

ARKANSAS PUBLIC SERVICE COMMISSION



NET-METERING RULES

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Docket No. 16-027-R

Effective : xx-xx-2017

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 n Net- m 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 n Net- m Metering e 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.
<u>16-027-R</u>	<u>xx/xx/17</u>	<u>XX</u>	<u>Revised Rules to comply with Act 827 of 2015.</u>

NET-METERING RULES

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DEFINITIONS 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:

(a) **Additional Meter**

A meter associated with the Net-Metering Customer's account that the Net-Metering Customer may credit with Net Excess Generation from the ~~Designated 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 ~~Designated Generation Meter~~; 4) shall be assigned to one, and only one, ~~Designated Generation Meter~~; 5) shall not be a ~~Designated Generation Meter~~; and 6) shall not be associated with unmetered service.

(b) **Annual ~~b~~Billing ~~e~~Cycle**

The normal annual fiscal accounting period used by the utility.

(c) **Avoided Costs**

The costs to an Electric Utility of electric energy or capacity, or both, that, but for the purchase from the ~~Qualifying Facility or Qualifying Facilities~~, the utility would generate itself or purchase from another source. Avoided Costs shall be determined under Ark. Code Ann. § 23-3-704, 23-18-604(e)(1). As defined in Ark. Code Ann. § ~~23-3-702(1)~~.

(d) **Billing ~~p~~Period**

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

(e) **Biomass ~~Resource~~facility**

A ~~facility-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) **Electric ~~u~~Utility**

A public or investor-owned utility, an electric cooperative, municipal utility, or any private power supplier or marketer that is engaged in the business of supplying electric energy to the ultimate customer or any customer class within the state.

(h) **Fuel ~~e~~Cell ~~Resource~~facility**

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

(i) **Designated Generation Meter**

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

(j) **Geothermal ~~Resource~~facility**

An ~~electric generating facility-resource~~ in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

(k) **Hydroelectric ~~Resource~~facility**

An ~~electric generating facility-resource~~ in which the prime mover is a water wheel. The water wheel is driven by falling water.

(l) **Micro ~~t~~Turbine ~~Resource~~facility**

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

(m) **Net ~~e~~Excess ~~g~~Generation**

~~The amount of electricity that a nNet_mMetering eCustomer has fed back to the eElectric uUtility that exceeds the amount of electricity used by that customer during the applicable period. As defined in Ark. Code Ann. § 23-18-603(3).~~

(n) **Net Excess Generation Credits**

Uncredited customer generated kilowatt hours remaining in a Net-Metering Customer's account at the close of a Billing Period to be credited, or, pursuant to Rule 2.04, purchased by the utility in a future billing period.

(o) **Net_~~m~~Metering**

~~Measuring the difference between electricity supplied by an eElectric uUtility and the electricity generated by a nNet_mMetering customer and fed back to the eElectric uUtility over the applicable bBilling pPeriod. As defined in Ark. Code Ann. § 23-18-603(4).~~

(p) **Net-~~m~~Metering ~~e~~Customer**

~~An owner of a nNet mMetering fFacility. As defined in Ark. Code Ann. § 23-18-603(5).~~

(q) **Net-~~m~~Metering ~~f~~Facility**

~~A facility for the production of electrical energy that:~~

- ~~A. Uses sSolar, wWind, hHydroelectric, gGeothermal, or bBiomass resources to generate electricity including, but not limited to, fFuel eCells and mMicro tTurbines that generate electricity if the fuel source is entirely derived from renewable resources, or as otherwise allowed by the Commission under Ark. Code Ann. § 23-18-604(b)(4); and,~~
- ~~B. Has a generating capacity of not more than: twenty five (25) kilowatts for residential use or three hundred (300) kilowatts for any other use; and,
 - ~~1. the greater of twenty five kilowatts (25 kW) or one hundred percent (100%) of the Net Metering Customer's highest monthly usage in the previous twelve (12) months for Residential Use;~~
 - ~~or~~
 - ~~2. three hundred kilowatts (300 kW) for any other use unless otherwise allowed by a Commission under Ark. Code Ann. § 23-18-604(b)(5) and (7); and,~~~~
- ~~B. Is located in Arkansas; and,~~
- ~~B. Can operate in parallel with an eElectric uUtility's existing transmission and distribution facilities; and,~~
- ~~B. Is intended primarily to offset part or all of the nNet mMetering eCustomer requirements for electricity; or, Is designated by the Commission as eligible for net metering service pursuant to Ark. Code Ann. 23-18-604(b)(4). As defined in Ark. Code Ann. § 23-18-603(6).~~

