technical requirements, including safety and performance standards.

The Net-Metering Customer and Owner of the Net-Metering Facility, if different, shall

submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Customer intends to interconnect the Net-Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 5 of the Standard Interconnection Agreement must be completed by the Net-Metering Customer and Owner (if different from Customer), for the notification to be valid. The Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Customer upon request.

Following submission of the Standard Interconnection Agreement by the Customer, the utility shall review the plans of the facility and provide the results of its review to the Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

To prevent a Net-Metering Facility from back-feeding a de-energized line, the Customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours.

Customer, at Customer's expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at Customer's expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission that are necessary to assure safe and reliable operation of the Net Metering Facility to the utility's system.

Customer shall not commence Parallel Operation of the Net-Metering Facility until the Net Metering Facility has been inspected and approved by the Electric Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Electric Utility's approval to operate the Customer's Net-Metering Facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's Net-Metering Facility.

#### **Section 5. Modifications or Changes to the Net-Metering Facility Described in Part 1, Section 2**

Prior to being made, the Customer shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part 1, Standard Information, Section 2 of the Standard Interconnection

Agreement for Net-Metering Facilities, in compliance with the Commission's Net-Metering Rules and the Electric Utility's tariffs.

If the Customer makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's *General Service Rules*.

A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

**Section 6. Maintenance and Permits**

The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the Net-Metering Facility and interconnection facilities. The Customer shall maintain the Net-Metering Facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

**Section 7. Access to Premises**

The Electric Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Electric Utility may disconnect the interconnection facilities without notice if the Electric Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Electric Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

**Section 8. Indemnity and Liability**

The following is Applicable to Agreements between the Electric Utility and to all Customers and Owners except the State of Arkansas and any entities thereof, local governments, and federal agencies:

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages, expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering, design, construction, ownership, maintenance or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such Party's works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the Parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence. Nothing in this paragraph shall be applicable to the Parties in any agreement entered into with the State of Arkansas or any entities thereof, or with local governmental entities or federal agencies. Furthermore, nothing in this Agreement shall be construed to waive the sovereign immunity of the State of Arkansas or any entities thereof. The Arkansas State Claims Commission has exclusive jurisdiction over claims against the state.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a Party to this Agreement. Neither the Electric Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or the making of replacements, additions or betterment to, or by failure of, the Customer's facilities by the Customer or any other person or entity.

### **Section 9. Notices**

The Net-Metering Customer shall notify the Electric Utility of any changes in the information provided herein.

All written notices shall be directed as follows:

Attention:

[Electric Utility Agent or Representative] \_\_\_\_\_

[Electric Utility Name and Address] \_\_\_\_\_

[Electric Utility Email Address] \_\_\_\_\_

Attention:

[Customer]

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Email: \_\_\_\_\_

Customer notices to Electric Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

### **Section 10. Term of Agreement**

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

### **Section 11. Assignment**

This Agreement and all provisions hereof shall inure to and be binding upon the respective Parties hereto, their personal representatives, heirs, successors, and assigns. The Customer and/or Owner shall notify the Electric Utility if this Agreement is assigned to a new Net-Metering Customer pursuant to Rule 2.06(F).

### **Section 12. Net-Metering Customer and Owner Certification**

I hereby certify that all of the information provided in this Agreement is true and correct, to the best of my knowledge, and that I have read and understand the Terms and Conditions of this Agreement.

Signature (Customer): \_\_\_\_\_ Date: \_\_\_\_\_

Signature (Owner if different from Customer): \_\_\_\_\_ Date: \_\_\_\_\_

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Customer:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

E-mail Address:

\_\_\_\_\_

Electric Utility:

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

E-mail Address:

\_\_\_\_\_

Third-Party Owner (if applicable):

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

Email Address:

\_\_\_\_\_

**STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING  
FACILITIES**

**Disclaimer**

**POSSIBLE FUTURE RULES OR RATE CHANGES, OR BOTH  
AFFECTING YOUR NET-METERING FACILITY**

The following is a supplement to the Interconnection Agreement you signed with  
\_\_\_\_\_[Electric Utility].

1. Electricity rates, basic charges, and service fees, set by [Electric Utility] and approved by the Arkansas Public Service Commission (Commission), are subject to change.
2. I understand that I will be responsible for paying any future increases to my electricity rates, basic charges, or service fees from [Electric Utility].
3. My Net-Metering System is subject to the current rates of [Electric Utility], and the rules and regulations of the Commission. The [Electric Utility] may change its rates in the future with approval of the Commission or the Commission may alter its rules and regulations, or both may happen. If either or both occurs, my system will be subject to those changes.

By signing below, you acknowledge that you have read and understand the above disclaimer.

\_\_\_\_\_  
Name (printed)

\_\_\_\_\_  
Signature (Customer)

\_\_\_\_\_  
Date

## APPENDIX A-1

### **PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST**

#### **I. STANDARD INFORMATION**

##### **Section 1. Customer Information**

Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Facility Location (if different from above): \_\_\_\_\_  
Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_ If the requested point of  
interconnection is the same as an existing electric service, provide the electric service  
account number: \_\_\_\_\_ Additional Customer Accounts  
(from electric bill) to be credited with Net Excess Generation: \_\_\_\_\_  
\_\_\_\_\_ Annual Energy Requirements  
(kWh) in the previous twelve (12) months for the account physically attached to the Net-  
Metering Facility and for any additional accounts listed (in the absence of historical  
data reasonable estimates for the class and character of service may be made): \_\_\_\_\_

##### **Type of Facility (circle one)**

Customer-owned \_\_\_\_\_ Leased \_\_\_\_\_ Service Agreement \_\_\_\_\_

##### **Section 2. Owner Information (if different from customer information)**

Name: \_\_\_\_\_  
Contact Person: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
Daytime Phone: \_\_\_\_\_ Evening Phone: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

##### **Section 3. Generation Facility Information**

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell  
Micro Turbine Energy Storage Device (circle all that apply)  
Generator Rating (kW): \_\_\_\_\_ DC  
Inverter Rating (kW): \_\_\_\_\_ AC  
Capacity Factor: \_\_\_\_\_  
Expected annual production of electrical energy (kWh) of the facility calculated using  
industry recognized simulation model (PVWatts, etc): \_\_\_\_\_

##### **Section 4. Interconnection Information**

Attach a detailed electrical diagram showing the configuration of all generating facility  
equipment, including protection and control schemes.  
Requested Point of Interconnection: \_\_\_\_\_



Customer-Site Load (kW) at Net-Metering Facility location (if none, so state):

Interconnection Request: Single Phase:\_\_\_\_\_Three Phase:\_\_\_\_\_

**Section 5. Signature**

I hereby certify that, to the best of my knowledge, all the information provided in this Preliminary Interconnection Site Review is true and correct.

Net-Metering Customer Signature:\_\_\_\_\_Date: \_\_\_\_\_

Owner Signature (if different from Customer):\_\_\_\_\_Date: \_\_\_\_\_

## **II. TERMS AND CONDITIONS**

### **Section 1. Requirements for Request**

For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility if requested by the Customer, the Customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Customer upon request.

