S T A T E O F N E W Y O R K

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I N S E N A T E

March 8, 2012

Introduced by Sen. MAZIARZ -- (at request of the Department of Public Service) -- 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, the public authorities law and the environmental conservation law, in relation to net metering of electric generating facilities; to repeal sections 66-j and 66-l of the public service law relating to net metering of certain residential and non-residential electric generating systems; and to repeal section 66-k of the public service law, subdivision 10-a of section 1854 of the public authorities law, and section 99-g of the state finance law relating to sulfur dioxide trading credits

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

Section 1. Sections 66-j, 66-k and 66-l of the public service law are REPEALED and a new section 66-j is added to read as follows:

S 66-J. NET ENERGY METERING FOR RESIDENTIAL SOLAR, RESIDENTIAL WIND, RESIDENTIAL MICRO-HYDROELECTRIC, FARM WASTE, FARM WIND, NON-RESIDENTIAL SOLAR, NON-RESIDENTIAL WIND, NON-RESIDENTIAL MICRO-HYDROELECTRIC, RESIDENTIAL MICRO-COMBINED HEAT AND POWER AND FUEL CELL, AND NON-RESIDENTIAL FUEL CELL ELECTRIC GENERATING EQUIPMENT. 1. DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "CUSTOMER-GENERATOR" MEANS: (I) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO LOCATES AND USES SOLAR ELECTRIC GENERATING EQUIPMENT AT HIS OR HER RESIDENCE; (II) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO LOCATES AND USES WIND ELECTRIC GENERATING EQUIPMENT AT HIS OR HER RESIDENCE; (III) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO LOCATES AND USES MICRO-HYDROELECTRIC GENERATING EQUIPMENT AT HIS OR HER RESIDENCE; (IV) A CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES FARM WASTE ELECTRIC GENERATING EQUIPMENT AT THE CUSTOMER'S FARM OPERATION, AS SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF SECTION THREE HUNDRED ONE OF THE AGRICULTURE AND MARKETS LAW; (V) A CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES FARM WIND ELECTRIC GENERATING EQUIPMENT ON LAND USED IN AGRICULTURAL PRODUCTION AS DEFINED IN SUBDIVISION FOUR OF SECTION THREE HUNDRED ONE OF THE AGRICUL-

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

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TURE AND MARKETS LAW AND WHICH IS ALSO THE LOCATION OF THE CUSTOMER'S PRIMARY RESIDENCE; (VI) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES SOLAR ELECTRIC GENERATING EQUIPMENT AT ITS PREMISES; (VII) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES WIND ELECTRIC GENERATING EQUIPMENT AT ITS PREMISES; (VIII) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES MICRO-HYDROELECTRIC GENERATING EQUIPMENT AT ITS PREMISES; (IX) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO LOCATES AND USES MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT AT HIS OR HER RESIDENCE; (X) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO LOCATES AND USES FUEL CELL GENERATING EQUIPMENT AT HIS OR HER RESIDENCE; AND (XI) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES FUEL CELL GENERATING EQUIPMENT AT ITS PREMISES.

(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 FROM ELECTRIC GENERATING EQUIPMENT THAT IS: (I) 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; AND (II) MEETS THE REQUIREMENTS OF PARAGRAPH (D) OF THIS SUBDIVISION.

(D) (I) "SOLAR ELECTRIC GENERATING EQUIPMENT" MEANS A PHOTOVOLTAIC SYSTEM THAT: (A) IN THE CASE OF A RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS; AND (B) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWO THOUSAND KILOWATTS.

(II) "FARM WASTE ELECTRIC GENERATING EQUIPMENT" MEANS EQUIPMENT LOCATED AT A FARM OPERATION 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 ONE THOUSAND KILOWATTS, THAT IS: (A) 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, FARMING WASTE, CROP RESIDUES, AND FOOD PROCESSING WASTE; AND (B) 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.

(III) "WIND ELECTRIC GENERATING EQUIPMENT" MEANS A WIND GENERATION SYSTEM THAT: (A) IN THE CASE OF A RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS; AND (B) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWO THOUSAND KILOWATTS.