(r) **Parallel ~~e~~Operation**

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

(s) **Qualifying Facility**

~~A cogeneration facility or a small power production facility that is a qualifying facility under Section 2 of the Commission's Cogeneration Rules. As defined in Ark. Code Ann. § 23-3-702(4).~~

(t) **Renewable ~~e~~Energy ~~e~~Credit**

~~The environmental, economic, and social attributes of a unit of electricity, such as a megawatt hour generated from renewable fuels that can be sold or traded separately. As defined in Ark. Code Ann. § 23-18-603(7).~~

(u) **Residential Use customer**

~~A customer~~ served provided under ~~a utility's~~ an Electric Utility's standard rate schedules applicable to residential service.

(v) **Solar Resource~~facility~~**

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

(w) **Wind Resource~~facility~~**

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

SECTION 1. GENERAL PROVISIONS

Rule 1.021 Purpose

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

Rule 1.032 Statutory Provisions

- A. These Rules are developed pursuant to the Arkansas Renewable Energy Development Act of 2001 (~~A.C.A. Ark. Code Ann. § 23-18-601 et seq. 603 and § 23-18-604~~ as amended ~~by Act 1024 of 2007 and Act 827 of 2015.~~)
- 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.
- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

Rule 1.043 Other Provisions

- A. These Rules apply to all ~~e~~Electric ~~u~~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-~~m~~Metering ~~e~~Ccustomers taking service under the provisions of the Net-~~M~~Metering Tariff may not simultaneously take service under the provisions of any other alternative source generation or cogeneration tariffs except as provided herein.

SECTION 2. NET-METERING REQUIREMENTS

Rule 2.01 Electric Utility Requirements

An ~~e~~Electric ~~u~~Utility shall allow ~~n~~Net-~~m~~Metering ~~f~~Facilities to be interconnected using a standard meter capable of registering the flow of electricity in two (2) directions.

Rule 2.02 Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity supplied by the ~~e~~Electric ~~u~~Utility to each ~~n~~Net-~~m~~Metering ~~e~~Customer and also to accurately measure the electricity generated by each ~~n~~Net-~~m~~Metering ~~e~~Customer that is fed back to the ~~E~~electric ~~u~~Utility over the applicable ~~b~~Billing ~~p~~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 metering equipment for the customer's current rate schedule.
- 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~~ ~~u~~Utility either before or at the time the ~~n~~Net-~~m~~Metering ~~f~~Facility is placed in operation in accordance with these Rules.

Rule 2.03 Cost to Provide Service

~~Following notice and opportunity for public comment, the Commission shall establish appropriate rates, terms, and conditions for Net Metering contracts including the requirement that the rates charged to each Net Metering Customer recover the Electric Utility's entire cost of providing service to each Net Metering Customer within each of the Electric Utility's class of customers. The Electric Utility's entire cost of providing service to each Net Metering Customer within each of the Electric Utility's class of customers:~~

- ~~1. includes without limitation any quantifiable additional cost associated with the Net Metering Customer's use of the Electric Utility's capacity, distribution system, or transmission system and any effect on the Electric Utility's reliability; and~~
- ~~2. is net of any quantifiable benefits associated with the interconnection with and providing service to the Net Metering Customer, including without limitation benefits to the Electric Utility's capacity, reliability, distribution system, or transmission system.~~

Rule ~~2.034~~ 2.03 New or Additional Charges

~~A.~~ Any new or additional charge ~~which~~^{that} would increase a ~~nNet-mMetering~~ ~~eCustomer's~~ costs beyond those of other customers in the rate class shall be filed by the ~~eElectric uUtility~~ with the Commission for approval. The filing shall be supported by the cost/benefit analysis described in ~~Rule 32.034.B.~~ Ark. Code Ann. § 23-18-604(b)(2).

~~B. Following notice and opportunity for public comment, the Commission may authorize an eElectric uUtility to assess a nNet-mMetering eCustomer a greater fee or charge, of any type, if the eElectric uUtility's direct costs of interconnection and administration of nNet-mMetering outweigh the distribution system, environmental and public policy benefits of allocating the costs among the eElectric uUtility's entire customer base.~~