### **Section 2. Utility Review**

Following submission of the Preliminary Interconnection Site Review Request by the Customer the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Customer, in writing, within 30 calendar days. If the Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it shall provide the Customer with an estimated date by which it will complete the review. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Customer if additional site screening may be required prior to interconnection of the facility. The Customer shall be responsible for the actual costs for conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

### **Section 3. Standard Interconnection Agreement**

The preliminary interconnection site review does not relieve the Customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

**ARKANSAS PUBLIC SERVICE COMMISSION**

Original	Sheet No.	PSC File Mark Only
Replacing:	Sheet No.	
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		
Title: LEGACY NET-METERING		

**X. LEGACY NET-METERING****X.1. DEFINITIONS**

**X.1.1. Legacy Net-Metering Customer** – A customer who meets either the definition of Legacy Net-Metering Customer or Legacy-Transitional Net-Metering Customer as defined in the Net-Metering Rules.

**X.1.2 Legacy Net-Metering Facility** – A Net-Metering Facility meeting the requirements of Ark. Code Ann. § 23-18-603, as in effect on March 12, 2023 (*i.e.*, before the effective date of Act 278 of 2023).

**X.1.3 Legacy-Transitional Net-Metering Facility** – A Net-Metering Facility meeting the requirements of Ark. Code Ann. § 23-18-603, as in effect on March 13, 2023 (*i.e.*, the effective date of Act 278 of 2023).

**X.1.4** All other terms are as defined in Ark. Code Ann. § 23-18-603, except as required by context or by Ark. Code Ann. § 23-18-604(c)(11)(A) as interpreted by the Commission in Docket No. 23-021-R.

**X.2. AVAILABILITY**

**X.2.1.** Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) \_\_\_\_\_ (list schedules) who is a Legacy Net-Metering

**ARKANSAS PUBLIC SERVICE COMMISSION**

Original	Sheet No.	
Replacing:	Sheet No.	
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		
Title: LEGACY NET-METERING		PSC File Mark Only

Customer as defined herein and who has obtained a signed Standard Interconnection Agreement for a Legacy Net-Metering Facility or Facilities or a Legacy-Transitional Net-Metering Facility or Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*

The provisions of the customer's standard rate schedule are modified as specified herein.

X.2.2. Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation or co-generation tariff

**X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS**

X.3.1. The monthly billing rate structure, terms, and conditions outlined herein apply until June 1, 2040, to Net-Metering Facilities of Legacy Net-Metering Customers.

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.3. On a monthly basis, the Legacy Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules.

X.3.4. If the kWhs supplied by the Electric Utility exceeds the kWhs generated

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by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Legacy Net-Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Legacy Net-Metering Customer's standard rate schedule.

- X.3.5. If the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Legacy Net-Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Legacy Net-Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.
- X.3.6. Net Excess Generation shall first be credited to the Legacy Net-Metering Customer's meter to which the Net-Metering Facility is physically attached (Generation Meter).
- X.3.7. After application of X.3.6. and upon request of the Legacy Net-Metering Customer pursuant to X.3.9., any remaining Net Excess Generation shall be credited to one or more of the Legacy Net-Metering Customer's meters (Additional Meters) in the rank order provided by the Legacy Net-Metering Customer.
- X.3.8. Net Excess Generation shall be credited as described in X.3.7. and X.3.8. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Legacy Net-Metering Customer's account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than

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twenty-four (24) months, a Legacy Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Legacy Net-Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum determined under the Net Metering Rules, if the sum to be paid to the Legacy Net-Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility's Avoided Cost, any Net Excess Generation Credits remaining in a Legacy Net-Metering Customer's account when the Legacy Net-Metering Customer:

- 1) ceases to be a customer of the Electric Utility;
- 2) ceases to operate the Net-Metering Facility; or
- 3) transfers the Net-Metering Facility to another person.

When purchasing Net Excess Generation credits from a Legacy Net-Metering Customer, the Electric Utility shall calculate the payment based on its Avoided Costs for the current year.

X.3.9. Upon request from a Legacy Net-Metering Customer an Electric Utility must apply Net Excess Generation to the Legacy Net-Metering Customer's Additional Meters provided that:

- (a) The Legacy Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to

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measure the Legacy Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.

However, the common ownership requirement shall not apply if more than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under Ark. Code Ann. § 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.

- (c) In the event that more than one of the Legacy Net-Metering Customer's meters is identified, the Legacy Net-Metering Customer must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Legacy Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

**X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS**

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Legacy Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

**[Either indicate "None" or list all charges, fees, or requirements]**

X.4.2 None

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X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per *[indicate per Legacy Net-Metering Customer or per service]*

**X.5 RENEWABLE ENERGY CREDITS**

X.5.1. Any Renewable Energy Credit created as the result of electricity supplied by a Legacy Net-Metering Customer is the property of the Legacy Net-Metering Customer that generated the Renewable Energy Credit.



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**ATTACHMENT 1**

**STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES**

*(insert document)*

**ARKANSAS PUBLIC SERVICE COMMISSION**

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**ATTACHMENT 2**

**PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST**

*(insert document)*

**ARKANSAS PUBLIC SERVICE COMMISSION**

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**ATTACHMENT 3**

**FACILITIES AGREEMENT**

*(insert document)*

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**X. NON-LEGACY NET-METERING****X.1. DEFINITIONS**

X.1.1. **Non-Legacy Net-Metering Customer** – A Net-Metering Customer who meets the definition of Non-Legacy Net-Metering Customer as defined in the Net-Metering Rules.

X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.

**X.2. AVAILABILITY**

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) \_\_\_\_\_ (list schedules) who is a Non-Legacy Net-Metering Customer and who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*,

The provisions of the customer's standard rate schedule are modified as specified herein.

X.2.2. Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation, co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(8)(B).

**Per Ark. Code Ann. § 23-18-606(a)(1) (Note: Pursuant to Per Ark. Code Ann. § 23-18-606(a), each Electric Utility must elect either Option 1 or Option 2.)**

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**X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – AVOIDED COST**

X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(1).

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

- (a) Supplied by the Electric Utility to the Net-Metering Customer; and
- (b) Fed back to the Electric Utility from the Net-Metering Customer's Net-Metering Facility at any time during the applicable billing period.

X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A);
- (b) Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A) to the applicable net-metering customers, including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure; and
- (c) Avoided Cost of the Electric Utility to all kWhs supplied to the Electric Utility by a Net-Metering Customer during the applicable billing period to be credited to the total bill of the Net-Metering Customer in a dollar value, excluding the customer charge and any applicable demand charge or minimum bill provision that the Net-Metering Customer shall pay each month.

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X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net-Metering Surplus as measured in dollars during the next applicable billing period.

X.3.6 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net-Metering Surplus to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X. 3.7 Annual Avoided Cost Redetermination

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The Electric Utility shall file a revised Avoided Cost on or before February 1 of each calendar year in compliance with Rule 2.08 of the Net-Metering Rules. The revised Avoided Cost shall be filed in the docket initiated for the Electric Utility and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Avoided Cost and otherwise comply with the Commission's *Rules of Practice and Procedure*. The revised Avoided Cost shall be determined by the application of Ark. Code Ann. § 23-18-603 and the Net-Metering Rules to reflect the twelve month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator or Southwest Power Pool Independent System Operator Market. The revised Avoided Cost shall be effective for bills rendered on and after the first billing cycle of March of the filing year and shall then remain in effect for twelve (12) months.

The Avoided Cost rate for March 1, 20XX, to February 28, 20XX, is \$**X.XX**/kWh.

**Option 2: Per A.C.A. 23-18-606(a)(2)****X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – MONTHLY GRID CHARGE**

- X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(2).
- X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

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- (a) Supplied by the Electric Utility to the Net-Metering Customer; and
- (b) Fed back to the Electric Utility from the Net-Metering Customer's Net-Metering Facility at any time during the applicable billing period.

