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I N S E N A T E

May 4, 2010

Introduced by Sen. THOMPSON -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to credit for electricity generated by a customer-generator subject to net energy metering

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

1 Section 1. Subdivision 4 of section 66-j of the public service law, as
2 amended by chapter 355 of the laws of 2009, is amended to read as
3 follows:

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

8 (a) In the event that the amount of electricity supplied by the corpo-
9 ration during the billing period exceeds the amount of electricity
10 provided by a customer-generator, the corporation shall, AFTER DEDUCT-
11 ING, FROM THE AGGREGATE OF UNUSED CREDIT FOR EXCESS ELECTRICITY GENER-
12 ATED BY SUCH CUSTOMER-GENERATOR PRIOR TO SUCH BILLING PERIOD, AN AMOUNT
13 OF CREDIT EQUAL TO THE AMOUNT OF ELECTRICITY SUPPLIED BY THE ELECTRIC
14 CORPORATION, TO THE EXTENT SUCH CREDIT EXISTS, AND MAY THEREAFTER charge
15 the customer-generator for the net electricity supplied, AFTER DEDUCTION
16 OF SUCH CREDITS, at the same rate per kilowatt hour applicable to
17 service provided to other customers in the same service class which do
18 not generate electricity onsite.

19 (b) In the event that the amount of electricity produced by a custom-
20 er-generator during the billing period exceeds the amount of electricity
21 used by the customer-generator, the corporation shall (I) apply a credit
22 to the next bill for service to the customer-generator for the net elec-
23 tricity provided at the same rate per kilowatt hour applicable to
24 service provided to other customers in the same service class which do
25 not generate electricity onsite, OR (II) AT THE OPTION OF THE CUSTOMER-
26 GENERATOR, CREDIT SUCH CUSTOMER-GENERATOR WITH THE AMOUNT OF EXCESS

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

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1 KILOWATT HOURS GENERATED IN EXCESS OF ITS USE, AND SUCH CREDIT SHALL BE
2 AGGREGATED INDEFINITELY TO BE USED AS CREDIT AGAINST CHARGES INCURRED
3 PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION; except for micro-combined
4 heat and power or fuel cell customer-generators, who will be credited at
5 the corporation's avoided costs. The avoided cost credit provided to
6 micro-combined heat and power or fuel cell customer-generators shall be
7 treated for ratemaking purposes as a purchase of electricity in the
8 market that is includable in commodity costs.

9 (c) At the end of the year or annualized over the period that service
10 is supplied by means of net energy metering, the corporation shall (I)
11 promptly issue payment at its avoided cost to the customer-generator, as
12 defined in subparagraph (i) [or], (ii), (IV) OR (V) of paragraph (a) of
13 subdivision one of this section, for the value of any remaining credit
14 for the excess electricity produced during the year or over the annual-
15 ized period by the customer-generator, OR (II) AT THE OPTION OF THE
16 CUSTOMER-GENERATOR, SHALL CONTINUE TO AGGREGATE CREDIT FOR THE AVOIDED
17 COST FOR AN INDEFINITE PERIOD OF TIME AND CONTINUE TO ALLOW USE OF SUCH
18 CREDIT TO OFFSET ANY LIABILITY OF THE CUSTOMER-GENERATOR TO THE ELECTRIC
19 CORPORATION DURING BILLING PERIODS IN WHICH THE ELECTRICITY GENERATED BY
20 THE CUSTOMER-GENERATOR IS LESS THAN THAT USED BY SUCH CUSTOMER.

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

29 (E) IN THE EVENT THAT A CUSTOMER-GENERATOR ELECTS TO ALLOW THE AGGRE-
30 GATION OF ANY CREDITS FOR EXCESS ELECTRICITY GENERATED, THE
31 CUSTOMER-GENERATOR SHALL BE ENTITLED TO AN ACCOUNTING OF SUCH CREDITS
32 ONCE EVERY FIVE YEARS AND UPON SUCH ACCOUNTING, THE ELECTRIC CORPORATION
33 SHALL PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COST TO SUCH CUSTOMER-GENER-
34 ATOR, AS DEFINED IN SUBPARAGRAPH (I), (II), (IV) OR (V) OF PARAGRAPH (A)
35 OF SUBDIVISION ONE OF THIS SECTION, FOR THE VALUE OF ANY REMAINING CRED-
36 IT FOR THE EXCESS ELECTRICITY PRODUCED BY THE CUSTOMER-GENERATOR.