Rule ~~2.05~~ 2.04 Billing for Net-Metering

~~A. 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.~~

- A. On a monthly basis, the ~~nNet-mMetering~~ ~~eCustomer~~ shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under ~~nNet-mMetering~~, only the kilowatt hour (kWh) units of a customer's bill are ~~affected~~^{netted}.
- B. If the kWhs supplied by the ~~eElectric uUtility~~ exceeds the kWhs generated by the ~~nNet-mMetering fFacility~~ and fed back to the ~~eElectric uUtility~~ during the ~~bBilling pPeriod~~, the ~~nNet-mMetering eCustomer~~ shall be billed for the net kWhs supplied by the ~~eElectric uUtility~~ in accordance with the rates and charges under the customer's standard rate schedule.
- C. If the kWhs generated by the ~~nNet-mMetering fFacility~~ and fed back to the ~~eElectric uUtility~~ exceed the kWhs supplied by the ~~eElectric uUtility~~ to the ~~nNet-mMetering eCustomer~~ during the applicable ~~bBilling pPeriod~~, the utility shall credit the ~~nNet-mMetering eCustomer~~ with any accumulated ~~nNet eExcess gGeneration~~ in the next applicable ~~bBilling pPeriod~~.
1. Net ~~eExcess gGeneration~~ shall first be credited to the ~~nNet-mMetering eCustomer's meter to which the net-metering facility is physically attached (dDesignatedGeneration mMeter)~~.
 2. After application of subdivision ~~CD 1~~ ^{C.1} and upon request of the ~~nNet-mMetering eCustomer~~ pursuant to subsection ~~DE 1~~ ^D, any remaining ~~nNet eExcess gGeneration~~ shall be credited to one or more of the ~~nNet-mMetering eCustomer's meters (aAdditional mMeters)~~ in the rank order provided by the customer.

3. Net ~~e~~Excess ~~g~~Generation shall be credited as described in subdivisions ~~(C)(1)(C)~~ and ~~(C)(2)(C)~~ during subsequent ~~b~~Billing ~~p~~Periods; ~~net excess generation credit remaining in a net metering customer's account at the close of an annual billing cycle, up to an amount equal to four (4) months' average usage during the annual billing cycle that is closing, shall be credited to the net metering customer's account for use during the next annual billing cycle. 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 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 estimated annual average Avoided Cost rate for wholesale energy if the sum to be paid to the Net-Metering Customer is at least \$100.

b. An Electric Utility shall purchase at the Electric Utility's estimated annual average Avoided Cost rate for wholesale energy any Net Excess Generation 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.

4. Except as provided in subsection (C)(3) of this section, any net excess generation credit remaining in a net metering customer's account at the close of an annual billing cycle shall expire. When purchasing Net Excess Generation Credits from a Net-Metering Customer, the Electric Utility shall calculate the payment based on ~~is its~~ annual average avoided energy costs in the applicable Regional Transmission Organization for the current ~~calendar~~ year.

5. If, after a 12-month Billing Cycle, it is found that a Net Metering Customer generates Net Excess Generation Credits in each month of the 12 month Billing Cycle, the Electric Utility shall notify the Net Metering Customer, in writing, that the Net Metering Facility is being operated in violation of state law and the Commission's Net Metering Rules. The Net Metering Customer shall be given six monthly Billing Cycles to correct the violation. If, at the end of the six monthly Billing Cycles it is found that the Net Metering Customer has generated Net Excess Generation Credits in each month of the six monthly Billing Cycles, the Electric Utility shall have the right to suspend service pursuant to Section 6 of the Commission's General Service Rules.

- D. Upon request from a ~~n~~Net-~~m~~Metering ~~e~~Customer an ~~e~~Electric ~~u~~Utility must apply ~~n~~Net ~~e~~Excess ~~g~~Generation ~~credits~~ to the ~~n~~Net-~~m~~Metering ~~e~~Customer's ~~a~~Additional ~~m~~Meters provided that:

1. The ~~n~~Net-~~m~~Metering ~~e~~Customer must give at least 30 days' notice to the Electric Utility of its request to apply Net Excess Generation to the Additional Meter(s).
2. The ~~a~~Additional ~~m~~Meter(s) must be identified at the time of the request, ~~and must be in the net-metering customer's name, in the same utility service territory, and be used to measure only electricity used for the net-metering customer's requirements~~
3. In the event that more than one of the ~~n~~Net-~~m~~Metering ~~e~~Customer's Additional mMeters is identified, the ~~n~~Net-~~m~~Metering ~~e~~Customer must designate the rank order for the ~~a~~Additional ~~m~~Meters to which Net eExcess Generation kWhs are is to be applied. The ~~n~~Net-~~m~~Metering ~~e~~Customer cannot designate the rank order more than once during the ~~a~~Annual ~~b~~Billing ~~e~~Cycle.
- ~~3. The net-metering customer's identified additional meters do not have to be used for the same class of service.~~

F.E. Any ~~r~~Renewable ~~e~~Energy ~~e~~Credit created as a result of electricity supplied by a ~~n~~Net-~~m~~Metering ~~e~~Customer is the property of the ~~n~~Net-~~m~~Metering ~~e~~Customer that generated the ~~r~~Renewable Energy eCredit.