## X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A); and
- (b) Commission-approved riders or surcharges under Ark. Code Ann. § 23-18-604(c)(1)(A), including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure.

## X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation during the next applicable billing period.

## X.3.6 The Electric Utility shall calculate the net kWhs of the electric energy supplied by the Electric Utility to the Net-Metering Customer, less the Net Excess Generation and any Net Excess Generation carried forward from prior billing periods.

## X.3.7 The Electric Utility shall apply the Commission-approved retail rate, not to exceed the kWhs supplied to the net-Metering Customer by the Electric Utility during the applicable billing period.

## X.3.8 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.



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- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.3.9 After applying Net Excess Generation to any Additional Meters pursuant to X.4.7, the Electric Utility shall carry forward any remaining Net Excess Generation to the next billing period.

X.3.10 The Electric Utility shall calculate and apply the Monthly Grid Charge pursuant to Ark. Code Ann. § 23-18-607.

X.3.11 The Monthly Grid Charge is \$X.XX/kWh.

**X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS**

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

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**[Either indicate "None" or list all charges, fees, or requirements]**

X.4.2 None

OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter:  
\$XX/meter

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Net-Metering Customer or per service]

## **X. 5 RENEWABLE ENERGY CREDITS**

X.5.1 A Net-metering customer retains any Renewable Energy Credit created as a result of the electricity supplied by a Net-Metering Customer that generated the renewable energy credit.

X.5.2 The Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

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ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

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ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

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ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

State of Arkansas As Engrossed: S2/22/23 S2/27/23 S3/6/23

94th General Assembly

# A Bill

Regular Session, 2023

SENATE BILL 295

By: Senator J. Dismang

By: Representative L. Fite

## For An Act To Be Entitled

AN ACT TO AMEND THE ARKANSAS RENEWABLE ENERGY  
DEVELOPMENT ACT OF 2001; TO PREVENT COST-SHIFTING AND  
ENSURE FAIRNESS TO ALL RATEPAYERS; TO CREATE THE  
CUSTOMER PROTECTIONS FOR NET-METERING CUSTOMERS ACT;  
TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND THE ARKANSAS RENEWABLE ENERGY  
DEVELOPMENT ACT OF 2001; TO PREVENT COST-  
SHIFTING AND ENSURE FAIRNESS TO ALL  
RATEPAYERS; TO CREATE THE CUSTOMER  
PROTECTIONS FOR NET-METERING CUSTOMERS  
ACT; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code Title 23, Chapter 18, Subchapter 6 is amended  
to read as follows:

Subchapter 6 – Arkansas ~~Renewable Energy Development~~ Cost-Shifting Prevention  
Act of ~~2001~~ 2023

23-18-601. Title.

This subchapter shall be known and cited as the “Arkansas ~~Renewable~~  
~~Energy Development~~ Cost-Shifting Prevention Act of ~~2001~~ 2023”.

23-18-602. Legislative findings and declarations.



~~(a) Net energy metering encourages the use of renewable energy resources and renewable energy technologies by reducing utility interconnection and administrative costs for small consumers of electricity. More than thirty (30) other states have passed similar laws or regulations in support of net energy metering programs. Increasing the consumption of renewable resources promotes the wise use of Arkansas's natural energy resources to meet a growing energy demand, increases Arkansas's use of indigenous energy fuels while reducing dependence on imported fossil fuels, fosters investments in emerging renewable technologies to stimulate economic development and job creation in the state, including the agricultural sectors, reduces environmental stresses from energy production, and provides greater consumer choices. The General Assembly finds that:~~

~~(1) Arkansas has an established process for the billing option that enables customer-owned net-metering facilities to offset part or all of a net-metering customer's electric consumption;~~

~~(2) This billing option should continue subject to certain modifications for the benefit and rate protection of all electric utility customers in Arkansas; and~~

~~(b)(3) Arkansas has actively encouraged the manufacture of new technologies in the state through promotion of the Arkansas Emerging Technology Development Act of 1999, § 15-4-2101 et seq. [repealed]. Net metering would help to further attract energy technology manufacturers, to provide a foothold for these technologies in the Arkansas economy, and to make it easier for customer access to these technologies.~~

~~(c) Therefore, the General Assembly finds that it It is in Arkansas's long-term interest to adopt this subchapter the modifications set forth in this subchapter.~~

23-18-603. Definitions.

As used in this subchapter:

(1) "Avoided cost" means:

(A) For an electric utility other than a municipal utility, ~~the costs to an electric utility of electric energy or capacity, or both, that, but for the generation from the net-metering facility or facilities, the utility would generate itself or purchase from another source, as determined by a commission consistent with § 23-3-701 et seq.~~

1 twelve-month average for the prior calendar year of the applicable Locational  
2 Marginal Price associated with the electric utility's load zone in the  
3 following applicable Independent System Operator market:

4 (i) The Midcontinent Independent System Operator; or

5 (ii) The Southwest Power Pool; or

6 (B) For a municipal utility, the definition provided by  
7 the governing body of the municipal utility;

8 (2) "Commission" means the Arkansas Public Service Commission or  
9 other appropriate governing body for an electric utility as defined in  
10 subdivision (3) of this section;

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

15 (4) "Monthly grid charge" means a charge expressed in dollars  
16 per kilowatt applied to the nameplate alternating current capacity of the  
17 net-metering facility;

18 ~~(4)(A)(5)(A)~~ "Municipal utility" means a utility system owned or  
19 operated by a municipality that provides electricity.

20 (B) "Municipal utility" includes without limitation a:

21 (i) Utility system managed or operated by a  
22 nonprofit corporation under § 14-199-701 et seq.; and

23 (ii) Utility system owned or operated by a  
24 municipality or by a consolidated utility district under the General  
25 Consolidated Public Utility System Improvement District Law, § 14-217-101 et  
26 seq.;

27 ~~(5)(6)~~ "Net excess generation" means the amount of electricity  
28 as measured in kilowatt hours or kilowatt hours multiplied by the applicable  
29 rate that a net-metering customer has fed back to the electric utility that  
30 exceeds the amount of electricity as measured in kilowatt hours or kilowatt  
31 hours multiplied by the applicable rate used by that customer during the  
32 applicable period determined by a commission;

33 ~~(6)(7)~~ "Net metering" means ~~measuring a billing option that~~  
34 ~~measures the difference in~~ amount of electricity as measured in kilowatt  
35 hours ~~or kilowatt hours multiplied by the applicable rate~~ supplied by an  
36 electric utility to a an individual net-metering customer and separately



1 measuring the electricity as measured in kilowatt hours generated by a net-  
 2 metering customer and an individual net-metering customer's net-metering  
 3 facility and fed back to the electric utility over the applicable period  
 4 determined by a commission;

5 (8) "Net-metering surplus" means the dollar value resulting from  
 6 multiplying the avoided cost of the electric utility to all kilowatt hours  
 7 supplied to the electric utility by a net-metering customer during the  
 8 applicable billing period under § 23-18-604(c)(4);

9 ~~(7)~~(9)(A) "Net-metering customer" means a an individual customer  
 10 of an electric utility that:

11 ~~(A)~~(i) Is an owner of a net-metering facility;

12 ~~(B)~~(ii) Leases a net-metering facility subject to the  
 13 following limitations:

14 ~~(i)~~(a) A lease shall not permit the sale of electric  
 15 energy measured in kilowatt hours or electric capacity measured in kilowatts  
 16 between the lessor and lessee; and

17 ~~(ii)~~(b) A lease shall not include any charge per  
 18 kilowatt hour or any charge per kilowatt; or

19 ~~(G)~~(iii)(a) Is a government entity or other entity that is  
 20 exempt from state and federal income tax, and that, for the sole purpose of  
 21 this subchapter, obtains electric energy from a net-metering facility under a  
 22 service contract qualifying for safe-harbor protection as provided under 26  
 23 U.S.C. § 7701(e)(3)(A), as in effect on ~~July 24, 2019,~~ August 16, 2022.

