

6671

I N   S E N A T E

March 8, 2012

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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:

1     Section 1. Sections 66-j, 66-k and 66-l of the public service law are  
2     REPEALED and a new section 66-j is added to read as follows:  
3     S 66-J. NET ENERGY METERING FOR RESIDENTIAL SOLAR, RESIDENTIAL WIND,  
4     RESIDENTIAL MICRO-HYDROELECTRIC, FARM WASTE, FARM WIND, NON-RESIDENTIAL  
5     SOLAR, NON-RESIDENTIAL WIND, NON-RESIDENTIAL MICRO-HYDROELECTRIC, RESI-  
6     DENTIAL MICRO-COMBINED HEAT AND POWER AND FUEL CELL, AND NON-RESIDENTIAL  
7     FUEL CELL ELECTRIC GENERATING EQUIPMENT. 1. DEFINITIONS. AS USED IN  
8     THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:  
9     (A) "CUSTOMER-GENERATOR" MEANS: (I) A RESIDENTIAL CUSTOMER OF AN ELEC-  
10    TRIC CORPORATION, WHO LOCATES AND USES SOLAR ELECTRIC GENERATING EQUIP-  
11    MENT AT HIS OR HER RESIDENCE; (II) A RESIDENTIAL CUSTOMER OF AN ELECTRIC  
12    CORPORATION, WHO LOCATES AND USES WIND ELECTRIC GENERATING EQUIPMENT AT  
13    HIS OR HER RESIDENCE; (III) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPO-  
14    RATION, WHO LOCATES AND USES MICRO-HYDROELECTRIC GENERATING EQUIPMENT AT  
15    HIS OR HER RESIDENCE; (IV) A CUSTOMER OF AN ELECTRIC CORPORATION, WHICH  
16    LOCATES AND USES FARM WASTE ELECTRIC GENERATING EQUIPMENT AT THE CUSTOM-  
17    ER'S FARM OPERATION, AS SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF  
18    SECTION THREE HUNDRED ONE OF THE AGRICULTURE AND MARKETS LAW; (V) A  
19    CUSTOMER OF AN ELECTRIC CORPORATION, WHICH LOCATES AND USES FARM WIND  
20    ELECTRIC GENERATING EQUIPMENT ON LAND USED IN AGRICULTURAL PRODUCTION AS  
21    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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1 TURE AND MARKETS LAW AND WHICH IS ALSO THE LOCATION OF THE CUSTOMER'S  
2 PRIMARY RESIDENCE; (VI) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPO-  
3 RATION, WHICH LOCATES AND USES SOLAR ELECTRIC GENERATING EQUIPMENT AT  
4 ITS PREMISES; (VII) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPO-  
5 RATION, WHICH LOCATES AND USES WIND ELECTRIC GENERATING EQUIPMENT AT ITS  
6 PREMISES; (VIII) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION,  
7 WHICH LOCATES AND USES MICRO-HYDROELECTRIC GENERATING EQUIPMENT AT ITS  
8 PREMISES; (IX) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPORATION, WHO  
9 LOCATES AND USES MICRO-COMBINED HEAT AND POWER GENERATING EQUIPMENT AT  
10 HIS OR HER RESIDENCE; (X) A RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPO-  
11 RATION, WHO LOCATES AND USES FUEL CELL GENERATING EQUIPMENT AT HIS OR  
12 HER RESIDENCE; AND (XI) A NON-RESIDENTIAL CUSTOMER OF AN ELECTRIC CORPO-  
13 RATION, WHICH LOCATES AND USES FUEL CELL GENERATING EQUIPMENT AT ITS  
14 PREMISES.

