

409

2009-2010 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 7, 2009

Introduced by M. of A. KAVANAGH -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to net energy metering

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

1 Section 1. The public service law is amended by adding two new
2 sections 66-m and 66-n to read as follows:
3 S 66-M. NET ENERGY METERING FOR SOLAR, FUEL CELL, OR FARM WASTE ELEC-
4 TRIC GENERATING SYSTEMS. 1. DEFINITIONS. AS USED IN THIS SECTION, THE
5 FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:
6 (A) "CUSTOMER-GENERATOR" MEANS: (I) A CUSTOMER OF AN ELECTRIC CORPO-
7 RATION, WHO OWNS OR OPERATES SOLAR ELECTRIC GENERATING EQUIPMENT LOCATED
8 AND USED AT THE SAME SITE WHERE THE EQUIPMENT IS LOCATED; (II) A CUSTOM-
9 ER OF AN ELECTRIC CORPORATION, WHO OWNS OR OPERATES FARM WASTE ELECTRIC
10 GENERATING EQUIPMENT LOCATED AND USED AT HIS OR HER "FARM OPERATION," AS
11 SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF SECTION THREE HUNDRED ONE
12 OF THE AGRICULTURE AND MARKETS LAW; AND (III) A CUSTOMER OF AN ELECTRIC
13 CORPORATION, WHO OWNS OR OPERATES FUEL CELL ELECTRIC GENERATING EQUIP-
14 MENT LOCATED AND USED AT THE SAME SITE WHERE THE EQUIPMENT IS LOCATED.
15 (B) "NET ENERGY METER" MEANS A NON-DEMAND, NON-TIME DIFFERENTIATED
16 METER THAT MEASURES THE REVERSE FLOW OF ELECTRICITY TO REGISTER THE
17 DIFFERENCE BETWEEN THE ELECTRICITY SUPPLIED BY AN ELECTRIC CORPORATION
18 TO THE CUSTOMER-GENERATOR AND THE ELECTRICITY PROVIDED TO THE CORPO-
19 RATION BY THAT CUSTOMER-GENERATOR.
20 (C) "NET ENERGY METERING" MEANS THE USE OF A NET ENERGY METER TO MEAS-
21 URE, DURING THE BILLING PERIOD APPLICABLE TO A CUSTOMER-GENERATOR, THE
22 NET AMOUNT OF ELECTRICITY SUPPLIED BY AN ELECTRIC CORPORATION AND
23 PROVIDED TO THE CORPORATION BY A CUSTOMER-GENERATOR.

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

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(D) "SOLAR ELECTRIC GENERATING EQUIPMENT" MEANS A PHOTOVOLTAIC SYSTEM 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.

(E) "FARM WASTE ELECTRIC GENERATING EQUIPMENT" MEANS EQUIPMENT THAT GENERATES ELECTRIC ENERGY FROM BIOGAS PRODUCED BY THE ANAEROBIC DIGESTION OF AGRICULTURAL WASTE, SUCH AS LIVESTOCK MANURE, FARMING WASTES AND FOOD PROCESSING WASTES, THAT IS:

(I) MANUFACTURED, INSTALLED, AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS;

(II) CONNECTED TO THE ELECTRIC SYSTEM AND OPERATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES;

(III) OPERATED IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS ESTABLISHED UNDER THIS SECTION;

(IV) FUELED AT A MINIMUM OF NINETY PERCENT ON AN ANNUAL BASIS BY BIOGAS PRODUCED FROM THE ANAEROBIC DIGESTION OF AGRICULTURAL WASTE SUCH AS LIVESTOCK MANURE MATERIALS, CROP RESIDUES, AND FOOD PROCESSING WASTE; AND

(V) FUELED BY BIOGAS GENERATED BY ANAEROBIC DIGESTION WITH AT LEAST SEVENTY-FIVE PERCENT BY WEIGHT OF ITS FEEDSTOCK BEING LIVESTOCK MANURE MATERIALS ON AN ANNUAL BASIS.

(F) "FUEL CELL ELECTRIC GENERATING EQUIPMENT" MEANS A SOLID OXIDE (SOFC), MOLTEN CARBONATE (MCFC), PROTON EXCHANGE MEMBRANE (PEM), OR PHOSPHORIC ACID (PAFC) FUEL CELL THAT IS MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC SYSTEM AND OPERATED IN PARALLEL WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES, AND THAT IS OPERATED IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS ESTABLISHED UNDER THIS SECTION.