24 (b) Revenues collected under contracts for  
 25 obtaining electric energy from a net-metering facility under a service  
 26 contract qualifying for safe-harbor protection as provided under 26 U.S.C. §  
 27 7701(e)(3)(A), as in effect on August 16, 2022, are exempt from state and  
 28 local sales taxes.

29 (B) "Net-metering customer" does not mean a customer that  
 30 is an interruptible customer of the electric utility and takes service under  
 31 an electric utility's rate schedule for interruptible service, unless a  
 32 commission has:

33 (i) Considered an application and issued an order, before  
 34 December 31, 2022, addressing an individual net-metering customer's  
 35 application for approval of a net-metering facility with a name plate  
 36 generating capacity in excess of ten thousand kilowatts (10,000 kW) where an

1 individual net-metering customer also takes service under an electric  
2 utility's rate schedule for interruptible service; and

3 (ii) Concluded that it is in the public interest for that  
4 individual interruptible customer to be a net-metering customer;

5 ~~(8)(10)~~ "Net-metering facility" means a facility for the  
6 production of electric energy to meet all or part of a net-metering  
7 customer's need for electric energy within a single utility's allocated  
8 service territory that:

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

13 (B)(i) Has a nameplate generating capacity of not more  
14 than:

15 ~~(i)(a) The greater of twenty-five kilowatts (25 kW)~~  
16 ~~or one~~ For a residential customer for residential use, the lesser of twenty-  
17 five kilowatts (25 kW) alternating current or one hundred percent (100%) of  
18 the net-metering customer's highest monthly usage in the previous twelve (12)  
19 months for residential use unless an individual net-metering customer's net-  
20 metering facility with a greater amount is included in a standard  
21 interconnection agreement executed before December 31, 2022;

22 ~~(ii)(b) For customers of electric utilities, one~~  
23 ~~thousand kilowatts (1,000 kW) for use other than residential use unless~~  
24 ~~otherwise allowed by a commission under § 23-18-604~~ For nonresidential  
25 customers of electric utilities for nonresidential use, less than or equal to  
26 the lesser of five thousand kilowatts (5,000 kW) alternating current or one  
27 hundred percent (100%) of the net-metering customer's highest monthly usage  
28 in the previous twelve (12) months within a single utility's allocated  
29 service territory where a single net-metering facility is physically located  
30 behind a net-metering customer's electric utility meter that represents one  
31 hundred percent (100%) of the net-metering customer's energy usage served by  
32 the net-metering facility; or

33 ~~(iii)(c)~~ For customers of a municipal utility,  
34 the limits established by the governing body of the municipal utility under §  
35 23-18-605+.

36 (ii)(a) The total nameplate generating capacity of

all net-metering facilities owned by, leased by, or providing electric energy under one (1) or more qualifying service contracts of an individual net-metering customer serving multiple meter locations under common ownership of any net-metering customer, within a single utility's allocated service territory, shall be less than or equal to the lesser of five thousand kilowatts (5,000 kW) alternating current or one hundred percent (100%) of the net-metering customer's highest monthly usage in the previous twelve (12) months, unless:

(1) A commission approved a greater amount for an individual net-metering customer before December 31, 2022;

(2) An individual net-metering customer has executed a contract with a net-metering facility developer by February 22, 2023, to purchase a net-metering facility with a nameplate capacity not to exceed twenty thousand kilowatts (20,000 kW) and has filed the contract with a commission under a protective order by March 31, 2023; or

(3) An individual net-metering customer filed an application with a commission for approval of a net-metering facility with a nameplate generating capacity not to exceed twenty thousand kilowatts (20,000 kW) before December 31, 2022.

(b)(1) A net-metering facility serving multiple meter locations under common ownership shall be located on a separate property from any other net-metering facility or only co-locate on a property with one (1) other net-metering facility within a single utility's allocated service territory.

(2) For a net-metering facility under subdivision (10)(B)(ii)(b)(1) of this section, the nameplate generating capacity under this subdivision (10)(B)(ii) includes the total kilowatt nameplate-generating capacity of all net-metering facilities serving multiple meter locations under common ownership within a single electric utility's allocated service territory owned by, leased by, or providing electric energy under one (1) or more qualifying service contracts to a net-metering customer, including without limitation any net-metering facilities serving multiple meter locations under common ownership;

(C) Is located in Arkansas;

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

1 facilities or, if permitted by the electric utility, an electric utility's  
2 transmission facilities;

3 (E) Is intended ~~primarily~~ to offset part or all of ~~the~~ an  
4 individual net-metering ~~customer~~ customer's requirements for electricity; and

5 (F)(i) May include an energy storage device that is  
6 configured to receive electric energy solely from a net-metering facility.

7 (ii) The capacity of an energy storage device shall  
8 not be used to calculate the capacity limits listed in subdivision  
9 ~~(8)(B)~~ (10)(B) of this section if the energy storage device is configured to  
10 receive electric energy solely from a net-metering facility;

11 ~~(9) "Quantifiable benefits" means the:~~

12 ~~(A) Reasonably demonstrated costs that:~~

13 ~~(i) Are related to the provision of electric service~~  
14 ~~and based on the utility's most recent cost-of-service study filed with the~~  
15 ~~commission; and~~

16 ~~(ii) Will be avoided by the utility by the use of~~  
17 ~~net metering;~~

18 ~~(B) Monetary value provided to a utility by the use of net~~  
19 ~~metering as specified by a market mechanism, if any, of the regional~~  
20 ~~transmission organization of which the electric utility is a member; and~~

21 ~~(C) Monetary value provided to a utility by the use of net~~  
22 ~~metering as specified by a market mechanism, if any, that measures utility~~  
23 ~~distribution system benefits; and~~

24 ~~(10)~~ (11) "Renewable energy credit" means the environmental,  
25 economic, and social attributes of a unit of electricity, such as a megawatt  
26 hour, generated from renewable fuels that can be sold or traded separately.

27  
28 23-18-604. Commission authority – Definition.

29 (a) (1) An electric utility shall allow net-metering facilities to be  
30 interconnected using, at a minimum, a single standard two-channel digital  
31 meter capable of registering the flow of electricity in two (2) directions  
32 that separately measures the electric energy in kilowatt hours that is:

33 (A) Supplied by an electric utility to the net-metering  
34 customer; and

35 (B) Generated by the net-metering customer's net-metering  
36 facility and fed back to an electric utility.

1           (2) An electric utility may impose a charge to recover any cost  
2 of the standard two-channel digital meter that is not otherwise included in  
3 the rates paid by the net-metering customer.

4           (b)(1) Following notice, ~~and~~ opportunity for public comment, ~~and a~~  
5 hearing, a commission shall+

6           ~~(1) Shall~~ establish appropriate rates, terms, and conditions for  
7 net metering, including without limitation the adoption or revision of any  
8 applicable rules on or before December 31, 2023+.