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

19 (C) "NET ENERGY METERING" MEANS THE USE OF A NET ENERGY METER TO MEAS-  
20 URE, DURING THE BILLING PERIOD APPLICABLE TO A CUSTOMER-GENERATOR, THE  
21 NET AMOUNT OF ELECTRICITY SUPPLIED BY AN ELECTRIC CORPORATION AND  
22 PROVIDED TO THE CORPORATION BY A CUSTOMER-GENERATOR FROM ELECTRIC GENER-  
23 ATING EQUIPMENT THAT IS: (I) MANUFACTURED, INSTALLED, AND OPERATED IN  
24 ACCORDANCE WITH APPLICABLE GOVERNMENT AND INDUSTRY STANDARDS, THAT IS  
25 CONNECTED TO THE ELECTRIC SYSTEM AND OPERATED IN CONJUNCTION WITH AN  
26 ELECTRIC CORPORATION'S TRANSMISSION AND DISTRIBUTION FACILITIES, AND  
27 THAT IS OPERATED IN COMPLIANCE WITH ANY STANDARDS AND REQUIREMENTS  
28 ESTABLISHED UNDER THIS SECTION; AND (II) MEETS THE REQUIREMENTS OF PARA-  
29 GRAPH (D) OF THIS SUBDIVISION.

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

35 (II) "FARM WASTE ELECTRIC GENERATING EQUIPMENT" MEANS EQUIPMENT  
36 LOCATED AT A FARM OPERATION THAT GENERATES ELECTRIC ENERGY FROM BIOGAS  
37 PRODUCED BY THE ANAEROBIC DIGESTION OF AGRICULTURAL WASTE, SUCH AS LIVE-  
38 STOCK MANURE, FARMING WASTES AND FOOD PROCESSING WASTES WITH A RATED  
39 CAPACITY OF NOT MORE THAN ONE THOUSAND KILOWATTS, THAT IS: (A) FUELED AT  
40 A MINIMUM OF NINETY PERCENT ON AN ANNUAL BASIS BY BIOGAS PRODUCED FROM  
41 THE ANAEROBIC DIGESTION OF AGRICULTURAL WASTE SUCH AS LIVESTOCK MANURE  
42 MATERIALS, FARMING WASTE, CROP RESIDUES, AND FOOD PROCESSING WASTE; AND  
43 (B) FUELED BY BIOGAS GENERATED BY ANAEROBIC DIGESTION WITH AT LEAST  
44 FIFTY PERCENT BY WEIGHT OF ITS FEEDSTOCK BEING LIVESTOCK MANURE MATERI-  
45 ALS ON AN ANNUAL BASIS.

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

51 (IV) "FARM WIND ELECTRIC GENERATING EQUIPMENT" MEANS A WIND GENERATION  
52 SYSTEM THAT IS LOCATED ON LAND USED IN AGRICULTURAL PRODUCTION AS  
53 DEFINED IN SUBDIVISION FOUR OF SECTION THREE HUNDRED ONE OF THE AGRICUL-  
54 TURE AND MARKETS LAW AND WHICH IS ALSO THE LOCATION OF THE CUSTOMER'S  
55 PRIMARY RESIDENCE, WITH A RATED CAPACITY OF NOT MORE THAN FIVE HUNDRED  
56 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,

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

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

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

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

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

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

42 (A) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY SUPPLIED BY THE CORPO-  
43 RATION DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY  
44 PROVIDED BY A CUSTOMER-GENERATOR, THE CORPORATION SHALL CHARGE THE  
45 CUSTOMER-GENERATOR FOR THE NET ELECTRICITY SUPPLIED AT THE SAME RATE PER  
46 KILOWATT HOUR APPLICABLE TO SERVICE PROVIDED TO OTHER CUSTOMERS IN THE  
47 SAME SERVICE CLASS WHICH DO NOT GENERATE ELECTRICITY ONSITE.