(IV) "FARM WIND ELECTRIC GENERATING EQUIPMENT" MEANS A WIND GENERATION SYSTEM THAT IS LOCATED ON LAND USED IN AGRICULTURAL PRODUCTION AS DEFINED IN SUBDIVISION FOUR OF SECTION THREE HUNDRED ONE OF THE AGRICULTURE AND MARKETS LAW AND WHICH IS ALSO THE LOCATION OF THE CUSTOMER'S PRIMARY RESIDENCE, WITH A RATED CAPACITY OF NOT MORE THAN FIVE HUNDRED KILOWATTS.

(V) "MICRO-HYDROELECTRIC GENERATING EQUIPMENT" MEANS A HYDROELECTRIC SYSTEM THAT: (A) IN THE CASE OF A RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS; AND (B) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER, HAS A RATED CAPACITY OF NOT MORE THAN TWO THOUSAND KILOWATTS.

(VI) "MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT" MEANS EQUIPMENT THAT IS AN INTEGRATED, COGENERATING RESIDENTIAL BUILDING HEATING AND ELECTRICAL POWER GENERATION SYSTEM, OPERATING ON ANY FUEL AND OF ANY APPLICABLE ENGINE, FUEL CELL, OR OTHER TECHNOLOGY, WITH A RATED CAPACITY OF AT LEAST ONE KILOWATT AND NOT MORE THAN TEN KILOWATTS ELECTRIC AND ANY THERMAL OUTPUT THAT AT FULL LOAD HAS A DESIGN TOTAL FUEL USE EFFICIENCY IN THE PRODUCTION OF HEAT AND ELECTRICITY OF NOT LESS THAN EIGHTY PERCENT, AND ANNUALLY PRODUCES AT LEAST TWO THOUSAND KILOWATT HOURS OF USEFUL ENERGY IN THE FORM OF ELECTRICITY THAT MAY WORK IN COMBINATION WITH SUPPLEMENTAL OR PARALLEL CONVENTIONAL HEATING SYSTEMS.

(VII) "FUEL CELL ELECTRIC GENERATING EQUIPMENT" MEANS EQUIPMENT THAT IS: (A) IN THE CASE OF A RESIDENTIAL CUSTOMER, A SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL WITH A COMBINED RATED CAPACITY OF NOT MORE THAN TEN KILOWATTS; AND (B) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER, A SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL WITH A COMBINED RATED CAPACITY OF NOT MORE THAN ONE THOUSAND FIVE HUNDRED KILOWATTS.

2. INTERCONNECTION AND NET ENERGY METERING. AN ELECTRIC CORPORATION SHALL PROVIDE FOR THE INTERCONNECTION OF SOLAR, WIND, FARM WASTE, MICRO-HYDROELECTRIC, MICRO-COMBINED HEAT AND POWER, AND FUEL CELL ELECTRIC GENERATING EQUIPMENT 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.

3. CONDITIONS OF SERVICE. (A) EACH ELECTRIC CORPORATION SHALL MAKE AVAILABLE TO CUSTOMER-GENERATORS A MODEL CONTRACT AND SCHEDULES FILED WITH AND APPROVED BY THE COMMISSION THAT ESTABLISH CONSISTENT AND REASONABLE RATES, TERMS AND CONDITIONS FOR NET ENERGY METERING TO CUSTOMER-GENERATORS ON A FIRST COME, FIRST SERVED BASIS, UNTIL THE TOTAL RATED GENERATING CAPACITY FOR SOLAR, WIND, MICRO-HYDROELECTRIC, FARM WASTE, FARM WIND, MICRO-COMBINED HEAT AND POWER, AND FUEL CELL ELECTRIC GENERATING EQUIPMENT LOCATED AND USED BY CUSTOMER-GENERATORS IN THE CORPORATION'S SERVICE AREA IS EQUIVALENT TO ONE AND THREE-TENTHS PERCENT OF THE CORPORATION'S ELECTRIC DEMAND FOR THE YEAR TWO THOUSAND FIVE, AS DETERMINED BY THE DEPARTMENT.