9           ~~(2) For net-metering customers who receive service under a rate~~  
10 ~~that does not include a demand component, may~~+

11           ~~(A) Require an electric utility to credit the net-metering~~  
12 ~~customer with any accumulated net excess generation as measured in kilowatt~~  
13 ~~hours or kilowatt hours multiplied by the applicable rate in the next~~  
14 ~~applicable billing period and base the bill of the net-metering customer on~~  
15 ~~the net amount of electricity as measured in kilowatt hours or kilowatt hours~~  
16 ~~multiplied by the applicable rate that the net-metering customer has received~~  
17 ~~from or fed back to the electric utility during the billing period~~+

18           ~~(B) Take the following actions if those actions are in the~~  
19 ~~public interest and doing so will not result in an unreasonable allocation of~~  
20 ~~or increase in costs to other utility customers~~+

21           ~~(i) Separately meter the electric energy, measured~~  
22 ~~in kilowatt hours, supplied by the electric utility to the net-metering~~  
23 ~~customer and the electric energy, measured in kilowatt hours, that is~~  
24 ~~generated by the net-metering customer's net-metering facility that is fed~~  
25 ~~back to the electric utility at any time during the applicable billing~~  
26 ~~period~~+

27           ~~(ii) Apply the commission approved retail rate to~~  
28 ~~all kilowatt hours that are supplied by the electric utility to a net-~~  
29 ~~metering customer by the electric utility during the applicable period~~  
30 ~~determined by a commission~~+

31           ~~(iii) Apply the avoided cost of the electric utility~~  
32 ~~plus any additional sum determined under subdivision (b)(2)(B)(iv) of this~~  
33 ~~section to all kilowatt hours supplied to the electric utility by a net-~~  
34 ~~metering customer, during the period determined by a commission, which shall~~  
35 ~~be credited to the total bill of the net-metering customer in a dollar value~~+,  
36 and

~~(iv) The additional sum added to the avoided cost of the electric utility may be applied after the demonstration of quantifiable benefits by the net metering customer and shall not exceed forty percent (40%) of the avoided cost of the electric utility;~~

~~(C) Authorize an electric utility to assess a net metering customer that is being charged a rate that does not include a demand component a per kilowatt hour fee or charge to recover the quantifiable direct demand related distribution cost of the electric utility for providing electricity to the net metering customer that is not;~~

~~(i) Avoided as a result of the generation of electricity by the net metering facility; and~~

~~(ii) Offset by quantifiable benefits; or~~

~~(D) Take other actions that are in the public interest and do not result in an unreasonable allocation of costs to other utility customers; The right to a hearing under this subsection may be waived by the parties.~~

(c) Through its actions under subdivision (b)(1) of this section, a commission shall:

(1)(A) Ensure that each net-metering customer pays either the entire costs of an electric utility's facilities and associated expenses or the appropriate portion of the costs and associated expenses as determined under a rate schedule approved by a commission required to:

(i) Provide service to the net-metering customer;  
and

(ii) Enable the net-metering customer's use of the electric utility's facilities.

(B) The costs described under subdivision (c)(1)(A) of this section include without limitation any costs that are:

(i) Recovered through rates using the cost-of-service study underlying the rates approved by a commission in the electric utility's most recent application for a general change or modification of the electric utility's rates under § 23-4-401 et seq.;

(ii) Recovered through riders or surcharges; and

(iii) Adjusted for any commission-approved:

(a) Formula rate plan adjustments under the Formula Rate Review Act, § 23-4-1201 et seq.; or

1 (b) Adjustments under § 23-4-901 et seq.

2 (C) By December 31, 2023, a commission shall approve  
3 modifications to each electric utility's rate schedules applicable to net-  
4 metering customers pursuant to the rate structure the electric utility elects  
5 under § 23-18-606(a);

6 (2) Allow an electric utility to modify the rates, terms, and  
7 conditions, including without limitation the rate structure and any  
8 individual rate components for net-metering customers, subject to approval by  
9 the commission, without filing an application for a general change or  
10 modification of the electric utility's rates under § 23-4-401 et seq.;

11 (3) Not adjust the costs of an electric utility's facilities and  
12 associated expenses required to provide service to a net-metering customer  
13 and to enable the net-metering customer's use of the electric utility's  
14 facilities as specified in subdivision (c)(1)(A) of this section with any  
15 amounts that are not quantified in the cost-of-service study underlying the  
16 retail rates approved by a commission in the electric utility's most recent  
17 application for a general change or modification in rates under § 23-4-401 et  
18 seq., including without limitation any commission-approved;

19 (A) Formula rate plan adjustments under the Formula Rate  
20 Review Act, § 23-4-1201 et seq.; or

21 (B) Adjustments under § 23-4-901 et seq.;

22 (4) Establish rates for a net-metering customer using one (1) of  
23 the rate structures under § 23-18-606;

24 (5) Separately meter the electric energy, measured in kilowatt  
25 hours, supplied by the electric utility to the net-metering customer and the  
26 electric energy, measured in kilowatt hours, that is fed back to the electric  
27 utility from the net-metering customer's net-metering facility at any time  
28 during the applicable billing period;

29 (6) Apply the commission-approved customer charge, demand  
30 charge, or minimum bill provision and other applicable commission-approved  
31 charges addressed in subdivision (c)(1)(A) of this section;

32 (7) Apply the commission-approved charges addressed in  
33 subdivision (c)(1)(A) of this section to the applicable net-metering  
34 customers, including without limitation any rates, riders, and surcharges  
35 that are applied based on the volume of kilowatt hours of electricity  
36 supplied by an electric utility, to all kilowatt hours that are supplied by

1 the electric utility to a net-metering customer by the electric utility  
2 during the applicable billing period;

3 (8) Authorize an electric utility to recover any net-metering  
4 surplus or the dollar value of any net excess generation applied to the bills  
5 of net-metering customers in the same manner that the electric utility  
6 recovers the cost of fuel and purchased energy;

7 ~~(3) Shall require that net metering equipment be installed to~~  
8 ~~accurately measure the electricity;~~

9 ~~(A) Supplied by the electric utility to each net metering~~  
10 ~~customer; and~~

11 ~~(B) Generated by each net metering customer that is fed~~  
12 ~~back to the electric utility over the applicable billing period;~~

13 ~~(4) May authorize (9)(A) Authorize an electric utility to~~  
14 ~~assess a net-metering customer a greater fee or charge of any type, if the~~  
15 ~~electric utility's direct costs of interconnection and administration of net~~  
16 ~~metering outweigh the distribution system, environmental, and public policy~~  
17 ~~benefits of allocating the costs among the electric utility's entire customer~~  
18 ~~base standard one-time fee, to be approved by the commission, to recover~~  
19 ~~administrative and related interconnection review costs.~~

20 (B) Any costs incurred by the electric utility for an  
21 interconnection study are the sole responsibility of the net-metering  
22 customer and shall be paid in advance of any work's being undertaken by the  
23 electric utility to:

24 (i) Enable the interconnection; and

25 (ii) Recover the electric utility's direct costs of  
26 interconnection and any grid upgrades required to connect the net-metering  
27 customer's net-metering facility;

28 (10)(A) Require that a net-metering customer retains any  
29 renewable energy credit created as a result of the electricity supplied by a  
30 net-metering customer that generated the renewable energy credit.