48 (B) IN THE EVENT THAT THE AMOUNT OF ELECTRICITY PRODUCED BY A CUSTOM-  
49 ER-GENERATOR DURING THE BILLING PERIOD EXCEEDS THE AMOUNT OF ELECTRICITY  
50 USED BY THE CUSTOMER-GENERATOR, THE CORPORATION SHALL APPLY A CREDIT TO  
51 THE NEXT BILL FOR SERVICE TO THE CUSTOMER-GENERATOR FOR THE NET ELEC-  
52 TRICITY PROVIDED AT THE SAME RATE PER KILOWATT HOUR APPLICABLE TO  
53 SERVICE PROVIDED TO OTHER CUSTOMERS IN THE SAME SERVICE CLASS WHICH DO  
54 NOT GENERATE ELECTRICITY ONSITE, EXCEPT FOR MICRO-COMBINED HEAT AND  
55 POWER OR FUEL CELL CUSTOMER-GENERATORS, WHO WILL BE CREDITED AT THE  
56 CORPORATION'S AVOIDED COSTS. THE AVOIDED COST CREDIT PROVIDED TO MICRO-

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

4 (C) AT THE END OF THE YEAR OR ANNUALIZED OVER THE PERIOD THAT SERVICE  
5 IS SUPPLIED BY MEANS OF NET ENERGY METERING, THE CORPORATION SHALL  
6 PROMPTLY ISSUE PAYMENT AT ITS AVOIDED COST TO THE CUSTOMER-GENERATOR, AS  
7 DEFINED IN SUBPARAGRAPHS (I), (II), (III), (IV) AND (V) OF PARAGRAPH (A)  
8 OF SUBDIVISION ONE OF THIS SECTION, FOR THE VALUE OF ANY REMAINING CRED-  
9 IT FOR THE EXCESS ELECTRICITY PRODUCED DURING THE YEAR OR OVER THE ANNU-  
10 ALIZED PERIOD BY THE CUSTOMER-GENERATOR.

11 (D) IN THE EVENT THAT THE CORPORATION IMPOSES CHARGES BASED ON KILO-  
12 WATT DEMAND ON CUSTOMERS WHO ARE IN THE SAME SERVICE CLASS AS THE  
13 CUSTOMER-GENERATOR BUT WHICH DO NOT GENERATE ELECTRICITY ON SITE, THE  
14 CORPORATION MAY IMPOSE THE SAME CHARGES AT THE SAME RATES TO THE CUSTOM-  
15 ER-GENERATOR, PROVIDED, HOWEVER, THAT THE KILOWATT DEMAND FOR SUCH  
16 DEMAND CHARGES IS DETERMINED BY THE MAXIMUM MEASURED KILOWATT DEMAND  
17 ACTUALLY SUPPLIED BY THE CORPORATION TO THE CUSTOMER-GENERATOR DURING  
18 THE BILLING PERIOD.

19 5. SAFETY STANDARDS. (A) EACH ELECTRIC CORPORATION SHALL ESTABLISH  
20 STANDARDS THAT ARE NECESSARY FOR THE INTERCONNECTION OF ELECTRIC GENER-  
21 ATING EQUIPMENT NET METERED BY CUSTOMER-GENERATORS TO ITS SYSTEM AND  
22 THAT THE COMMISSION SHALL DETERMINE ARE NECESSARY FOR SAFE AND ADEQUATE  
23 SERVICE AND FURTHER THE PUBLIC POLICY SET FORTH IN THIS SECTION. SUCH  
24 STANDARDS MAY INCLUDE BUT SHALL NOT BE LIMITED TO:

25 (I) EQUIPMENT NECESSARY TO ISOLATE AUTOMATICALLY THE ELECTRIC GENERAT-  
26 ING EQUIPMENT NET METERED BY CUSTOMER-GENERATORS FROM THE UTILITY SYSTEM  
27 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 ELECTRIC GENERAT-  
31 ING 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 (C) AN ELECTRIC CORPORATION MAY NOT REQUIRE A RESIDENTIAL, FARM WASTE,  
37 OR FARM WIND CUSTOMER-GENERATOR TO COMPLY WITH ADDITIONAL SAFETY OR  
38 PERFORMANCE STANDARDS, PERFORM OR PAY FOR ADDITIONAL TESTS, OR PURCHASE  
39 ADDITIONAL LIABILITY INSURANCE PROVIDED THAT THE CUSTOMER-GENERATOR'S  
40 NET METERED ELECTRIC GENERATING EQUIPMENT MEETS THE SAFETY STANDARDS  
41 ESTABLISHED PURSUANT TO THIS SUBDIVISION.