(B) NOTHING IN THIS SUBDIVISION SHALL PROHIBIT A CORPORATION FROM PROVIDING NET ENERGY METERING TO ADDITIONAL CUSTOMER-GENERATORS. THE COMMISSION SHALL HAVE THE AUTHORITY, AFTER JANUARY FIRST, TWO THOUSAND TWELVE, TO INCREASE THE PERCENT LIMITS IF IT DETERMINES THAT ADDITIONAL NET ENERGY METERING IS IN THE PUBLIC INTEREST.

(C) IN THE EVENT THAT THE ELECTRIC CORPORATION DETERMINES THAT IT IS NECESSARY TO INSTALL A DEDICATED TRANSFORMER OR TRANSFORMERS, OR OTHER EQUIPMENT 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, OR OTHER EQUIPMENT:

(I) IN THE CASE OF A CUSTOMER-GENERATOR WHO LOCATES AND USES AT HIS OR HER RESIDENCE SOLAR, WIND, MICRO-HYDROELECTRIC, MICRO-COMBINED HEAT AND POWER OR FUEL CELL ELECTRIC GENERATING EQUIPMENT, OR A NON-RESIDENTIAL CUSTOMER-GENERATOR WHICH LOCATES AND USES AT ITS PREMISES SOLAR, WIND,

MICRO-HYDROELECTRIC OR FUEL CELL ELECTRIC GENERATING EQUIPMENT WITH A RATED CAPACITY OF NOT MORE THAN TWENTY-FIVE KILOWATTS, UP TO A MAXIMUM AMOUNT OF THREE HUNDRED FIFTY DOLLARS;

(II) IN THE CASE OF A CUSTOMER-GENERATOR WHO LOCATES AND USES FARM WASTE ELECTRIC GENERATING EQUIPMENT AT THE CUSTOMER'S FARM OPERATION OR WHO LOCATES AND USES FARM WIND ELECTRIC GENERATION EQUIPMENT ON LAND USED IN AGRICULTURAL PRODUCTION AND WHICH IS ALSO THE LOCATION OF THE CUSTOMER'S PRIMARY RESIDENCE; UP TO A TOTAL AMOUNT OF FIVE THOUSAND DOLLARS; AND

(III) IN THE CASE OF A NON-RESIDENTIAL CUSTOMER-GENERATOR WHO LOCATES AND USES SOLAR, WIND, MICRO-HYDROELECTRIC, OR FUEL CELL ELECTRIC GENERATING EQUIPMENT WITH A RATED CAPACITY OF MORE THAN TWENTY-FIVE KILOWATTS AT ITS PREMISES, SUCH COST SHALL BE AS DETERMINED BY THE ELECTRIC CORPORATION SUBJECT TO REVIEW, UPON THE REQUEST OF SUCH CUSTOMER-GENERATOR, BY THE DEPARTMENT.

(D) AN ELECTRIC CORPORATION SHALL IMPOSE NO OTHER CHARGE OR FEE, INCLUDING BACK-UP, STAND BY AND DEMAND CHARGES, FOR THE PROVISION OF NET ENERGY METERING TO A CUSTOMER-GENERATOR, EXCEPT AS PROVIDED IN PARAGRAPH (D) OF SUBDIVISION FOUR OF THIS SECTION.