31 (B) The renewable energy credit may be retained, retired,  
32 or sold for the sole benefit of the net-metering customer; and

33 ~~(5) For net metering customers who receive service under a rate~~  
34 ~~that does not include a demand component, shall require an electric utility~~  
35 ~~to credit a net metering customer with the amount of any accumulated net~~  
36 ~~excess generation as measured in kilowatt hours or kilowatt hours multiplied~~



1 ~~by the applicable rate in the next applicable billing period;~~

2 ~~(6) Except as provided in subdivision (b)(9) of this section,~~  
3 ~~for net metering customers who receive service under a rate that includes a~~  
4 ~~demand component, shall require an electric utility to credit the net-~~  
5 ~~metering customer with any accumulated net excess generation in the next~~  
6 ~~applicable billing period and base the bill of the net metering customer on~~  
7 ~~the net amount of electricity that the net metering customer has received~~  
8 ~~from or fed back to the electric utility during the billing period;~~

9 ~~(7) May expand the scope of net metering to include additional~~  
10 ~~facilities that do not use a renewable energy resource for a fuel if so doing~~  
11 ~~results in distribution system, environmental, or public policy benefits;~~

12 ~~(8) Shall provide that:~~

13 ~~(A)(i) The amount of the net excess generation credit as~~  
14 ~~measured in kilowatt hours or kilowatt hours multiplied by the applicable~~  
15 ~~rate remaining in a net metering customer's account at the close of a billing~~  
16 ~~cycle shall not expire and shall be carried forward to subsequent billing~~  
17 ~~cycles indefinitely.~~

18 ~~(ii) However, for net excess generation credits~~  
19 ~~older than twenty-four (24) months, a net metering customer may elect to have~~  
20 ~~the electric utility purchase the net excess generation credits in the net-~~  
21 ~~metering customer's account at the electric utility's avoided cost, plus any~~  
22 ~~additional sum determined under this section, if the sum to be paid to the~~  
23 ~~net metering customer is at least one hundred dollars (\$100).~~

24 ~~(iii) An electric utility shall purchase at the~~  
25 ~~electric utility's avoided cost, plus any additional sum determined under~~  
26 ~~this section, any net excess generation credit remaining in a net metering~~  
27 ~~customer's account when the net metering customer:~~

28 ~~(a) Ceases to be a customer of the electric~~  
29 ~~utility;~~

30 ~~(b) Ceases to operate the net metering~~  
31 ~~facility; or~~

32 ~~(c) Transfers the net metering facility to~~  
33 ~~another person; and~~

34 ~~(B) A renewable energy credit created as the result of~~  
35 ~~electricity supplied by a net metering customer is the property of the net-~~  
36 ~~metering customer that generated the renewable energy credit; and~~

~~(9) May allow a net metering facility with a generating capacity that exceeds the limits provided under § 23-18-603(8)(B)(ii) or § 23-18-603(8)(B)(iii) of up to twenty thousand kilowatts (20,000 kW) if:~~

~~(A) For any net metering facility with a generating capacity of less than five thousand kilowatts (5,000 kW):~~

~~(i) The net metering facility is not for residential use;~~

~~(ii) Increasing the generating capacity limits for individual net metering facilities results in distribution system, environmental, or public policy benefits or allowing an increased generating capacity for the net metering facility would increase the state's ability to attract businesses to Arkansas; and~~

~~(iii) Allowing an increased generating capacity for the net metering facility is in the public interest; or~~

~~(B) For any net metering facility with a generating capacity of greater than five thousand kilowatts (5,000 kW):~~

~~(i) The net metering facility is not for residential use;~~

~~(ii) Increasing the generating capacity limits for individual net metering facilities results in distribution system, environmental, or public policy benefits or allowing an increased generating capacity for the net metering facility would increase the ability of the state to attract business to Arkansas;~~

~~(iii) Allowing an increased generating capacity for the net metering facility does not result in an unreasonable allocation of costs to other utility customers; and~~

~~(iv) Allowing an increased generating capacity for the net metering facility is in the public interest; and~~

~~(10)(A) Shall allow the net metering facility of a net metering customer who has submitted a standard interconnection agreement, as referred to in the rules of the Arkansas Public Service Commission, to the electric utility after July 24, 2019, but before December 31, 2022, to remain under the rate structure in effect when the net metering contract was signed, for a period not to exceed twenty (20) years, subject to approval by a commission.~~

~~(B) A net metering facility under subdivision (b)(10)(A) of this section remains subject to any other change or modification in rates,~~

~~terms, and conditions~~ (11)(A) Allow a net-metering facility of an individual net-metering customer to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, if the net-metering customer has:

(i) Submitted a standard interconnection agreement to the electric utility before September 30, 2024;

(ii) Submitted a facilities agreement or equivalent document to establish an account with an electric utility and paid all costs of constructing the electric utility facilities necessary to interconnect the net-metering facility before September 30, 2024; or

(iii) Filed a complaint with a commission addressing a disputed facilities agreement or equivalent document to establish an account with an electric utility after the presentation by the electric utility to the net-metering customer of the facilities agreement or equivalent document and the required costs of constructing the facilities necessary to interconnect the net-metering facility before September 30, 2024.

(B) A net-metering facility of an individual net-metering customer that does not meet the requirements of subdivision (c)(11)(A) of this section shall be billed using one (1) of the rate structures established in § 23-18-606.

(C) A net-metering facility billed using the rate structures described in subdivisions (c)(11)(A) and (B) of this section remains subject to any other change or modification in rates, terms, and conditions.

~~(e)(1)(d)(1)~~ Except as provided in subdivision ~~(e)(2)(d)(2)~~ of this section, an electric utility shall separately meter, bill, and credit each net-metering facility even if one (1) or more net-metering facilities are under common ownership.

(2)(A)(i) At ~~the~~ an individual net-metering customer's discretion, an electric utility ~~may~~ shall apply net-metering credits for customers who are billed under § 23-18-606(a)(2)(A)-(G) or the net-metering surplus for all other customers from a ~~an individual net-metering customer's~~ net-metering facility to the bill for another meter location of the individual net-metering customer if the net-metering facility and the separate meter location are under common ownership of the same individual

1 net-metering customer within a single electric utility's allocated service  
2 area territory and:

3 (a) Are located within a one hundred (100)  
4 miles radius of the individual net-metering customer's net-metering facility,  
5 unless:

6 (1) A commission approved a greater  
7 distance for an individual net-metering customer before December 31, 2022;

8 (2) An individual net-metering customer  
9 has executed a contract with a net-metering facility developer by February  
10 22, 2023, to purchase a net-metering facility with a nameplate capacity not  
11 to exceed twenty thousand kilowatts (20,000 kW) with a greater distance and  
12 has filed that contract with a commission under a protective order by March  
13 31, 2023; or

14 (3) An individual net-metering customer  
15 has filed an application with a commission for approval of a net-metering  
16 facility with a nameplate generating capacity not to exceed twenty thousand  
17 kilowatts (20,000 kW) with a greater distance before December 31, 2022; or

18 (b) For a net-metering facility that did not  
19 require approval by a commission, are constructed at a greater distance and  
20 included in an executed standard interconnection agreement submitted before  
21 December 31, 2023.

22 ~~(ii) Subdivision (e)(2)(A)(i) of this section does~~  
23 ~~not apply if more than two (2) customers that are governmental entities or~~  
24 ~~other entities that are exempt from state and federal income tax defined~~  
25 ~~under § 23-18-603(7)(C) co-locate at a site hosting the net-metering facility~~  
26 A separate meter location under subdivision (d)(2)(A)(i) of this section  
27 shall be credited only with net-metering surplus from one (1) net-metering  
28 facility owned by, leased by, or providing electric service under a  
29 qualifying service contract of the same individual net-metering customer,  
30 with all accounts being under common ownership for the same individual net-  
31 metering customer.

