

3625

2011-2012 Regular Sessions

I N S E N A T E

February 28, 2011

Introduced by Sen. PARKER -- 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 authorizing virtual 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 a new section
2 66-m to read as follows:

3 S 66-M. VIRTUAL NET ENERGY METERING. 1. DEFINITIONS. AS USED IN THIS
4 SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

5 (A) "CUSTOMER-GENERATOR" MEANS: (I) A CITY, TOWN, VILLAGE OR SPECIAL
6 DISTRICT WHICH OWNS OR OPERATES ENERGY GENERATING EQUIPMENT FOR THE
7 BENEFIT OF THE RESIDENTS THEREOF WHO ARE CUSTOMERS OF A SINGLE ELECTRIC
8 CORPORATION; (II) A GROUP OF NONRESIDENTIAL CUSTOMERS OF AN ELECTRIC
9 CORPORATION, WHO HAVE ENTERED INTO AN AGREEMENT TO JOINTLY OWN OR OPER-
10 ATE ENERGY GENERATING EQUIPMENT; AND (III) A GROUP OF FARM OPERATIONS
11 CUSTOMERS OF AN ELECTRIC CORPORATION, WHO HAVE ENTERED INTO AN AGREEMENT
12 TO JOINTLY OWN OR OPERATE ENERGY GENERATING EQUIPMENT.

13 (B) "ENERGY GENERATING EQUIPMENT" MEANS FARM WASTE ELECTRIC GENERATING
14 EQUIPMENT, FUEL CELL ELECTRIC GENERATING EQUIPMENT, MICRO-COMBINED HEAT
15 AND POWER GENERATING EQUIPMENT, SOLAR ELECTRIC GENERATING EQUIPMENT
16 AND/OR WIND ELECTRIC GENERATING EQUIPMENT.

17 (C) "FARM OPERATIONS CUSTOMER" MEANS THE CUSTOMER OF AN ELECTRIC
18 CORPORATION WHO USES ELECTRIC ENERGY IN HIS, HER OR ITS FARM OPERATION
19 AS DEFINED IN SUBDIVISION ELEVEN OF SECTION THREE HUNDRED ONE OF THE
20 AGRICULTURE AND MARKETS LAW.

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

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

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

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

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

7 (IV) FUELED BY BIOGAS GENERATED BY ANAEROBIC DIGESTION WITH AT LEAST
8 FIFTY PERCENT BY WEIGHT OF ITS FEEDSTOCK BEING LIVESTOCK MANURE MATERI-
9 ALS ON AN ANNUAL BASIS.

10 (E) "FUEL CELL ELECTRIC GENERATING EQUIPMENT" MEANS A SOLID OXIDE,
11 MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL
12 THAT IS MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICA-
13 BLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC
14 SYSTEM AND OPERATED IN PARALLEL WITH AN ELECTRIC CORPORATION'S TRANS-
15 MISSION AND DISTRIBUTION FACILITIES.

16 (F) "MEMBER" MEANS ANY RESIDENT OF A MUNICIPALITY THAT IS A CUSTOMER-
17 GENERATOR, OR ANY MEMBER OF A GROUP OF ELECTRIC CUSTOMERS THAT IS A
18 CUSTOMER-GENERATOR.

19 (G) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT" MEANS AN
20 INTEGRATED, COGENERATING BUILDING HEATING AND ELECTRICAL POWER GENER-
21 ATION SYSTEM, OPERATING ON ANY FUEL AND OF ANY APPLICABLE ENGINE, FUEL
22 CELL OR OTHER TECHNOLOGY THAT MAY WORK IN COMBINATION WITH SUPPLEMENTAL
23 OR PARALLEL CONVENTIONAL HEATING SYSTEMS, THAT IS MANUFACTURED,
24 INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICABLE GOVERNMENT AND
25 INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC SYSTEM AND OPER-
26 ATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANSMISSION AND
27 DISTRIBUTION FACILITIES.

