

1 State of Arkansas As Engrossed: H2/26/15 H3/17/15

2 90th General Assembly

A Bill

3 Regular Session, 2015

HOUSE BILL 1004

4

5 By: Representative S. Meeks

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For An Act To Be Entitled

8

AN ACT TO REQUIRE ELECTRIC UTILITIES TO COMPENSATE

9

NET-METERING CUSTOMERS FOR NET EXCESS GENERATION

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CREDITS IN CERTAIN CIRCUMSTANCES; AND FOR OTHER

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PURPOSES.

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Subtitle

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TO REQUIRE ELECTRIC UTILITIES TO

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COMPENSATE NET-METERING CUSTOMERS FOR NET

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EXCESS GENERATION CREDITS IN CERTAIN

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CIRCUMSTANCES.

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

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

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

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

32 *(B) Has a generating capacity of not more than:*

33 *(i) The greater of twenty-five kilowatts (25 kW) or*
34 *one hundred percent (100%) of the net-metering customer's highest monthly*
35 *usage in the previous twelve (12) months for residential use; or ~~three~~*

36 *(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;

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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 ~~(C) 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~~
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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.

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 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.

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/s/S. Meeks

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