2. INTERCONNECTION AND NET ENERGY METERING. AN ELECTRIC CORPORATION SHALL PROVIDE FOR THE INTERCONNECTION OF SOLAR, FUEL CELL AND FARM WASTE ELECTRIC GENERATING EQUIPMENT OWNED OR OPERATED BY A CUSTOMER-GENERATOR, PROVIDED THAT FOR NET ENERGY METERING 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.

3. CONDITIONS OF SERVICE. (A) 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. 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, FUEL CELL, AND FARM WASTE ELECTRIC GENERATING EQUIPMENT OWNED OR OPERATED BY CUSTOMER-GENERATORS IN THE CORPORATION'S SERVICE AREA IS EQUIVALENT TO ONE PERCENT OF THE CORPORATION'S ELECTRIC DEMAND FOR THE YEAR TWO THOUSAND SEVEN, AS DETERMINED BY THE DEPARTMENT.

(B) IN THE EVENT THAT THE ELECTRIC CORPORATION DETERMINES THAT IT IS NECESSARY TO INSTALL A DEDICATED TRANSFORMER, TRANSFORMERS OR OTHER EQUIPMENT TO PROTECT THE SAFETY AND ADEQUACY OF ELECTRIC SERVICE PROVIDED TO OTHER CUSTOMERS, A CUSTOMER-GENERATOR SHALL PAY THE ELECTRIC

1 CORPORATION'S ACTUAL COSTS OF INSTALLING THE TRANSFORMER, TRANSFORMERS
2 OR OTHER EQUIPMENT;

3 (I) IN THE CASE OF A CUSTOMER-GENERATOR WHO OWNS OR OPERATES SOLAR
4 ELECTRIC GENERATING EQUIPMENT, UP TO A MAXIMUM AMOUNT OF THREE HUNDRED
5 FIFTY DOLLARS.

6 (II) IN THE CASE OF A CUSTOMER-GENERATOR OR COMMERCIAL CUSTOMER WHO
7 OWNS OR OPERATES FARM WASTE ELECTRIC GENERATING EQUIPMENT LOCATED AND
8 USED AT HIS OR HER "FARM OPERATION," UP TO A TOTAL AMOUNT OF THREE THOU-
9 SAND DOLLARS PER "FARM OPERATION".

10 (III) IN THE CASE OF A CUSTOMER-GENERATOR OR COMMERCIAL CUSTOMER WHO
11 OWNS OR OPERATES FUEL CELL ELECTRIC GENERATING EQUIPMENT, THE FEE SHALL
12 BE ESTABLISHED BY THE COMMISSION.

13 4. RATES. AN ELECTRIC CORPORATION SHALL USE NET ENERGY METERING TO
14 MEASURE AND CHARGE FOR THE NET ELECTRICITY SUPPLIED BY THE CORPORATION
15 AND PROVIDED TO THE CORPORATION BY A CUSTOMER-GENERATOR, ACCORDING TO
16 THESE REQUIREMENTS:

17 (A) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY SUPPLIED BY THE CORPO-
18 RATION DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY
19 PROVIDED BY A CUSTOMER-GENERATOR, THE CORPORATION SHALL RECORD THE NET
20 AMOUNT OF ELECTRICITY PROVIDED TO IT BY THE CUSTOMER-GENERATOR AS A
21 CREDIT AT THE CORPORATION'S AVOIDED COST RATE. THE CREDIT PROVIDED TO
22 THE CUSTOMER-GENERATOR SHALL BE EQUAL TO THE COST OTHERWISE AVOIDED BY
23 THE ELECTRIC CORPORATION IN NOT HAVING TO PURCHASE SUCH ENERGY IN THE
24 COMPETITIVE MARKET OR GENERATE THE SAME THROUGH FACILITIES IT OWNS OR
25 CONTROLS.