37 S 2. Subdivision 4 of section 66-1 of the public service law, as
38 amended by chapter 721 of the laws of 2006, paragraphs (b) and (c) as
39 amended and paragraph (d) as added by chapter 483 of the laws of 2008,
40 is amended to read as follows:

41 4. Rates. An electric corporation shall use net energy metering to
42 measure and charge for the net electricity supplied by the corporation
43 and provided to the corporation by a customer-generator, according to
44 the following requirements:

45 (a) In the event that the amount of electricity supplied by the corpo-
46 ration during the billing period exceeds the amount of electricity
47 provided by a customer-generator, the corporation shall, AFTER DEDUCT-
48 ING, FROM THE AGGREGATE OF UNUSED CREDIT FOR EXCESS ELECTRICITY GENER-
49 ATED BY SUCH CUSTOMER-GENERATOR PRIOR TO SUCH BILLING PERIOD, AN AMOUNT
50 OF CREDIT EQUAL TO THE AMOUNT OF ELECTRICITY SUPPLIED BY THE ELECTRIC
51 CORPORATION, TO THE EXTENT SUCH CREDIT EXISTS, AND MAY THEREAFTER charge
52 the customer-generator for the net electricity supplied, AFTER DEDUCTION
53 OF SUCH CREDITS, at the same rate per kilowatt hour applicable to
54 service provided to other customers in the same service class which do
55 not generate electricity on site.

1 (b) In the event that the amount of electricity produced by a custom-
2 er-generator during the billing period exceeds the amount of electricity
3 used by the customer-generator, the corporation shall (I) apply a credit
4 to the next bill for service to the customer-generator for the net elec-
5 tricity provided at the same rate per kilowatt hour applicable to
6 service provided to other customers in the same service class which do
7 not generate electricity on site, OR (II) AT THE OPTION OF THE CUSTOM-
8 ER-GENERATOR, CREDIT SUCH CUSTOMER-GENERATOR WITH THE AMOUNT OF EXCESS
9 KILOWATT HOURS GENERATED IN EXCESS OF ITS USE, AND SUCH CREDIT SHALL BE
10 AGGREGATED INDEFINITELY TO BE USED AS CREDIT AGAINST CHARGES INCURRED
11 PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION.

12 (c) At the end of the year or annualized over the period that service
13 is supplied by means of net energy metering, the corporation shall (I)
14 promptly issue payment at its avoided cost to a residential or farm
15 service customer-generator for the value of any remaining credit for the
16 excess electricity produced during the year or over the annualized peri-
17 od by such customer-generator, OR (II) AT THE OPTION OF THE
18 CUSTOMER-GENERATOR, SHALL CONTINUE TO AGGREGATE CREDIT FOR THE AVOIDED
19 COST FOR AN INDEFINITE PERIOD OF TIME, AND CONTINUE TO ALLOW USE OF SUCH
20 CREDIT TO OFFSET ANY LIABILITY OF THE CUSTOMER-GENERATOR TO THE ELECTRIC
21 CORPORATION DURING BILLING PERIODS IN WHICH THE ELECTRICITY GENERATED BY
22 THE CUSTOMER-GENERATOR IS LESS THAN THAT USED BY SUCH CUSTOMER.

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

31 (E) IN THE EVENT THAT A CUSTOMER-GENERATOR ELECTS TO ALLOW THE AGGRE-
32 GATION OF ANY CREDITS FOR EXCESS ELECTRICITY GENERATED, THE
33 CUSTOMER-GENERATOR SHALL BE ENTITLED TO AN ACCOUNTING OF SUCH CREDITS
34 ONCE EVERY FIVE YEARS AND UPON SUCH ACCOUNTING, THE ELECTRIC CORPORATION
35 SHALL PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COST TO SUCH CUSTOMER-GENER-
36 ATOR FOR THE VALUE OF ANY REMAINING CREDIT FOR THE EXCESS ELECTRICITY
37 PRODUCED BY THE CUSTOMER-GENERATOR.

38 S 3. This act shall take effect on the first of January next succeed-
39 ing the date on which it shall have become a law.