28 (H) "NET ENERGY METER" MEANS METERS THAT MEASURE THE REVERSE FLOW OF
29 ELECTRICITY TO REGISTER THE DIFFERENCE BETWEEN THE ELECTRICITY SUPPLIED
30 BY AN ELECTRIC CORPORATION TO THE MEMBERS OF A CUSTOMER-GENERATOR AND
31 THE ELECTRICITY PROVIDED TO THE CORPORATION BY THAT CUSTOMER-GENERATOR.

32 (I) "NET ENERGY METERING" MEANS THE USE OF NET ENERGY METERS TO MEAS-
33 URE, DURING THE BILLING PERIOD APPLICABLE TO THE MEMBERS OF A CUSTOMER-
34 GENERATOR, THE NET AMOUNT OF ELECTRICITY SUPPLIED BY AN ELECTRIC CORPO-
35 RATION AND PROVIDED TO THE CORPORATION BY SUCH CUSTOMER-GENERATOR.

36 (J) "SOLAR ELECTRIC GENERATING EQUIPMENT" MEANS A PHOTOVOLTAIC SYSTEM
37 THAT IS MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH APPLICA-
38 BLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE ELECTRIC
39 SYSTEM AND OPERATED IN CONJUNCTION WITH AN ELECTRIC CORPORATION'S TRANS-
40 MISSION AND DISTRIBUTION FACILITIES.

41 (K) "WIND ELECTRIC GENERATING EQUIPMENT" MEANS ONE OR MORE WIND GENER-
42 ATORS THAT ARE MANUFACTURED, INSTALLED AND OPERATED IN ACCORDANCE WITH
43 APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS CONNECTED TO THE
44 ELECTRIC SYSTEM AND OPERATED IN PARALLEL WITH AN ELECTRIC CORPORATION'S
45 TRANSMISSION AND DISTRIBUTION FACILITIES.

46 2. INTERCONNECTION AND NET ENERGY METERING. AN ELECTRIC CORPORATION
47 SHALL PROVIDE FOR THE INTERCONNECTION OF ENERGY GENERATING EQUIPMENT
48 OWNED OR OPERATED BY A CUSTOMER-GENERATOR AND FOR NET ENERGY METERING OF
49 THE MEMBERS OF SUCH CUSTOMER-GENERATOR, PROVIDED THAT THE CUSTOMER-GEN-
50 ERATOR ENTERS INTO A NET ENERGY METERING CONTRACT WITH THE CORPORATION
51 OR COMPLIES WITH THE CORPORATION'S NET ENERGY METERING SCHEDULE AND
52 COMPLIES WITH STANDARDS AND REQUIREMENTS ESTABLISHED PURSUANT TO THIS
53 SECTION.

54 3. CONDITIONS OF SERVICE. (A) ON OR BEFORE THREE MONTHS AFTER THE
55 EFFECTIVE DATE OF THIS SECTION, EACH ELECTRIC CORPORATION SHALL DEVELOP
56 A MODEL CONTRACT AND FILE A SCHEDULE THAT ESTABLISHES CONSISTENT AND

1 REASONABLE RATES, TERMS AND CONDITIONS FOR NET ENERGY METERING TO
2 MEMBERS OF CUSTOMER-GENERATORS, ACCORDING TO THE REQUIREMENTS OF THIS
3 SECTION. THE COMMISSION SHALL RENDER A DECISION WITHIN THREE MONTHS FROM
4 THE DATE ON WHICH THE SCHEDULE IS FILED.

5 (B) IN THE EVENT THAT THE ELECTRIC CORPORATION DETERMINES THAT IT IS
6 NECESSARY TO INSTALL A DEDICATED TRANSFORMER OR TRANSFORMERS, OR OTHER
7 EQUIPMENT TO PROTECT THE SAFETY AND ADEQUACY OF ELECTRIC SERVICE
8 PROVIDED TO OTHER CUSTOMERS, A CUSTOMER-GENERATOR SHALL PAY THE ELECTRIC
9 CORPORATION'S ACTUAL COSTS OF INSTALLING THE TRANSFORMER OR TRANSFOR-
10 MERS, OR OTHER EQUIPMENT AS DETERMINED BY THE ELECTRIC CORPORATION
11 SUBJECT TO REVIEW, UPON REQUEST OF SUCH CUSTOMER-GENERATOR, BY THE
12 DEPARTMENT.