Rule 2.06 2.05- Application to Exceed Generating Capacity Limit

- A. A non-residential Net-Metering Customer shall file an application with the Commission for seeking approval to install a Net-Metering Facility with a generating capacity of more than 300 kW for non-residential use under Ark. Code Ann. §§ 23-18-604(b)(5) or and (7) as appropriate.
- B. 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 supporting testimony, exhibits, or other documentation including:
 1. Evidence supporting and substantiating how that the Net-Metering Facility in excess of 300 kW satisfies the requirements of Ark. Code Ann. §§ 23-18-604(b)(5) or and (7):
 2. A description of the proposed Net-Metering Facility including:
 - a. Project proposal;
 - b. Project location (street address, town, utility service area);
 - c. Generator type (wind, solar, hydro, etc.);
 - d. Generator rating in kW (DC or AC);
 - e. Capacity factor;
 - f. Point of interconnection with the Electric Utility;

- g. Single Phase or Three Phase interconnection;
 - h. Planned method of interconnection consistent with Rule 3.01.B.;
 - i. Expected ~~system~~facility output and performance of the facility calculated using an industry recognized simulation model (PVWatts, etc.);
3. Evidence that the electrical energy produced by the Net-Metering Facility is not intended to ~~exceed~~ exceed the amount necessary to offset part or all of the Net-Metering Customer requirements for electricity in the form of:
- a. The monthly electric bills for the 12 months prior to the application for the ~~Designated~~Generation Meter and Additional Meter(s), if any, to be credited with Net Excess Generation-~~to substantiate that the electrical energy produced by the Net Metering Facility will not exceed the amount necessary to offset part or all of the Net Metering Customer requirements for electricity.~~ or
 - b. In the absence of historical data reasonable estimates for the class and character of service may be made; and
4. 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.

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

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

- A. A ~~n~~Net-~~m~~Metering customer shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the utility's facilities.
- B. A ~~n~~Net-~~m~~Metering ~~f~~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 ~~n~~Net-~~m~~Metering ~~e~~Customer from back-feeding a de-energized line, a ~~n~~Net-~~m~~Metering ~~f~~Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the ~~e~~Electric ~~u~~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/or tested by utility personnel.
- C. The customer shall submit a Standard Interconnection Agreement to the ~~e~~Electric ~~u~~Utility at least thirty (30) days prior to the date the customer intends to interconnect the ~~n~~Net-~~m~~Metering ~~f~~Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed 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 ~~e~~Electric ~~u~~Utility shall provide a copy of the Standard Interconnection Agreement to the customer upon request.
- D. Following notification by the customer as specified in Rule 3.01.C, 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 ~~p~~Parallel ~~e~~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 ~~n~~Net-~~m~~Metering ~~f~~Facility, at the ~~n~~Net-~~m~~Metering ~~e~~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 ~~nNet-mMetering fFacility~~, at the ~~nNet-mMetering eCustomer's~~ expense, shall meet all safety and performance standards adopted by the ~~Electric uUtility~~ and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the ~~nNet-mMetering fFacility~~ to the ~~Electric uUtility's~~ system.
- G. If the ~~Electric uUtility's~~ existing facilities are not adequate to interconnect with the ~~nNet-mMetering fFacility~~, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities. any changes will be performed in accordance with the Utility's Extension of Facilities Tariff.

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

- A. Prior to being made, the Net-Metering 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 I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. Modifications or changes made to a net metering facility shall be evaluated by the electric utility prior to being made. The notice provided by the ~~nNet-mMetering eCustomer~~ shall provide detailed information describing the modifications or changes to the ~~eElectric uUtility~~ in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made, prior to making the modifications to the net metering facility. 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 ~~pParallel eOperation~~ 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.
- ~~A.B.~~ If the Net-Metering 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.
- ~~B.C.~~ A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset part or all of the Net-Metering Customer requirements for electricity.

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 pursuant to Rule 2.05.B.42.06.B.4, or as 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.
- B. Following notification by the 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 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 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.
- 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 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 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 customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

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

Rule 4.01 Standard Interconnection Agreement, Preliminary Interconnection Site Review Request, and Standard Net-Metering Tariff

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

Rule 4.02 Filing and Reporting Requirements

Each ~~e~~Electric ~~u~~Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each all-existing nNet-mMetering fFacilityies, the type of resourcefacility (Solar, Wind, etc.), its use (Residential or Other), and the generator capacity rating, and, where applicable, the inverter power-capacity rating, and if the Net-Metering Facilityfacility 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. of each nNet-mMetering fFacility as of the end of the previous calendar year.

APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
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: _____

Section 2. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell Micro turbine (circle one)
Generator Rating (kW): _____ AC or DC (circle one)
Describe Location of Accessible and Lockable Disconnect (If required): _____
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 3. Installation Information

Attach a detailed electrical diagram of the ~~n~~Net-~~m~~Metering ~~f~~Facility.
Installed by: _____ Qualifications/Credentials: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Installation Date: _____

Section 4. Certification

~~1~~-The system has been installed in compliance with 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.)

~~2~~-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 (Owner): _____ Date: _____

Section 5. E-mail Addresses for parties

~~1.~~ Customer's e-mail address: _____

~~2.~~ Utility's e-mail address: _____ (To be provided by utility.)

Section 6. Utility Verification and Approval

~~1.~~ Facility Interconnection Approved: _____ Date: _____

Metering Facility Verification by: _____ Verification Date: _____

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), 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(6) and the Arkansas Public Service Commission's *Net-Metering Rules*.

Section 2. Governing Provisions

The ~~p~~Parties shall be subject to the provisions of Ark. Code Ann. § 23-18-604 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 *Electric* Utility's electric system, the 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. 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 customer shall submit a Standard Interconnection Agreement to the ~~e~~Electric ~~u~~Utility at least thirty (30) days prior to the date the customer intends to interconnect the ~~n~~Net-~~m~~Metering ~~f~~Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed 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 ~~e~~Electric ~~u~~Utility shall provide a copy of the Standard Interconnection Agreement to the customer upon request.

Following ~~submission of the Standard Interconnection Agreement~~~~notification~~ by the customer ~~as specified in Rule 3.01.C~~, 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 ~~p~~Parallel ~~o~~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 ~~n~~Net-~~m~~Metering ~~e~~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 his own 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 his own expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission ~~pursuant to Rule 3.01.F~~ that are necessary to assure safe and reliable operation of the ~~n~~Net ~~m~~Metering ~~f~~Facility to the utility's system.

Customer shall not commence ~~p~~Parallel ~~o~~Operation of the ~~n~~Net-~~m~~Metering ~~f~~Facility until the ~~n~~Net ~~m~~Metering ~~f~~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 ~~n~~Net-~~m~~Metering ~~f~~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 ~~n~~Net-~~m~~Metering ~~f~~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. Modifications or changes made to a net metering facility shall be evaluated by the Utility prior to being made.~~ 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. ~~prior to making the modifications to the net metering facility.~~ 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 ~~p~~Parallel ~~e~~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 part or all of the Net-Metering Customer requirements for electricity.~~

Section 56. Maintenance and Permits

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

Section 67. 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 78. Indemnity and Liability

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

Each **pParty** shall indemnify the other **pParty**, 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 **pParty**'s works or facilities used in connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying **pParty** shall, on the other **pParty**'s request, defend any suit asserting a claim covered by this indemnity. The indemnifying **pParty** shall pay all costs that may be incurred by the other **pParty** in enforcing this indemnity. It is the intent of the **pParties** hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each **pParty** shall bear the proportionate cost of any loss, damage, expense and liability attributable to that **pParty**'s negligence. Nothing in this paragraph shall be applicable to the **pParties** 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 **pParty** 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 89. 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**]

Attention:

[Customer]

Name: _____

Address: _____

City: _____

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 ~~p~~P~~a~~rties hereto, their personal representatives, heirs, successors, and assigns. The Customer 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.

Section 12. Net-Metering Customer 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: _____ Date: _____

IN WITNESS WHEREOF, the ~~p~~P~~a~~rties 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:

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 **Arkansas Public Service Commission (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

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 (in rank order): _____
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): _____

Section 2. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell Micro Turbine (circle one)
Generator Rating (kW): _____ AC or DC (circle one)
Expected Capacity Factor: _____
Expected annual production of electrical energy (kWh) of the facility calculated using industry recognized simulation model (PVWatts, etc): _____

Section 3. 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: _____
Planned method of interconnection consistent with Rule 3.01.B.

Section 4. 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.
Signature: _____ 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 2.05.B.4 or as 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 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 300 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 300 kW facility size limit pursuant to Net Metering Rule 2.05.B.4.2.06.B.4.

Section 4. 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.

