

1149--A

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I N S E N A T E

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Introduced by Sens. PARKER, MAZIARZ, OPPENHEIMER, SAMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, substituted by Assembly Bill No. 28, substitution reconsidered and vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the public service law and the public authorities law, in relation to net energy metering with micro-hydroelectric generating equipment

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The section heading and paragraph (a) of subdivision 1 of
2 section 66-j of the public service law, as amended by chapter 355 of the
3 laws of 2009, are amended and a new paragraph (h) is added to subdivi-
4 sion 1 to read as follows:
5 Net energy metering for residential solar, farm waste, non-residential
6 solar electric generating systems, micro-combined heat and power gener-
7 ating equipment, [or] fuel cell electric generating equipment, AND
8 MICRO-HYDROELECTRIC GENERATING EQUIPMENT.
9 (a) "Customer-generator" means: (i) a residential customer of an elec-
10 tric corporation, who owns or operates solar electric generating equip-
11 ment located and used at his or her residence; (ii) a customer of an
12 electric corporation, who owns or operates farm waste electric generat-
13 ing equipment located and used at his or her "farm operation," as such
14 term is defined in subdivision eleven of section three hundred one of
15 the agriculture and markets law; (iii) a non-residential customer of an
16 electric corporation which owns or operates solar electric generating
17 equipment located and used at its premises; (iv) a residential customer
18 of an electric corporation who owns, leases or operates micro-combined
19 heat and power generating equipment located on the customer's premises;

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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[and] (v) a residential customer of an electric corporation who owns, leases or operates fuel cell generating equipment located on the customer's premises; (VI) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO OWNS OR OPERATES MICRO-HYDROELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT HIS OR HER RESIDENCE; AND (VII) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION WHICH OWNS OR OPERATES MICRO-HYDROELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT ITS PREMISES.

(H) "MICRO-HYDROELECTRIC GENERATING EQUIPMENT" MEANS A HYDROELECTRIC SYSTEM (I) (A) IN THE CASE OF A RESIDENTIAL CUSTOMER, WITH A RATED CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS; AND (B) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER, WITH A RATED CAPACITY OF NOT MORE THAN TWO THOUSAND KILOWATTS; AND (II) THAT IS MANUFACTURED, INSTALLED, AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC SYSTEM AND OPERATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES, AND THAT IS OPERATED IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS ESTABLISHED UNDER THIS SECTION.

S 2. Subdivision 2 of section 66-j of the public service law, as amended by chapter 355 of the laws of 2009, is amended to read as follows:

2. Interconnection and net energy metering. An electric corporation shall provide for the interconnection of solar and farm waste electric generating equipment, micro-combined heat and power generating equipment [and], fuel cell electric generating equipment AND MICRO-HYDROELECTRIC GENERATING EQUIPMENT owned or operated by a customer-generator and for net energy metering, provided that the customer-generator enters into a net energy metering contract with the corporation or complies with the corporation's net energy metering schedule and complies with standards and requirements established under this section.

S 3. Subdivision 3 of section 66-j of the public service law, as amended by chapter 355 of the laws of 2009, subparagraphs (i) and (iii) of paragraph (c) as amended by chapter 7 of the laws of 2010 and paragraph (e) as added by chapter 35 of the laws of 2011, is amended to read as follows:

3. Conditions of service. (a) (i) On or before three months after the effective date of this section, each electric corporation shall develop a model contract and file a schedule that establishes consistent and reasonable rates, terms and conditions for net energy metering to customer-generators, according to the requirements of this section. The commission shall render a decision within three months from the date on which the schedule is filed.

(ii) On or before three months after the effective date of this subparagraph, each electric corporation shall develop a model contract and file a schedule that establishes consistent and reasonable rates, terms and conditions for net energy metering to non-residential customer generators, according to the requirements of this section. The commission shall render a decision within three months of the date on which the schedule is filed.

(iii) Each electric corporation shall make such contract and schedule available to customer-generators on a first come, first served basis, until the total rated generating capacity for solar and farm waste electric generating equipment, micro-combined heat and power generating equipment [and], fuel cell electric generating equipment AND MICRO-HYDROELECTRIC GENERATING EQUIPMENT owned, leased or operated by customer-generators in the corporation's service area is equivalent to one

1 percent of the corporation's electric demand for the year two thousand
2 five, as determined by the department.

3 (b) Nothing in this subdivision shall prohibit a corporation from
4 providing net energy metering to additional customer-generators. The
5 commission shall have the authority, after January first, two thousand
6 twelve, to increase the percent limits if it determines that additional
7 net energy metering is in the public interest.