13 (C) AN ELECTRIC CORPORATION SHALL IMPOSE NO OTHER CHARGE OR FEE,
14 INCLUDING BACK-UP, STANDBY AND DEMAND CHARGES, FOR THE PROVISION OF NET
15 ENERGY METERING TO THE MEMBERS OF A CUSTOMER-GENERATOR.

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

20 (A) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY SUPPLIED BY THE CORPO-
21 RATION DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY
22 PROVIDED TO THE MEMBERS OF A CUSTOMER-GENERATOR, THE CORPORATION SHALL
23 CHARGE THE MEMBERS OF THE CUSTOMER-GENERATOR, ON A PRO-RATA BASIS, FOR
24 THE NET ELECTRICITY SUPPLIED AT THE SAME RATE PER KILOWATT HOUR APPLICA-
25 BLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE SAME SERVICE CLASS
26 WHICH DO NOT GENERATE ELECTRICITY ONSITE.

27 (B) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY PRODUCED BY A CUSTOM-
28 ER-GENERATOR DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY
29 USED BY THE MEMBERS OF THE CUSTOMER-GENERATOR, THE CORPORATION SHALL
30 APPLY A CREDIT, ON A PRO-RATA BASIS, TO THE NEXT BILLS FOR SERVICE TO
31 THE MEMBERS OF THE CUSTOMER-GENERATOR FOR THE NET ELECTRICITY PROVIDED
32 AS THE SAME RATE PER KILOWATT HOUR APPLICABLE TO SERVICE PROVIDED TO
33 OTHER CUSTOMERS IN THE SAME SERVICE CLASS WHICH DO NOT GENERATE ELEC-
34 TRICITY ON SITE.

35 (C) AT THE END OF THE YEAR OR ANNUALIZED OVER THE PERIOD THAT SERVICE
36 IS SUPPLIED BY MEANS OF NET ENERGY METERING, THE CORPORATION SHALL
37 PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COSTS, ON A PRO-RATA BASIS, TO THE
38 MEMBERS OF A CUSTOMER-GENERATOR FOR THE VALUE OF ANY REMAINING CREDIT
39 FOR THE EXCESS ELECTRICITY PRODUCED DURING THE YEAR OR OVER THE ANNUAL-
40 IZED PERIOD BY THE CUSTOMER-GENERATOR.

41 5. SAFETY STANDARDS. ON OR BEFORE THREE MONTHS AFTER THE EFFECTIVE
42 DATE OF THIS SECTION, EACH ELECTRIC CORPORATION SHALL ESTABLISH STAND-
43 ARDS THAT ARE NECESSARY FOR NET ENERGY METERING AND THE INTERCONNECTION
44 OF ENERGY GENERATING EQUIPMENT TO ITS SYSTEM AND THAT THE COMMISSION
45 SHALL DETERMINE ARE NECESSARY FOR SAFE AND ADEQUATE SERVICE AND FURTHER
46 THE PUBLIC POLICY SET FORTH IN THIS SECTION. SUCH STANDARDS MAY INCLUDE,
47 BUT SHALL NOT BE LIMITED TO:

48 (A) EQUIPMENT NECESSARY TO ISOLATE AUTOMATICALLY THE ENERGY GENERATING
49 EQUIPMENT FROM THE UTILITY SYSTEM FOR VOLTAGE AND FREQUENCY DEVIATIONS;
50 AND

51 (B) A MANUAL LOCKABLE DISCONNECT SWITCH PROVIDED BY THE CUSTOMER-GEN-
52 ERATOR WHICH SHALL BE LOCATED ON THE OUTSIDE OF THE MEMBERS' PREMISES
53 AND EXTERNALLY ACCESSIBLE FOR THE PURPOSE OF ISOLATING THE ENERGY GENER-
54 ATING EQUIPMENT.

55 S 2. This act shall take effect immediately.