26 (B) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY PRODUCED BY A CUSTOM-
27 ER-GENERATOR DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY
28 USED BY THE CUSTOMER-GENERATOR, (I) FOR A CUSTOMER-GENERATOR WITH GENER-
29 ATING EQUIPMENT OF NOT MORE THAN TWENTY-FIVE KILOWATTS, THE CORPORATION
30 SHALL APPLY A CREDIT TO THE NEXT BILL FOR SERVICE TO THE CUSTOMER-GENER-
31 ATOR FOR THE NET ELECTRICITY PROVIDED AT THE SAME RATE PER KILOWATT HOUR
32 APPLICABLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE SAME SERVICE
33 CLASS WHICH DO NOT GENERATE ELECTRICITY ON SITE; (II) FOR A
34 CUSTOMER-GENERATOR WITH GENERATING EQUIPMENT OF MORE THAN TWENTY-FIVE
35 KILOWATTS, THE CORPORATION SHALL RECORD THE NET AMOUNT OF ELECTRICITY
36 PROVIDED TO IT BY THE CUSTOMER-GENERATOR AS A CREDIT AT THE CORPO-
37 RATION'S AVOIDED COST RATE. THE CREDIT PROVIDED TO THE CUSTOMER-GENERA-
38 TOR SHALL BE EQUAL TO THE COST OTHERWISE AVOIDED BY THE ELECTRIC CORPO-
39 RATION IN NOT HAVING TO PURCHASE SUCH ENERGY IN THE COMPETITIVE MARKET
40 OR GENERATE THE SAME THROUGH FACILITIES IT OWNS OR CONTROLS.

41 (C) AT THE END OF THE YEAR OR ANNUALIZED OVER THE PERIOD THAT SERVICE
42 IS SUPPLIED BY MEANS OF NET ENERGY METERING, THE CORPORATION SHALL
43 PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COST TO THE CUSTOMER-GENERATOR FOR
44 THE VALUE OF ANY REMAINING CREDIT FOR THE EXCESS ELECTRICITY PRODUCED
45 DURING THE YEAR OR OVER THE ANNUALIZED PERIOD BY THE CUSTOMER-GENERATOR.

46 (D) WITH RESPECT TO CUSTOMER-GENERATORS THAT OWN OR OPERATE FARM WASTE
47 ELECTRIC GENERATING EQUIPMENT, IN THE EVENT THAT THE CORPORATION IMPOSES
48 CHARGES BASED ON KILOWATT DEMAND ON CUSTOMERS WHO ARE IN THE SAME
49 SERVICE CLASS AS THE CUSTOMER-GENERATOR BUT WHICH DO NOT GENERATE ELEC-
50 TRICITY ON SITE, THE CORPORATION MAY IMPOSE THE SAME CHARGES AT THE SAME
51 RATES TO THE CUSTOMER-GENERATOR, PROVIDED, HOWEVER, THAT THE KILOWATT
52 DEMAND FOR SUCH DEMAND CHARGES IS DETERMINED BY THE MAXIMUM MEASURED
53 KILOWATT DEMAND ACTUALLY SUPPLIED BY THE CORPORATION TO THE
54 CUSTOMER-GENERATOR DURING THE BILLING PERIOD.

55 5. SAFETY STANDARDS. (A) ON OR BEFORE THREE MONTHS AFTER THE EFFECTIVE
56 DATE OF THIS SECTION, EACH ELECTRIC CORPORATION SHALL ESTABLISH STAND-

ARDS THAT ARE NECESSARY FOR NET ENERGY METERING AND THE INTERCONNECTION OF SOLAR, FUEL CELL OR FARM WASTE ELECTRIC GENERATING EQUIPMENT TO ITS SYSTEM AND THAT THE COMMISSION SHALL DETERMINE ARE NECESSARY FOR SAFE AND ADEQUATE SERVICE AND FURTHER THE PUBLIC POLICY SET FORTH IN THIS SECTION. SUCH STANDARDS MAY INCLUDE BUT SHALL NOT BE LIMITED TO:

(I) EQUIPMENT NECESSARY TO ISOLATE AUTOMATICALLY THE SOLAR, FUEL CELL AND FARM WASTE GENERATING SYSTEM FROM THE UTILITY SYSTEM FOR VOLTAGE AND FREQUENCY DEVIATIONS; AND

(II) A MANUAL LOCKABLE DISCONNECT SWITCH PROVIDED BY THE CUSTOMER-GENERATOR WHICH SHALL BE LOCATED ON THE OUTSIDE OF THE CUSTOMER'S PREMISES AND EXTERNALLY ACCESSIBLE FOR THE PURPOSE OF ISOLATING THE SOLAR, FUEL CELL AND FARM WASTE ELECTRIC GENERATING EQUIPMENT.

(B) UPON ITS OWN MOTION OR UPON A COMPLAINT, THE COMMISSION, OR ITS DESIGNATED REPRESENTATIVE, MAY INVESTIGATE AND MAKE A DETERMINATION AS TO THE REASONABLENESS AND NECESSITY OF THE STANDARDS OR RESPONSIBILITY FOR COMPLIANCE WITH THE STANDARDS.