8 (c) In the event that the electric corporation determines that it is
9 necessary to install a dedicated transformer or transformers, or other
10 equipment to protect the safety and adequacy of electric service
11 provided to other customers, a customer-generator shall pay the electric
12 corporation's actual costs of installing the transformer or transfor-
13 mers, or other equipment:

14 (i) In the case of a customer-generator who owns or operates solar
15 electric generating equipment, micro-combined heat and power generating
16 equipment [or], fuel cell electric generating equipment OR MICRO-HYDROE-
17 LECTRIC GENERATING EQUIPMENT located and used at his or her residence,
18 or a non-residential customer-generator who owns or operates solar elec-
19 tric generating equipment with a rated capacity of not more than twen-
20 ty-five kilowatts, up to a maximum amount of three hundred fifty
21 dollars;

22 (ii) In the case of a customer-generator who owns or operates farm
23 waste electric generating equipment located and used at his or her "farm
24 operation," up to a total amount of five thousand dollars per "farm
25 operation"; and

26 (iii) In the case of a non-residential customer-generator who owns or
27 operates solar electric generating equipment OR MICRO-HYDROELECTRIC
28 GENERATING EQUIPMENT with a rated capacity of more than twenty-five
29 kilowatts located and used at its premises, such cost shall be as deter-
30 mined by the electric corporation subject to review, upon the request of
31 such customer-generator, by the department.

32 (d) An electric corporation shall impose no other charge or fee,
33 including back-up, stand by and demand charges, for the provision of net
34 energy metering to a customer-generator, except as provided in paragraph
35 (d) of subdivision four of this section.

36 (e) A customer who owns or operates a farm operation as such term is
37 defined in subdivision eleven of section three hundred one of the agri-
38 culture and markets law, or a non-residential customer-generator as
39 defined by subparagraph (iii) of paragraph (a) of subdivision one of
40 this section that locates solar electric generating equipment or farm
41 waste electric generating equipment with a net energy meter on property
42 owned or leased by such customer-generator may designate all or a
43 portion of the net metering credits generated by such equipment to
44 meters at any property owned or leased by such customer-generator within
45 the service territory of the same electric corporation to which the
46 customer-generator's net energy meters are interconnected and being
47 within the same load zone as determined by the location based marginal
48 price as of the date of initial request by the customer-generator to
49 conduct net metering. The electric corporation will credit the accounts
50 of the customer by applying any credits to the highest use meter first,
51 then subsequent highest use meters until all such credits are attributed
52 to the customer. Any excess credits shall be carried over to the follow-
53 ing month.

54 S 4. Subdivision 5 of section 66-j of the public service law, as
55 amended by chapter 355 of the laws of 2009, is amended to read as
56 follows:

1 5. Safety standards. (a) On or before three months after the effective
2 date of this section, each electric corporation shall establish stand-
3 ards that are necessary for net energy metering and the interconnection
4 of residential solar or farm waste electric generating equipment,
5 micro-combined heat and power generating equipment and fuel cell elec-
6 tric generating equipment AND MICRO-HYDROELECTRIC GENERATING EQUIPMENT
7 to its system and that the commission shall determine are necessary for
8 safe and adequate service and further the public policy set forth in
9 this section. Such standards may include but shall not be limited to:

10 (i) equipment necessary to isolate automatically the residential
11 solar, farm waste, micro-combined heat and power and fuel cell electric
12 generating system AND MICRO-HYDROELECTRIC GENERATING EQUIPMENT from the
13 utility system for voltage and frequency deviations; and

14 (ii) a manual lockable disconnect switch provided by the customer-gen-
15 erator which shall be located on the outside of the customer's premises
16 and externally accessible for the purpose of isolating the residential
17 solar and farm waste electric generating equipment AND MICRO-HYDROELEC-
18 TRIC GENERATING EQUIPMENT.

19 (b) Upon its own motion or upon a complaint, the commission, or its
20 designated representative, may investigate and make a determination as
21 to the reasonableness and necessity of the standards or responsibility
22 for compliance with the standards.

23 (i) In the case of a customer-generator who owns or operates solar
24 electric generating equipment located and used at his or her residence;
25 an electric corporation may not require a customer-generator to comply
26 with additional safety or performance standards, perform or pay for
27 additional tests, or purchase additional liability insurance provided
28 that the residential solar or farm waste electric generating equipment,
29 micro-combined heat and power generating equipment [or], fuel cell elec-
30 tric generating equipment OR MICRO-HYDROELECTRIC GENERATING EQUIPMENT
31 meets the safety standards established pursuant to this paragraph.