Appendix B

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: NET-METERING	PSC File Mark Only

X. NET-METERING

X.1. AVAILABILITY

X.1.1. To any residential or any other customer who takes service under standard-rate schedule(s) _____ (list schedules) who has installed owns is an owner of a Net-Metering Facility and has obtained a signed a Standard Interconnection Agreement for Net-Metering Facilities with the an Electric Utility. 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 three hundred kilowatts (300 kW) for non-residential use unless otherwise allowed by the Commission. Such facilities must be located on the customer's premise and Net-Metering is intended primarily to offset part some or all of the customer's energy use.

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

X.1.2. Net-Metering eCustomers 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 except as provided in the Net-Metering Rules.

X.2. MONTHLY BILLING

X.2.1. 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.

Appendix B

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: <u>NET-METERING</u>	PSC File Mark Only

- X.2.42. On a monthly basis, the ~~a~~Net-~~m~~Metering ~~e~~Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under ~~a~~Net-~~m~~Metering, only the kilowatt hour (kWh) units of a Net-Metering ~~e~~Customer's bill are ~~affected~~ netted.
- X.2.23. If the kWhs supplied by the ~~e~~Electric ~~u~~Utility exceeds the kWhs generated by the ~~a~~Net-~~m~~Metering ~~f~~Facility and fed back to the ~~e~~Electric ~~u~~Utility during the ~~b~~Billing ~~p~~Period, the ~~a~~Net-~~m~~Metering ~~e~~Customer shall be billed for the net billable kWhs supplied by the ~~e~~Electric ~~u~~Utility in accordance with the rates and charges under the Net-Metering ~~e~~Customer's standard rate schedule.
- X.2.34. If the kWhs generated by the ~~a~~Net-~~m~~Metering ~~f~~Facility and fed back to the ~~e~~Electric ~~u~~Utility during the ~~b~~Billing ~~p~~Period exceed the kWhs supplied by the ~~e~~Electric ~~u~~Utility to the ~~a~~Net-~~m~~Metering ~~e~~Customer during the applicable ~~b~~Billing ~~p~~Period, the Electric ~~u~~Utility shall credit the ~~a~~Net-~~m~~Metering ~~e~~Customer with any accumulated ~~a~~Net ~~e~~Excess ~~g~~Generation in the next applicable ~~b~~Billing ~~p~~Period.
- X.2.45. Net ~~e~~Excess ~~g~~Generation shall first be credited to the ~~a~~Net-~~m~~Metering ~~e~~Customer's meter to which the ~~a~~Net-~~m~~Metering ~~f~~Facility is physically attached (~~e~~Designated Generation ~~m~~Meter).
- X.2.56. After application of X.2.45 and upon request of the ~~a~~Net-~~m~~Metering ~~e~~Customer pursuant to X.2.98, any remaining ~~a~~Net ~~e~~Excess ~~g~~Generation shall be credited to one or more of the ~~a~~Net-~~m~~Metering ~~e~~Customer's meters (~~a~~Additional ~~m~~Meters) in the rank order provided by the Net-Metering ~~e~~Customer.
- X.2.67. Net ~~e~~Excess ~~g~~Generation shall be credited as described in X.2.45 and X.2.56 during subsequent ~~b~~Billing ~~p~~Periods; the ~~a~~Net ~~e~~Excess ~~g~~Generation ~~Credits~~ remaining in a ~~a~~Net-~~m~~Metering ~~e~~Customer's account at the close of an ~~annual~~ 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 estimated annual average cost

Appendix B

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: NET-METERING	

PSC File Mark Only

~~rate for wholesale energy 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 estimated annual average Avoided Cost rate for wholesale energy 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 transfers the Net-Metering Facility to another person. , up to an amount equal to four (4) months' average usage during the annual billing cycle that is closing, shall be credited to the net-metering customer's account for use during the next annual billing cycle.~~

~~When purchasing Net Excess Generation Credits from a Net-Metering Customer, the Electric Utility shall calculate the payment based on its annual average avoided energy costs in the applicable Regional Transmission Organization for the current year.~~

~~If, after a 12-month Billing Cycle, it is found that a Net-Metering Customer generates Net Excess Generation Credits in each month of the 12-month Billing Cycle, the Electric Utility shall notify the Net-Metering Customer, in writing, that the Net Metering Facility is being operated in violation of state law and the Commission's Net Metering Rules. The Net-Metering Customer shall be given six monthly Billing Cycles to correct the violation. If, at the end of the six monthly Billing Cycles it is found that the Net-Metering Customer has generated Net Excess Generation Credits in each month of the six monthly Billing Cycles, the Electric Utility shall have the right to suspend service pursuant to Section 6 of the Commission's General Service Rules.~~