(I) IN THE CASE OF A CUSTOMER-GENERATOR WHO OWNS OR OPERATES SOLAR, FUEL CELL OR FARM WASTE ELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT THE SAME SITE WHERE THE EQUIPMENT IS LOCATED, AN ELECTRIC CORPORATION MAY NOT REQUIRE A CUSTOMER-GENERATOR TO COMPLY WITH ADDITIONAL SAFETY OR PERFORMANCE STANDARDS, PERFORM OR PAY FOR ADDITIONAL TESTS, OR PURCHASE ADDITIONAL LIABILITY INSURANCE PROVIDED THAT:

(1) THE ELECTRIC GENERATING EQUIPMENT MEETS THE SAFETY STANDARDS ESTABLISHED PURSUANT TO THIS PARAGRAPH; AND

(2) THE TOTAL RATED GENERATING CAPACITY (MEASURED IN KW) OF SOLAR, FUEL CELL OR FARM WASTE ELECTRIC GENERATING EQUIPMENT THAT PROVIDES ELECTRICITY TO THE ELECTRIC CORPORATION THROUGH THE SAME LOCAL FEEDER LINE, DOES NOT EXCEED TWENTY PERCENT OF THE RATED CAPACITY OF THAT LOCAL FEEDER LINE.

(II) IN THE EVENT THAT THE TOTAL RATED GENERATING CAPACITY OF SOLAR, FUEL CELL OR FARM WASTE ELECTRIC GENERATING EQUIPMENT THAT PROVIDES ELECTRICITY TO THE ELECTRIC CORPORATION THROUGH THE SAME LOCAL FEEDER LINE EXCEEDS TWENTY PERCENT OF THE RATED CAPACITY OF THE LOCAL FEEDER LINE, THE ELECTRIC CORPORATION MAY REQUIRE THE CUSTOMER-GENERATOR TO COMPLY WITH REASONABLE MEASURES TO ENSURE SAFETY OF THAT LOCAL FEEDER LINE.

6. ELECTRIC RESTRUCTURING. NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, INCLUDING, BUT NOT LIMITED TO PARAGRAPH (B) OF SUBDIVISION THREE OF THIS SECTION, A CUSTOMER-GENERATOR SHALL COMPLY WITH ANY APPLICABLE DETERMINATIONS OF THE COMMISSION RELATING TO RESTRUCTURING OF THE ELECTRIC INDUSTRY.

S 66-N. NET ENERGY METERING FOR WIND ELECTRIC GENERATING SYSTEMS. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "CUSTOMER-GENERATOR" MEANS A CUSTOMER OF AN ELECTRIC CORPORATION, WHO OWNS OR OPERATES WIND ELECTRIC GENERATING EQUIPMENT USED AT THE SAME SITE ON WHICH THE EQUIPMENT IS LOCATED.

(B) "NET ENERGY METER" MEANS A METER THAT MEASURES THE REVERSE FLOW OF ELECTRICITY TO REGISTER THE DIFFERENCE BETWEEN THE ELECTRICITY SUPPLIED BY AN ELECTRIC CORPORATION TO THE CUSTOMER-GENERATOR AND THE ELECTRICITY PROVIDED TO THE CORPORATION BY THAT CUSTOMER-GENERATOR.

(C) "NET ENERGY METERING" MEANS THE USE OF A NET ENERGY METER TO MEASURE, DURING THE BILLING PERIOD APPLICABLE TO A CUSTOMER-GENERATOR, THE NET AMOUNT OF ELECTRICITY SUPPLIED BY AN ELECTRIC CORPORATION AND PROVIDED TO THE CORPORATION BY A CUSTOMER-GENERATOR.

(D) "WIND ELECTRIC GENERATING EQUIPMENT" MEANS A WIND GENERATOR OR GENERATORS 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.

2. INTERCONNECTION AND NET ENERGY METERING. AN ELECTRIC CORPORATION SHALL PROVIDE FOR THE INTERCONNECTION OF WIND ELECTRIC 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. THE CUSTOMER-GENERATOR SHALL BE RESPONSIBLE FOR PAYMENT OF ONE-HALF OF THE EXPENSE OF SUCH INTERCONNECTION ON WIND-ELECTRIC GENERATING EQUIPMENT WITH A RATED CAPACITY OF MORE THAN TEN KILOWATTS.