32 ~~(B) Net-excess-generation~~ Net-metering surplus shall be  
33 credited first to ~~the~~ an individual net-metering customer's bill for the  
34 meter to which the net-metering facility is physically attached.

35 ~~(C) After applying net-excess-generation~~ net-metering  
36 surplus under subdivision ~~(e)(2)(B)~~ (d)(2)(B) of this section and upon request

1 of the net-metering customer under subdivision ~~(e)(2)(A)~~(d)(2)(A) of this  
2 section, any remaining ~~net-excess-generation~~ net-metering surplus shall be  
3 credited to one (1) or more of the individual net-metering customer's bills  
4 for the individual net-metering customer's meters in the rank order provided  
5 by the individual net-metering customer.

6 ~~(d)~~(e) A person ~~who~~ that acts as a lessor or service provider as  
7 described in ~~§ 23-18-603(7)(B)~~ § 23-18-603(9)(B) or ~~§ 23-18-603(7)(C)~~ § 23-  
8 18-603(9)(C) shall not be considered a public utility as defined in § 23-1-  
9 101.

10 (f) An electric utility shall not be obligated to:

11 (1) Accept or release any portion of its or another electric  
12 utility's allocated service territory to accommodate the development,  
13 construction, or operation of a net-metering facility; or

14 (2) Publish, provide, or release any information regarding its  
15 electric utility facilities or system to aid in the location of the net-  
16 metering facilities beyond its established site review process.

17  
18 23-18-605. Municipal utilities.

19 (a) A municipal utility shall allow net-metering facilities to be  
20 interconnected according to the ordinances, rules, or regulations established  
21 by the governing body of the municipal utility.

22 (b) The governing body of a municipal utility may elect to follow  
23 procedures under § 23-18-604, § 23-18-606, or § 23-18-607 or may adopt  
24 ordinances, rules, or regulations establishing the rates, terms, and  
25 conditions allowing the interconnection of net-metering facilities, including  
26 generation facilities and energy storage devices, whether owned or leased by  
27 a customer or operated by a third party on behalf of a customer.

28 (c) The governing body of a municipal utility may limit the generating  
29 capacity of a net-metering facility to less than twenty-five kilowatts (25  
30 kW) for residential customers or three hundred kilowatts (300 kW) for  
31 nonresidential customers only after the governing body finds that the  
32 capacity limit is necessary for reliable utility operations or the public  
33 health, safety, or welfare.

34 (d) The governing body of a municipal utility shall not establish a  
35 rate or fee that reduces the value of electric energy from a net-metering  
36 facility to below the avoided cost of the municipal utility.

1 (e) For customers who receive service under a rate that includes a  
2 demand component, the governing body of the municipal utility shall require a  
3 municipal utility to credit a net-metering customer with any accumulated net  
4 excess generation in the next applicable billing period and base the bill of  
5 the customer on the net amount of electricity that the net-metering customer  
6 has received from or fed back to the municipal utility during the billing  
7 period.

8  
9 23-18-606. Rate structure determination.

10 (a) At its discretion, an electric utility may elect to use one (1) of  
11 the following rate structures to develop rates for net-metering customers:

12 (1) A rate structure in which the electric utility:

13 (A) Separately meters the electric energy, measured in  
14 kilowatt hours:

15 (i) Supplied by the electric utility to the net-  
16 metering customer; and

17 (ii) Fed back to the electric utility from the net-  
18 metering customer's net-metering facility at any time during the applicable  
19 billing period;

20 (B) Applies the:

21 (i) Commission-approved customer charge, demand  
22 charge, minimum bill provision, and other applicable commission-approved  
23 charges under § 23-18-604(c)(1)(A);

24 (ii) Commission-approved charges under § 23-18-  
25 604(c)(1)(A) to the applicable net-metering customers, including without  
26 limitation any rates, riders, and surcharges applied based on the volume of  
27 kilowatt hours of electricity supplied by an electric utility pursuant to the  
28 rate structure the electric utility elects under this subsection; and

29 (iii) Avoided cost of the electric utility to all  
30 kilowatt hours supplied to the electric utility by a net-metering customer  
31 during the applicable billing period to be credited to the total bill of the  
32 net-metering customer in a dollar value, excluding the customer charge and  
33 any applicable demand charge or minimum bill provision that the net-metering  
34 customer shall pay each month;

35 (C) Credits the net-metering customer with any accumulated  
36 net-metering surplus as measured in dollars during the next applicable

1 billing period; and

2 (D) Credits the bills of the net-metering customer's other  
3 meters with the net-metering surplus measured in dollars under § 23-18-  
4 604(d)(2); or

5 (2) A rate structure in which the electric utility:

6 (A) Separately meters the electric energy, measured in  
7 kilowatt hours:

8 (i) Supplied by the electric utility to the net-  
9 metering customer; and

10 (ii) Fed back to the electric utility from the net-  
11 metering customer's net-metering facility at any time during the applicable  
12 billing period;

13 (B) Applies the:

14 (i) Commission-approved customer charge, demand  
15 charge, minimum bill provision, and other applicable commission-approved  
16 charges under § 23-18-604(c)(1)(A); and

17 (ii) Commission-approved riders or surcharges under  
18 § 23-18-604(c)(1)(A), including without limitation any rates, riders, and  
19 surcharges applied based on the volume of kilowatt hours of electricity  
20 supplied by an electric utility pursuant to the rate structure the electric  
21 utility elects under this subsection;

22 (C) Credits the net-metering customer with any accumulated  
23 net excess generation during the next applicable billing period;

24 (D) Calculates the net kilowatt hours of the electric  
25 energy supplied by the electric utility to the net-metering customer, less  
26 the net excess generation and any net excess generation carried forward from  
27 prior billing periods;

28 (E) Applies the commission-approved retail rate, except as  
29 provided in subdivision (a)(2)(B) of this section, not to exceed the kilowatt  
30 hours supplied to the net-metering customer by the electric utility during  
31 the applicable billing period;

32 (F) Carries forward any net excess generation that exceeds  
33 the kilowatt hours supplied by the electric utility during the applicable  
34 billing period to the next billing period;

35 (G) Excludes any net excess generation applied to another  
36 meter location of the net-metering customer under § 23-18-604(d); and

1 (H) Applies the monthly grid charge under § 23-18-607.

2 (b) A commission shall approve the rates established by a rate  
3 structure used by an electric utility under subsection (a) of this section.

4  
5 23-18-607. Monthly grid charge.

6 (a)(1) If an electric utility follows the rate structure in § 23-18-  
7 606(2), the electric utility shall apply a monthly grid charge to:

8 (A) Collect any of the fixed charges that are collected  
9 through volumetric charges, including without limitation any riders and  
10 surcharges; and

11 (B) Exclude the cost of fuel and purchased energy.

12 (2) The monthly grid charge shall be calculated based upon the:

13 (A) Currently approved rates; and

14 (B) Cost-of-service study underlying the electric  
15 utility's currently approved rates adjusted for any commission-approved:

16 (i) Formula rate plan adjustments under the Formula  
17 Rate Review Act, § 23-4-1201 et seq.; or

18 (ii) Adjustments under § 23-4-901 et seq.

19 (b) The monthly grid charge under this section shall be calculated for  
20 each customer class as follows:

21 (1)(A) Calculate the sum of all fixed costs collected through  
22 volumetric rates.