(E) A FARM WASTE CUSTOMER AS DEFINED BY SUBPARAGRAPH (IV) OF PARAGRAPH (A) OF SUBDIVISION ONE OF THIS SECTION, A FARM WIND CUSTOMER AS DEFINED BY SUBPARAGRAPH (V) OF PARAGRAPH (A) OF SUBDIVISION ONE OF THIS SECTION, OR A NON-RESIDENTIAL CUSTOMER AS DEFINED BY SUBPARAGRAPHS (VI), (VII) AND (VIII) OF PARAGRAPH (A) OF SUBDIVISION ONE OF THIS SECTION THAT LOCATES AND USES ELECTRIC GENERATING EQUIPMENT WITH A NET ENERGY METER ON PROPERTY OWNED OR LEASED BY SUCH CUSTOMER-GENERATOR MAY DESIGNATE ALL OR A PORTION OF THE NET METERING CREDITS GENERATED BY SUCH EQUIPMENT TO METERS AT ANY PROPERTY OWNED OR LEASED BY SUCH CUSTOMER-GENERATOR WITHIN THE SERVICE TERRITORY OF THE SAME ELECTRIC CORPORATION TO WHICH THE CUSTOMER-GENERATOR'S NET ENERGY METERS ARE INTERCONNECTED AND BEING WITHIN THE SAME LOAD ZONE AS DETERMINED BY THE LOCATION BASED MARGINAL PRICE AS OF THE DATE OF INITIAL REQUEST BY THE CUSTOMER-GENERATOR TO CONDUCT NET METERING. THE ELECTRIC CORPORATION WILL CREDIT THE ACCOUNTS OF THE CUSTOMER BY APPLYING ANY CREDITS TO THE HIGHEST USE METER FIRST, THEN SUBSEQUENT HIGHEST USE METERS UNTIL ALL SUCH CREDITS ARE ATTRIBUTED TO THE CUSTOMER. ANY EXCESS CREDITS SHALL BE CARRIED OVER TO THE FOLLOWING MONTH.

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 THESE 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 ONSITE.

(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, THE CORPORATION SHALL APPLY A CREDIT TO THE NEXT BILL FOR SERVICE TO THE CUSTOMER-GENERATOR FOR THE NET ELECTRICITY PROVIDED AT THE SAME RATE PER KILOWATT HOUR APPLICABLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE SAME SERVICE CLASS WHICH DO NOT GENERATE ELECTRICITY ONSITE, EXCEPT FOR MICRO-COMBINED HEAT AND POWER OR FUEL CELL CUSTOMER-GENERATORS, WHO WILL BE CREDITED AT THE CORPORATION'S AVOIDED COSTS. THE AVOIDED COST CREDIT PROVIDED TO MICRO-

COMBINED HEAT AND POWER OR FUEL CELL CUSTOMER-GENERATORS SHALL BE TREATED FOR RATEMAKING PURPOSES AS A PURCHASE OF ELECTRICITY IN THE MARKET THAT IS INCLUDABLE IN COMMODITY COSTS.

(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 SUBPARAGRAPHS (I), (II), (III), (IV) AND (V) 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) EACH ELECTRIC CORPORATION SHALL ESTABLISH STANDARDS THAT ARE NECESSARY FOR THE INTERCONNECTION OF ELECTRIC GENERATING EQUIPMENT NET METERED BY CUSTOMER-GENERATORS 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 ELECTRIC GENERATING EQUIPMENT NET METERED BY CUSTOMER-GENERATORS 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 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.

(C) AN ELECTRIC CORPORATION MAY NOT REQUIRE A RESIDENTIAL, FARM WASTE, OR FARM WIND CUSTOMER-GENERATOR TO COMPLY WITH ADDITIONAL SAFETY OR PERFORMANCE STANDARDS, PERFORM OR PAY FOR ADDITIONAL TESTS, OR PURCHASE ADDITIONAL LIABILITY INSURANCE PROVIDED THAT THE CUSTOMER-GENERATOR'S NET METERED ELECTRIC GENERATING EQUIPMENT MEETS THE SAFETY STANDARDS ESTABLISHED PURSUANT TO THIS SUBDIVISION.

(D) IN THE EVENT THAT THE TOTAL RATED GENERATING CAPACITY OF FARM WASTE AND FARM WIND ELECTRIC GENERATING EQUIPMENT THAT PROVIDES ELECTRICITY TO AN ELECTRIC CORPORATION THROUGH A 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 THE SAFETY OF THAT LOCAL FEEDER LINE.

(E) AN ELECTRIC CORPORATION MAY REQUIRE A NON-RESIDENTIAL SOLAR, WIND, MICRO-HYDROELECTRIC OR FUEL CELL CUSTOMER-GENERATOR WITH A RATED CAPACITY OF MORE THAN TWENTY-FIVE KILOWATTS THAT PROVIDES ELECTRICITY TO THE ELECTRIC CORPORATION THROUGH A LOCAL FEEDER LINE TO COMPLY WITH REASONABLE MEASURES TO ENSURE THE 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 APPLI-

CABLE DETERMINATIONS OF THE COMMISSION RELATING TO RESTRUCTURING OF THE ELECTRIC INDUSTRY.