3. CONDITIONS OF SERVICE. (A) 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. EACH ELECTRIC CORPORATION SHALL MAKE SUCH CONTRACT AND SCHEDULE AVAILABLE TO CUSTOMER-GENERATORS ON A FIRST COME, FIRST SERVED BASIS.

(B) IN THE EVENT THAT THE ELECTRIC CORPORATION DETERMINES THAT IT IS NECESSARY TO INSTALL A DEDICATED TRANSFORMER OR TRANSFORMERS TO PROTECT THE SAFETY AND ADEQUACY OF ELECTRIC SERVICE PROVIDED TO OTHER CUSTOMERS, A CUSTOMER-GENERATOR SHALL PAY THE ELECTRIC CORPORATION'S ACTUAL COSTS OF INSTALLING THE TRANSFORMER OR TRANSFORMERS;

(I) IN THE CASE OF A CUSTOMER-GENERATOR WHO OWNS AND OPERATES WIND ELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT THE SAME SITE WITH A COMBINED RATE CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS, UP TO A MAXIMUM AMOUNT OF SEVEN HUNDRED FIFTY DOLLARS; AND

(II) IN THE CASE OF A CUSTOMER-GENERATOR WHO OWNS AND OPERATES WIND ELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT THE SAME SITE WITH A COMBINED RATED CAPACITY EQUAL TO OR GREATER THAN TWENTY-FIVE KILOWATTS, THE PUBLIC SERVICE COMMISSION SHALL DETERMINE A RATE SCHEDULE THAT IS PROPORTIONATE WITH THE RATED CAPACITY OF THE GENERATING EQUIPMENT.

(C) AN ELECTRIC CORPORATION SHALL IMPOSE NO OTHER CHARGE OR FEE, INCLUDING, BUT NOT LIMITED TO, BACK UP, STAND BY OR DEMAND CHARGES, FOR THE PROVISION OF NET METERING TO A CUSTOMER-GENERATOR.

4. RATES. AN ELECTRIC CORPORATION SHALL USE NET ENERGY METERING TO MEASURE AND CHARGE FOR THE NET ELECTRICITY SUPPLIED BY THE CORPORATION AND PROVIDED TO THE CORPORATION BY A CUSTOMER-GENERATOR, ACCORDING TO THE FOLLOWING REQUIREMENTS:

(A) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY SUPPLIED BY THE CORPORATION DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY PROVIDED BY A CUSTOMER-GENERATOR, THE CORPORATION SHALL CHARGE THE CUSTOMER-GENERATOR FOR THE NET ELECTRICITY SUPPLIED AT THE SAME RATE PER KILOWATT HOUR APPLICABLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE SAME SERVICE CLASS WHICH DO NOT GENERATE ELECTRICITY ON SITE.

(B) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY PRODUCED BY A CUSTOMER-GENERATOR DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY USED BY THE CUSTOMER-GENERATOR, (I) FOR A CUSTOMER-GENERATOR WITH WIND

1 ELECTRIC GENERATING EQUIPMENT OF NOT MORE THAN TWENTY-FIVE KILOWATTS,
2 THE CORPORATION SHALL APPLY A CREDIT TO THE NEXT BILL FOR SERVICE TO THE
3 CUSTOMER-GENERATOR FOR THE NET ELECTRICITY PROVIDED AT THE SAME RATE PER
4 KILOWATT HOUR APPLICABLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE
5 SAME SERVICE CLASS WHICH DO NOT GENERATE ELECTRICITY ON SITE; (II) FOR A
6 CUSTOMER-GENERATOR WITH WIND ELECTRIC GENERATING EQUIPMENT OF MORE THAN
7 TWENTY-FIVE KILOWATTS, THE CORPORATION SHALL RECORD THE NET AMOUNT OF
8 ELECTRICITY PROVIDED TO IT BY THE CUSTOMER-GENERATOR AS A CREDIT AT THE
9 CORPORATION'S AVOIDED COST RATE. THE CREDIT PROVIDED TO THE
10 CUSTOMER-GENERATOR SHALL BE EQUAL TO THE COST OTHERWISE AVOIDED BY THE
11 ELECTRIC CORPORATION IN NOT HAVING TO PURCHASE SUCH ENERGY IN THE
12 COMPETITIVE MARKET OR GENERATE THE SAME THROUGH FACILITIES IT OWNS OR
13 CONTROLS.