23 (B) The fixed costs collected through volumetric rates  
24 shall be any demand-related or customer-related costs collected in rates  
25 stated in dollars per kilowatt hour; and

26 (2)(A) Convert the fixed costs calculated in subdivision (b)(1)  
27 of this section into a rate, expressed in dollars per kilowatt hour, by  
28 dividing the total of the fixed costs under subdivision (b)(1) of this  
29 section for each customer class by the electric utility's sales during the  
30 test-year used to develop the retail rates approved by the commission in the  
31 electric utility's most recent application for a general change or  
32 modification in rates under § 23-4-401 et seq.

33 (B) The monthly grid charge for each customer class shall  
34 be determined by multiplying the fixed costs expressed under subdivision  
35 (b)(2)(A) of this section by the expected monthly output of a one-kilowatt  
36 alternating current solar photovoltaic solar system determined under



1 subsection (c) of this section.

2 (c)(1) The expected monthly output of a one-kilowatt *alternating*  
3 current solar photovoltaic solar system shall be:

4 (A) Expressed in kilowatt hours; and

5 (B) Calculated by dividing the expected average annual  
6 output for a one-kilowatt *alternating* current solar photovoltaic solar system  
7 using the process described in subdivisions (c)(2) and (3) of this section by  
8 twelve (12).

9 (2) For a fixed-tilt solar photovoltaic system, the average  
10 annual output for a one-kilowatt *alternating* current solar photovoltaic solar  
11 system shall be:

12 (A) Expressed in kilowatt hours; and

13 (B) Determined using the National Renewable Energy  
14 Laboratory PVWatts Calculator using a direct current to alternating current  
15 (DC/AC) ratio of one and one-tenth (1.1) using a single location central to  
16 the electric utility's service territory.

17 (3) For a single-axis tracking solar photovoltaic system, the  
18 average annual output for a one-kilowatt *alternating* current solar  
19 photovoltaic solar system shall be:

20 (A) Expressed in kilowatt hours; and

21 (B) Determined using the National Renewable Energy  
22 Laboratory PVWatts Calculator using a direct current to alternating current  
23 (DC/AC) ratio of one and three-tenths (1.3) using a single location central  
24 to the electric utility's service territory.

25 (d) The monthly grid charge shall not be less than the amount of any  
26 electric utility fixed costs that are collected through volumetric charges,  
27 including without limitation any riders, and excluding the cost of fuel and  
28 purchased energy that the net-metering customer avoids.

29  
30 SECTION 2. Arkansas Code Title 4, Chapter 88, is amended to add an  
31 additional subchapter to read as follows:

32 Subchapter 11 – Customer Protections for Net-metering Customers Act

33  
34 4-88-1101. Title.

35 This subchapter shall be known and may be cited as "Customer  
36 Protections for Net-metering Customers Act".

1  
2 4-88-1102. Definitions.

3 As used in this subchapter:

4 (1) "Net-metering customer" has the same meaning as defined in  
5 the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq; and

6 (2) "Net-metering facility" has the same meaning as defined in  
7 the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq.

8  
9 4-88-1103. Net-metering customer protections.

10 The net-metering customer protections shall include without limitation  
11 the following, a:

12 (1) Requirement that any person who sells or leases a net-  
13 metering facility or who provides a net-metering service to a net-metering  
14 customer under the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601  
15 et. seq shall:

16 (A)(i) Provide a prospective or existing net-metering  
17 customer a minimum of five (5) business days to evaluate a proposal to  
18 construct a net-metering facility to provide all or part of the prospective  
19 or existing net-metering customer's needs for electric energy within a single  
20 electric utility's allocated service territory.

21 (ii) The proposal to the prospective or existing  
22 net-metering customer shall include:

23 (a) A description of the system and the  
24 system's placement on the net-metering customer's premises or other location  
25 consistent with the requirements of this subchapter;

26 (b) A description of the nameplate generating  
27 capacity and expected monthly and annual output of the net-metering facility  
28 in kilowatt hours;

29 (c) The estimated annual degradation to the  
30 net-metering facility;

31 (d) An estimated timeline for the installation  
32 of the net-metering facility;

33 (e) The total cost of the net-metering  
34 facility;

35 (f) The amounts due at the signing for and at  
36 the completion of the installation;

1 (g) The payment schedule;  
2 (h) The payback period;  
3 (i) The forecasted savings monthly and annual  
4 bill savings provided by the proposed net-metering facility in dollars based  
5 on the rate structure as defined in § 23-18-606;

6 (j) A description of any warranties;  
7 (k) The length of the term of any warranties;  
8 and

9 (l) Notice that the prospective or existing  
10 net-metering customer may file a complaint with the Attorney General;

11 (B) Perform an energy efficiency audit on the potential or  
12 existing net-metering customer's premises and any customer meter locations to  
13 be served by the proposed net-metering facility as part of the proposal to  
14 sell or lease a net-metering facility or provide a net-metering service to a  
15 net-metering customer under the Arkansas Cost-Shifting Prevention Act of  
16 2023, § 23-18-601 et. seq, or inform the prospective or existing net-metering  
17 customer of how to obtain an energy efficiency audit; and

18 (C) Inform the prospective or existing net-metering  
19 customer of the available energy efficiency measures to address the results  
20 of the audit as part of the proposal to sell or lease a net-metering facility  
21 or provide a net-metering service to a net-metering customer under the  
22 Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq;

23 (2) Demonstration to the prospective or existing net-metering  
24 customer that the proposed net-metering facility meets all applicable safety  
25 requirements and standards; and

26 (3) Demonstration to the prospective or existing net-metering  
27 customer that the person who sells or leases a net-metering facility or who  
28 provides a net metering service to a net metering customer holds:

29 (A) All required permits to install, construct, or operate  
30 a net-metering facility in the state, and, if the governing county, city, or  
31 local authority does not require an electrical inspection, an executed  
32 certification that no electrical inspection or permit is required; and

33 (B) A bond or other acceptable financial security to  
34 ensure proper maintenance of the net-metering facility and decommissioning of  
35 the net-metering facility.

1 4-88-1104. Enforcement.

2 Any violation of this subchapter may be enforced under the powers of  
3 the office of the Attorney General under the Arkansas Deceptive Trade  
4 Practices Act, § 4-88-101 et seq., including without limitation all  
5 enforcement powers.

6  
7 SECTION 3. DO NOT CODIFY. TEMPORARY LANGUAGE. Rules.

8 (a) The Arkansas Public Service Commission, after notice and hearing,  
9 shall:

10 (1) Modify the commission rules to conform to this act; and

11 (2) Submit the commission rules to the Legislative Council by  
12 December 31, 2023.

13 (b) The commission shall approve modifications to the electric  
14 utilities' rate schedules applicable to net-metering to conform to this act  
15 by December 31, 2023.

16  
17 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the  
18 General Assembly of the State of Arkansas that delay in the enactment of this  
19 act may result in unjust, unreasonable, and unduly discriminatory rates; and  
20 that this act is immediately necessary for the protection of Arkansas  
21 ratepayers. Therefore, an emergency is declared to exist, and this act being  
22 immediately necessary for the preservation of the public peace, health, and  
23 safety shall become effective on:

24 (1) The date of its approval by the Governor;

25 (2) If the bill is neither approved nor vetoed by the Governor,  
26 the expiration of the period of time during which the Governor may veto the  
27 bill; or

28 (3) If the bill is vetoed by the Governor and the veto is  
29 overridden, the date the last house overrides the veto.

30  
31 */s/J. Dismang*

32  
33  
34 **APPROVED: 3/13/23**