~~X.2.7. Except as provided in X.2.6, any net excess generation credit remaining in a net-metering customer's account at the close of an annual billing cycle shall expire.~~

X.2.8. Upon request from a ~~n~~Net-~~m~~Metering ~~e~~Customer an ~~e~~Electric ~~u~~Utility ~~may~~must apply ~~a~~Net ~~e~~Excess ~~g~~Generation to the ~~n~~Net-~~m~~Metering ~~e~~Customer's ~~a~~an additional ~~m~~Meters provided that:

Appendix B

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: <u>NET-METERING</u>	PSC File Mark Only

- (a) The ~~n~~Net-~~m~~Metering ~~e~~Customer must give at least 30 days' notice to the Electric uUtility.
- (b) The ~~a~~Additional ~~m~~Meter(s) must be identified at the time of the request. Additional Meter(s) -and must- shall be under common ownership in the net-metering customer's name, within the same utility service territory a single Electric Utility's service area; and shall be used to measure only electricity used for the nNet-mMetering eCustomer's requirements for electricity; may be in a different class of service than the Designated Generation Meter; shall be assigned to one, and only one, Designated Generation Meter; shall not be a Designated Generation Meter; and shall not be associated with unmetered service.
- (c) In the event that more than one of the ~~n~~Net-~~m~~Metering ~~e~~Customer's meters is identified, the ~~n~~Net-~~m~~Metering ~~e~~Customer must designate the rank order for the ~~a~~Additional ~~m~~Meters to which excess kWhs are to be applied. The ~~n~~Net-~~m~~Metering ~~e~~Customer cannot designate the rank order more than once during the Aannual bBilling eCycle.
- ~~— (d) The nNet-mMetering eCustomer's identified aAdditional mMeters do not have to be used for the same class of service.~~

X.2.9. Any ~~r~~Renewable ~~e~~Energy ~~e~~Credit created as the result of electricity supplied by a ~~n~~Net-~~m~~Metering ~~e~~Customer is the property of the ~~n~~Net-~~m~~Metering ~~e~~Customer that generated the ~~r~~Renewable Energy eCredit.

State of Arkansas *As Engrossed: H2/26/15 H3/17/15*
90th General Assembly **A Bill**
Regular Session, 2015

HOUSE BILL 1004

By: Representative S. Meeks

For An Act To Be Entitled

AN ACT TO REQUIRE ELECTRIC UTILITIES TO COMPENSATE
NET-METERING CUSTOMERS FOR NET EXCESS GENERATION
CREDITS IN CERTAIN CIRCUMSTANCES; AND FOR OTHER
PURPOSES.

Subtitle

TO REQUIRE ELECTRIC UTILITIES TO
COMPENSATE NET-METERING CUSTOMERS FOR NET
EXCESS GENERATION CREDITS IN CERTAIN
CIRCUMSTANCES.

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

*SECTION 1. Arkansas Code § 23-18-603(6), concerning a definition used
under the Arkansas Renewable Energy Development Act of 2001, is amended to
read as follows:*

*(6) "Net-metering facility" means a facility for the production
of electrical energy that:*

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

(B) Has a generating capacity of not more than:
(i) The greater of twenty-five kilowatts (25 kW) or
one hundred percent (100%) of the net-metering customer's highest monthly
usage in the previous twelve (12) months for residential use; or three

(ii) Three hundred kilowatts (300 kW) for any other



1 use unless otherwise allowed by a commission under § 23-18-604(b)(5);

2 (C) Is located in Arkansas;

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

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

7
8 SECTION 2. The introductory language of Arkansas Code § 23-18-604(b),
9 concerning the authority of the Arkansas Public Service Commission, is
10 amended to read as follows:

11 (b) Following notice and opportunity for public comment, the Arkansas
12 Public Service Commission a commission:

13
14 SECTION 3. Arkansas Code § 23-18-604(b)(1), concerning the authority
15 of the Arkansas Public Service Commission, is amended to read as follows:

16 (1) Shall establish appropriate rates, terms, and conditions for
17 net-metering contracts, including a:

18 (A)(i) A requirement that the rates charged to each net-
19 metering customer recover the electric utility's entire cost of providing
20 service to each net-metering customer within each of the electric utility's
21 class of customers.