32 (ii) In the case of a customer-generator who owns or operates farm
33 waste electric generating equipment located and used at his or her "farm
34 operation," an electric corporation may not require a customer-generator
35 to comply with additional safety or performance standards, perform or
36 pay for additional tests, or purchase additional liability insurance
37 provided that:

38 1. the electric generating equipment meets the safety standards estab-
39 lished pursuant to this paragraph; and

40 2. the total rated generating capacity (measured in kW) of farm waste
41 electric generating equipment that provides electricity to the electric
42 corporation through the same local feeder line, does not exceed twenty
43 percent of the rated capacity of that local feeder line.

44 (iii) In the event that the total rated generating capacity of farm
45 waste electric generating equipment that provides electricity to the
46 electric corporation through the same local feeder line exceeds twenty
47 percent of the rated capacity of the local feeder line, the electric
48 corporation may require the customer-generator to comply with reasonable
49 measures to ensure safety of that local feeder line.

50 S 5. Subdivision 5-a of section 66-j of the public service law, as
51 amended by chapter 355 of the laws of 2009, is amended to read as
52 follows:

53 5-a. Safety standards; non-residential solar electric generating
54 equipment AND MICRO-HYDROELECTRIC GENERATING EQUIPMENT. (a) On or
55 before three months after the effective date of this subdivision, each
56 electric corporation shall establish standards that are necessary for

1 net energy metering and the interconnection of non-residential solar
2 electric generating equipment OR MICRO-HYDROELECTRIC GENERATING EQUIP-
3 MENT to its system and that the commission shall determine are necessary
4 for safe and adequate service and further the public policy set forth in
5 this section. Such standards may include but shall not be limited to:

6 (i) equipment necessary to isolate automatically the solar generating
7 system OR MICRO-HYDROELECTRIC GENERATING EQUIPMENT from the utility
8 system for voltage and frequency deviations; and

9 (ii) a manual lockable disconnect switch provided by the customer-gen-
10 erator which shall be located on the outside of the customer-generator's
11 premises and externally accessible for the purpose of isolating the
12 solar electric generating equipment OR MICRO-HYDROELECTRIC GENERATING
13 EQUIPMENT.

14 (b) In the event that the total rated generating capacity of solar
15 electric generating equipment OR MICRO-HYDROELECTRIC GENERATING EQUIP-
16 MENT that provides electricity to the electric corporation through the
17 same local feeder line exceeds twenty percent of the rated capacity of
18 the local feeder line, the electric corporation may require the custom-
19 er-generator to comply with reasonable measures to ensure safety of the
20 local feeder line.

21 (c) Unless otherwise determined to be necessary by the commission, an
22 electric corporation may not require a customer-generator to comply with
23 additional safety or performance standards, perform or pay for addi-
24 tional tests, or purchase additional liability insurance provided that
25 the solar electric generating equipment OR MICRO-HYDROELECTRIC GENERAT-
26 ING EQUIPMENT meets the safety standards established pursuant to this
27 subdivision.

28 (d) Upon its own motion or upon a complaint, the commission, or its
29 designated representative, may investigate and make a determination as
30 to the reasonableness and necessity of the standards or responsibility
31 for compliance with the standards.

32 S 6. Subdivision (h) of section 1020-g of the public authorities law,
33 as amended by chapter 355 of the laws of 2009, is amended to read as
34 follows:

35 (h) To implement programs and policies designed to provide for the
36 interconnection of: (i) (A) solar electric generating equipment owned or
37 operated by residential customers, (B) farm waste electric generating
38 equipment owned or operated by customer-generators, (C) solar electric
39 generating equipment owned or operated by non-residential customers, (D)
40 micro-combined heat and power generating equipment owned, leased or
41 operated by residential customers, [and] (E) fuel cell electric generat-
42 ing equipment owned, leased or operated by residential customers, AND
43 (F) MICRO-HYDROELECTRIC GENERATING EQUIPMENT OWNED, LEASED OR OPERATED
44 BY CUSTOMER-GENERATORS and for net energy metering consistent with
45 section sixty-six-j of the public service law, to increase the efficien-
46 cy of energy end use, to shift demand from periods of high demand to
47 periods of low demand and to facilitate the development of cogeneration;
48 and (ii) wind electric generating equipment owned or operated by custom-
49 er-generators and for net energy metering consistent with section
50 sixty-six-l of the public service law.

51 S 7. This act shall take effect immediately.