

4312

2009-2010 Regular Sessions

I N S E N A T E

April 21, 2009

Introduced by Sen. C. JOHNSON -- read twice and ordered printed, and
when printed to be committed to the Committee on Energy and Telecommu-
nications

AN ACT to amend the public service law, in relation to providing for net
energy metering for business solar electric generating systems

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

1 Section 1. The section heading and subdivisions 1, 3, 4 and 5 of
2 section 66-j of the public service law, the section heading, paragraphs
3 (a), (d) and (e) of subdivision 1, paragraphs (a), (b) and (c) of subdi-
4 vision 3, and paragraphs (c) and (d) of subdivision 4 as amended by
5 chapter 452 of the laws of 2008, subdivisions 1, 3, 4 and 5 as amended
6 by chapter 515 of the laws of 2002, paragraph (b) and the opening para-
7 graph of paragraph (e) of subdivision 1 as amended by chapter 480 of the
8 laws of 2008, are amended to read as follows:
9 Net energy metering for residential OR BUSINESS solar, farm waste [or]
10 AND non-residential solar electric generating systems. 1. Definitions.
11 As used in this section, the following terms shall have the following
12 meanings:
13 (a) "Customer-generator" means: (i) a residential customer of an elec-
14 tric corporation, who owns or operates solar electric generating equip-
15 ment located and used at his or her residence; (ii) a customer of an
16 electric corporation, who owns or operates farm waste electric generat-
17 ing equipment located and used at his or her "farm operation," as such
18 term is defined in subdivision eleven of section three hundred one of
19 the agriculture and markets law; [and] (iii) a non-residential customer
20 of an electric corporation which owns or operates solar electric gener-
21 ating equipment located and used at its premises; OR (IV) A BUSINESS
22 CUSTOMER OF AN ELECTRIC CORPORATION WHICH OWNS OR OPERATES SOLAR ELEC-
23 TRICITY GENERATING EQUIPMENT LOCATED AND USED AT ITS PLACE OF BUSINESS.

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

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(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) "Solar electric generating equipment" means a photovoltaic 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 the lesser of two thousand kilowatts or such customer's peak load as measured over the prior twelve month period, or in the case that such twelve month period of measurement is not available, then as determined by the commission based on its analysis of comparable facilities; 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. PROVIDED, THAT, FOR A BUSINESS CUSTOMER OF AN ELECTRIC CORPORATION WHICH OWNS OR OPERATES SOLAR ELECTRIC GENERATING EQUIPMENT LOCATED AND USED AT ITS PLACE OF BUSINESS, THE TERM "SOLAR ELECTRIC GENERATING EQUIPMENT" MEANS A PHOTOVOLTAIC SYSTEM WITH A RATED CAPACITY OF NOT MORE THAN ONE HUNDRED KILOWATTS.

(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 with a rated capacity of not more than five hundred kilowatts, 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 fifty percent by weight of its feedstock being livestock manure materials on an annual basis.

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 commis-

1 sion shall render a decision within three months of the date on which
2 the schedule is filed.

3 (iii) Each electric corporation shall make such contract and schedule
4 available to customer-generators on a first come, first served basis,
5 until the total rated generating capacity for solar and farm waste elec-
6 tric generating equipment owned or operated by customer-generators in
7 the corporation's service area is equivalent to one percent of the
8 corporation's electric demand for the year two thousand five, as deter-
9 mined by the department.

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

15 (c) In the event that the electric corporation determines that it is
16 necessary to install a dedicated transformer or transformers, or other
17 equipment to protect the safety and adequacy of electric service
18 provided to other customers, a customer-generator shall pay the electric
19 corporation's actual costs of installing the transformer or transfor-
20 mers, or other equipment:

21 (i) In the case of a customer-generator who owns or operates solar
22 electric generating equipment located and used at his or her residence
23 OR ITS BUSINESS; up to a maximum amount of three hundred fifty dollars.

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

28 (iii) In the case of a non-residential customer-generator who owns or
29 operates solar electric generating equipment located and used at its
30 premises, such cost shall be as determined by the department pursuant to
31 standards established thereby.

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 4. Rates. An electric corporation shall use net energy metering to
37 measure and charge for the net electricity supplied by the corporation
38 and provided to the corporation by a customer-generator, according to
39 these requirements:

40 (a) In the event that the amount of electricity supplied by the corpo-
41 ration during the billing period exceeds the amount of electricity
42 provided by a customer-generator, the corporation shall charge the
43 customer-generator for the net electricity supplied at the same rate per
44 kilowatt hour applicable to service provided to other customers in the
45 same service class which do not generate electricity onsite.

46 (b) In the event that the amount of electricity produced by a custom-
47 er-generator during the billing period exceeds the amount of electricity
48 used by the customer-generator, the corporation shall apply a credit to
49 the next bill for service to the customer-generator for the net elec-
50 tricity provided at the same rate per kilowatt hour applicable to
51 service provided to other customers in the same service class which do
52 not generate electricity onsite; PROVIDED THAT FOR BUSINESS
53 CUSTOMER-GENERATORS, THE CORPORATION SHALL APPLY A CREDIT TO THE NEXT
54 BILL FOR SERVICE TO SUCH BUSINESS FOR THE NET ELECTRICITY PROVIDED AT
55 THE WHOLE-SALE RATE THAT SUCH CORPORATION HAS PAID FOR SUCH ELECTRICITY,
56 AS DETERMINED BY THE COMMISSION.

(c) At the end of the year or annualized over the period that service is supplied by means of net energy metering, the corporation shall promptly issue payment at its avoided cost to the customer-generator, as defined in subparagraph (i) or (ii) of paragraph (a) of subdivision one of this section, for the value of any remaining credit for the excess electricity produced during the year or over the annualized period by the customer-generator.

(d) In the event that the corporation imposes charges based on kilowatt demand on customers who are in the same service class as the customer-generator but which do not generate electricity on site, the corporation may impose the same charges at the same rates to the customer-generator, provided, however, that the kilowatt demand for such demand charges is determined by the maximum measured kilowatt demand actually supplied by the corporation to the customer-generator during the billing period.

5. Safety standards. (a) On or before three months after the effective date of this section, each electric corporation shall establish standards that are necessary for net energy metering and the interconnection of residential AND BUSINESS solar [or] AND 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 residential OR BUSINESS solar 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 residential OR BUSINESS solar 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 electric generating equipment located and used at his or her residence OR ITS BUSINESS; 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 the residential solar or farm waste electric generating equipment meets the safety standards established pursuant to this paragraph.

(ii) In the case of a customer-generator who owns or operates farm waste electric generating equipment located and used at his or her "farm operation," 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 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.

(iii) In the event that the total rated generating capacity of farm waste electric generating equipment that provides electricity to the

1 electric corporation through the same local feeder line exceeds twenty
2 percent of the rated capacity of the local feeder line, the electric
3 corporation may require the customer-generator to comply with reasonable
4 measures to ensure safety of that local feeder line.
5 S 2. This act shall take effect on the one hundred eightieth day after
6 it shall have become a law.