7. SEVERABILITY OF PROVISIONS. THE PROVISIONS OF THIS SECTION SHALL BE SEVERABLE AND IF THE APPLICATION OF ANY CLAUSE, SENTENCE, PARAGRAPH, SUBDIVISION, SECTION, OR PART THEREOF TO ANY PERSON OR CIRCUMSTANCE SHALL BE ADJUDGED BY ANY COURT OF COMPETENT JURISDICTION TO BE INVALID, SUCH JUDGMENT SHALL NOT NECESSARILY AFFECT, IMPAIR, OR INVALIDATE THE APPLICATION OF ANY SUCH CLAUSE, SENTENCE, PARAGRAPH, SUBDIVISION, SECTION, PART OR REMAINDER THEREOF, AS THE CASE MAY BE, TO ANY OTHER PERSON, CIRCUMSTANCE, BUT SHALL BE CONFINED IN ITS OPERATION TO THE CLAUSE, SENTENCE, PARAGRAPH, SUBDIVISION, SECTION OR PART THEREOF DIRECTLY INVOLVED IN THE CONTROVERSY IN WHICH SUCH JUDGMENT SHALL HAVE BEEN RENDERED.

S 2. Subdivision (h) of section 1020-g of the public authorities law, as amended by chapter 546 of the laws of 2011, is amended to read as follows:

(h) To implement programs and policies designed to provide for the interconnection of[: (i) (A) solar] electric generating equipment [owned or operated by residential customers, (B) farm waste electric generating equipment owned or operated by customer-generators, (C) solar electric generating equipment owned or operated by non-residential customers, (D) micro-combined heat and power generating equipment owned, leased or operated by residential customers, (E) fuel cell electric generating equipment owned, leased or operated by residential customers, and (F) micro-hydroelectric generating equipment owned, leased or operated by customer-generators], and for net energy metering consistent with section sixty-six-j of the public service law, to increase the efficiency of energy end use, to shift demand from periods of high demand to periods of low demand and to facilitate the development of cogeneration[; and (ii) wind electric generating equipment owned or operated by customer-generators and for net energy metering consistent with section sixty-six-l of the public service law].

S 3. Section 1020-cc of the public authorities law, as amended by chapter 413 of the laws of 2011, is amended to read as follows:

S 1020-cc. Authority subject to certain provisions contained in the state finance law, the public service law, the social services law and the general municipal law. All contracts of the authority shall be subject to the provisions of the state finance law relating to contracts made by the state. The authority shall also establish rules and regulations with respect to providing to its residential gas, electric and steam utility customers those rights and protections provided in article two and sections one hundred seventeen and one hundred eighteen of the public service law and section one hundred thirty-one-s of the social services law. The authority shall conform to any safety standards regarding manual lockable disconnect switches for solar electric generating equipment established by the public service commission pursuant to subparagraph (ii) of paragraph (a) of subdivision five [and subparagraph (ii) of paragraph (a) of subdivision five-a] of section sixty-six-j of the public service law. The authority shall let contracts for construction or purchase of supplies, materials, or equipment pursuant to section one hundred three and paragraph (e) of subdivision four of section one hundred twenty-w of the general municipal law.

S 4. Subdivision 3 of section 19-0921 of the environmental conservation law, as added by chapter 36 of the laws of 2000, is amended to read as follows:

3. The commissioner shall make a written report to the legislature upon his finding that a Federal law has been enacted that will result in at least a fifty percent reduction in the emissions of SO2[, as defined in section sixty-six-k of the public service law,] by electric generating sources pursuant to title four of the Federal Clean Air Act after full implementation.

S 5. Subdivision 10-a of section 1854 of the public authorities law is REPEALED.

S 6. Section ninety-nine-g of the state finance law is REPEALED.

S 7. This act shall take effect immediately.