22 (ii) The electric utility's entire cost of providing
23 service to each net-metering customer within each of the electric utility's
24 class of customers under subdivision (b)(1)(A)(i) of this section:

25 (a) Includes without limitation any
26 quantifiable additional cost associated with the net-metering customer's use
27 of the electric utility's capacity, distribution system, or transmission
28 system and any effect on the electric utility's reliability; and

29 (b) Is net of any quantifiable benefits
30 associated with the interconnection with and providing service to the net-
31 metering customer, including without limitation benefits to the electric
32 utility's capacity, reliability, distribution system, or transmission system;
33 and

34 (B) A requirement that net-metering equipment be
35 installed to accurately measure the electricity:

36 ~~(A)~~ (i) Supplied by the electric utility to each

1 net-metering customer; and

2 ~~(B) (ii)~~ Generated by each net-metering customer
3 that is fed back to the electric utility over the applicable billing period;
4

5 SECTION 4. Arkansas Code § 23-18-604(b)(5) and (6), concerning the
6 authority of the Arkansas Public Service Commission, are amended to read as
7 follows:

8 (5) May increase the peak generating capacity limits for
9 individual net-metering facilities if doing so results in distribution
10 system, environmental, or public policy benefits; and

11 (6) Shall provide that:

12 (A)(i) The net excess generation credit remaining in a
13 net-metering customer's account at the close of ~~an annual~~ a billing cycle, ~~up~~
14 ~~to an amount equal to four (4) months' average usage during the annual~~
15 ~~billing cycle that is closing, shall be credited to the net-metering~~
16 ~~customer's account for use during the next annual billing cycle; shall not~~
17 ~~expire and shall be carried forward to subsequent billing cycles~~
18 indefinitely.

19 (ii) However, for net excess generation credits older
20 than twenty-four (24) months, a net-metering customer may elect to have the
21 electric utility purchase the net excess generation credits in the net-
22 metering customer's account at the electric utility's estimated annual
23 average avoided cost rate for wholesale energy if the sum to be paid to the
24 net-metering customer is at least one hundred dollars (\$100).

25 (iii) An electric utility shall purchase at the
26 electric utility's estimated annual average avoided cost rate for wholesale
27 energy any net excess generation credit remaining in a net-metering
28 customer's account when the net-metering customer:

29
30 (a) Ceases to be a customer of the electric
31 utility;

32 (b) Ceases to operate the net-metering
33 facility; or

34 (c) Transfers the net-metering facility to
35 another person; and

36 ~~(B) Except as provided in subdivision (b)(6)(A) of this~~

1 ~~section, any net excess generation credit remaining in a net-metering~~
2 ~~customer's account at the close of an annual billing cycle shall expire; and~~

3 ~~(G) Any (B) A renewable energy credit created as the~~
4 ~~result of electricity supplied by a net-metering customer is the property of~~
5 ~~the net-metering customer that generated the renewable energy credit; and~~
6

7 *SECTION 5. Arkansas Code § 23-18-604(b), concerning the authority of*
8 *the Arkansas Public Service Commission, is amended to add an additional*
9 *subdivision to read as follows:*

10 (7) May allow a net-metering facility with a generating capacity
11 that exceeds three hundred kilowatts (300 kW) if:

12 (A) The net-metering facility is not for residential use;
13 and

14 (B) Allowing an increased generating capacity for the net-
15 metering facility would increase the state's ability to attract businesses to
16 Arkansas.
17

18 *SECTION 6. Arkansas Code § 23-18-604, concerning the authority of the*
19 *Arkansas Public Service Commission, is amended to add additional subsections*
20 *to read as follows:*

21 (c)(1) As used in this section, "avoided costs":

22 (A) For the Arkansas Public Service Commission, means the
23 same as defined in § 23-3-702; and

24 (B) For a municipal utility, is defined by the governing
25 body of the municipal utility.

26 (2) Avoided costs shall be determined under § 23-3-704.

27 (d)(1) Except as provided in subdivision (d)(2) of this section, an
28 electric utility shall separately meter, bill, and credit each net-metering
29 facility even if one (1) or more net-metering facilities are under common
30 ownership.

31 (2)(A) At the net-metering customer's discretion, an electric
32 utility may apply net-metering credits from a net-metering facility to the
33 bill for another meter location if the net-metering facility and the separate
34 meter location are under common ownership within a single electric utility's
35 service area.

36 (B) Net excess generation shall be credited first to the

1 net-metering customer's meter to which the net-metering facility is
2 physically attached.

3 (C) After applying net excess generation under subdivision
4 (d)(2)(B) of this section and upon request of the net-metering customer under
5 subdivision (d)(2)(A) of this section, any remaining net excess generation
6 shall be credited to one (1) or more of the net-metering customer's meters in
7 the rank order provided by the net-metering customer.

8
9 /s/S. Meeks

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12 **APPROVED: 03/31/2015**
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