42 (D) IN THE EVENT THAT THE TOTAL RATED GENERATING CAPACITY OF FARM  
43 WASTE AND FARM WIND ELECTRIC GENERATING EQUIPMENT THAT PROVIDES ELEC-  
44 TRICITY TO AN ELECTRIC CORPORATION THROUGH A LOCAL FEEDER LINE EXCEEDS  
45 TWENTY PERCENT OF THE RATED CAPACITY OF THE LOCAL FEEDER LINE, THE ELEC-  
46 TRIC CORPORATION MAY REQUIRE THE CUSTOMER-GENERATOR TO COMPLY WITH  
47 REASONABLE MEASURES TO ENSURE THE SAFETY OF THAT LOCAL FEEDER LINE.

48 (E) AN ELECTRIC CORPORATION MAY REQUIRE A NON-RESIDENTIAL SOLAR, WIND,  
49 MICRO-HYDROELECTRIC OR FUEL CELL CUSTOMER-GENERATOR WITH A RATED CAPACI-  
50 TY OF MORE THAN TWENTY-FIVE KILOWATTS THAT PROVIDES ELECTRICITY TO THE  
51 ELECTRIC CORPORATION THROUGH A LOCAL FEEDER LINE TO COMPLY WITH REASON-  
52 ABLE MEASURES TO ENSURE THE SAFETY OF THAT LOCAL FEEDER LINE.

53 6. ELECTRIC RESTRUCTURING. NOTWITHSTANDING THE PROVISIONS OF THIS  
54 SECTION, INCLUDING, BUT NOT LIMITED TO PARAGRAPH (B) OF SUBDIVISION  
55 THREE OF THIS SECTION, A CUSTOMER-GENERATOR SHALL COMPLY WITH ANY APPLI-

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

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

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

17 (h) To implement programs and policies designed to provide for the  
18 interconnection of[: (i) (A) solar] electric generating equipment [owned  
19 or operated by residential customers, (B) farm waste electric generating  
20 equipment owned or operated by customer-generators, (C) solar electric  
21 generating equipment owned or operated by non-residential customers, (D)  
22 micro-combined heat and power generating equipment owned, leased or  
23 operated by residential customers, (E) fuel cell electric generating  
24 equipment owned, leased or operated by residential customers, and (F)  
25 micro-hydroelectric generating equipment owned, leased or operated by  
26 customer-generators], and for net energy metering consistent with  
27 section sixty-six-j of the public service law, to increase the efficien-  
28 cy of energy end use, to shift demand from periods of high demand to  
29 periods of low demand and to facilitate the development of cogenera-  
30 tion[; and (ii) wind electric generating equipment owned or operated by  
31 customer-generators and for net energy metering consistent with section  
32 sixty-six-l of the public service law].

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

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

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

1       3. The commissioner shall make a written report to the legislature  
2 upon his finding that a Federal law has been enacted that will result in  
3 at least a fifty percent reduction in the emissions of SO2[, as defined  
4 in section sixty-six-k of the public service law,] by electric generat-  
5 ing sources pursuant to title four of the Federal Clean Air Act after  
6 full implementation.  
7       S 5. Subdivision 10-a of section 1854 of the public authorities law is  
8 REPEALED.  
9       S 6. Section ninety-nine-g of the state finance law is REPEALED.  
10       S 7. This act shall take effect immediately.