14 (C) AT THE END OF THE YEAR OR ANNUALIZED OVER THE PERIOD THAT SERVICE
15 IS SUPPLIED BY MEANS OF NET ENERGY METERING, THE CORPORATION SHALL
16 PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COST TO THE CUSTOMER-GENERATOR FOR
17 THE VALUE OF ANY REMAINING CREDIT FOR THE EXCESS ELECTRICITY PRODUCED
18 DURING THE YEAR OR OVER THE ANNUALIZED PERIOD BY THE CUSTOMER-GENERATOR.

19 5. SAFETY STANDARDS. (A) ON OR BEFORE THREE MONTHS AFTER THE EFFECTIVE
20 DATE OF THIS SECTION, EACH ELECTRIC CORPORATION SHALL ESTABLISH STAND-
21 ARDS THAT ARE NECESSARY FOR NET ENERGY METERING AND THE INTERCONNECTION
22 OF WIND ELECTRIC GENERATING EQUIPMENT TO ITS SYSTEM AND THAT THE COMMIS-
23 SION SHALL DETERMINE ARE NECESSARY FOR SAFE AND ADEQUATE SERVICE AND
24 FURTHER THE PUBLIC POLICY SET FORTH IN THIS SECTION. SUCH STANDARDS MAY
25 INCLUDE, BUT SHALL NOT BE LIMITED TO:

26 (I) EQUIPMENT NECESSARY TO ISOLATE AUTOMATICALLY THE GENERATING SYSTEM
27 FROM THE UTILITY SYSTEM FOR VOLTAGE AND FREQUENCY DEVIATIONS; AND

28 (II) A MANUAL LOCKABLE DISCONNECT SWITCH PROVIDED BY THE CUSTOMER-GEN-
29 ERATOR WHICH SHALL BE LOCATED ON THE OUTSIDE OF THE CUSTOMER'S PREMISES
30 AND EXTERNALLY ACCESSIBLE FOR THE PURPOSE OF ISOLATING THE ELECTRIC
31 GENERATING EQUIPMENT.

32 (B) UPON ITS OWN MOTION OR UPON A COMPLAINT, THE COMMISSION, OR ITS
33 DESIGNATED REPRESENTATIVE, MAY INVESTIGATE AND MAKE A DETERMINATION AS
34 TO THE REASONABLENESS AND NECESSITY OF THE STANDARDS OR RESPONSIBILITY
35 FOR COMPLIANCE WITH THE STANDARDS.

36 (I) AN ELECTRIC CORPORATION MAY NOT REQUIRE A CUSTOMER-GENERATOR TO
37 COMPLY WITH ADDITIONAL SAFETY OR PERFORMANCE STANDARDS, OR PERFORM OR
38 PAY FOR ADDITIONAL TESTS, OR PURCHASE ADDITIONAL LIABILITY INSURANCE,
39 PROVIDED THAT:

40 A. THE ELECTRIC GENERATING EQUIPMENT MEETS THE SAFETY STANDARDS ESTAB-
41 LISHED PURSUANT TO THIS PARAGRAPH; AND

42 B. THE TOTAL RATED GENERATING CAPACITY (MEASURED IN KW) OF ELECTRIC
43 GENERATING EQUIPMENT THAT PROVIDES ELECTRICITY TO THE ELECTRIC CORPO-
44 RATION THROUGH THE SAME LOCAL FEEDER LINE, DOES NOT EXCEED TWENTY
45 PERCENT OF THE RATED CAPACITY OF THAT LOCAL FEEDER LINE.

46 (II) IN THE EVENT THAT THE TOTAL RATED GENERATING CAPACITY OF ELECTRIC
47 GENERATING EQUIPMENT THAT PROVIDES ELECTRICITY TO THE ELECTRIC CORPO-
48 RATION THROUGH THE SAME LOCAL FEEDER LINE EXCEEDS TWENTY PERCENT OF THE
49 RATED CAPACITY OF THE LOCAL FEEDER LINE, THE ELECTRIC CORPORATION MAY
50 REQUIRE THE CUSTOMER-GENERATOR TO COMPLY WITH REASONABLE MEASURES TO
51 ENSURE SAFETY OF THAT LOCAL FEEDER LINE.

52 6. ELECTRIC RESTRUCTURING. NOTWITHSTANDING THE PROVISIONS OF THIS
53 SECTION, A CUSTOMER-GENERATOR SHALL COMPLY WITH ANY APPLICABLE DETERMI-
54 NATIONS OF THE COMMISSION RELATING TO RESTRUCTURING OF THE ELECTRIC
55 INDUSTRY.

56 S 2. This act shall take effect immediately.