

9486

I N A S S E M B L Y

May 2, 2014

Introduced by M. of A. RUSSELL -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to neighborhood 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-n to read as follows:

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

5 (A) "AGRICULTURAL NET METERING FACILITY" MEANS A RENEWABLE ENERGY
6 GENERATING FACILITY THAT IS OPERATED AS PART OF AN AGRICULTURAL BUSI-
7 NESS, GENERATES ELECTRICITY, DOES NOT HAVE A GENERATION CAPACITY OF MORE
8 THAN TWO MEGAWATTS, IS LOCATED AND USED ON LAND USED IN AGRICULTURAL
9 PRODUCTION AS DEFINED IN SUBDIVISION FOUR OF SECTION THREE HUNDRED ONE
10 OF THE AGRICULTURE AND MARKETS LAW, AND IS USED TO PROVIDE ENERGY TO
11 METERED ACCOUNTS OF THE BUSINESS.

12 (B) "BILLING PERIOD" MEANS THE PERIOD OF TIME SET FORTH IN AN ELECTRIC
13 CORPORATION'S TERMS AND CONDITIONS FOR WHICH SUCH CORPORATION BILLS A
14 CUSTOMER FOR ITS ELECTRICITY CONSUMED OR ESTIMATED TO HAVE BEEN
15 CONSUMED.

16 (C) "CLASS I NET METERING FACILITY" MEANS A PLANT OR EQUIPMENT THAT IS
17 USED TO PRODUCE, MANUFACTURE OR OTHERWISE GENERATE ELECTRICITY, THAT IS
18 NOT A TRANSMISSION FACILITY AND THAT HAS A DESIGN CAPACITY OF SIXTY
19 KILOWATTS OR LESS.

20 (D) "CLASS II NET METERING FACILITY" MEANS AN AGRICULTURAL NET METER-
21 ING FACILITY, SOLAR NET METERING FACILITY OR WIND NET METERING FACILITY
22 WITH A GENERATING CAPACITY OF MORE THAN SIXTY KILOWATTS BUT LESS THAN OR
23 EQUAL TO ONE MEGAWATT.

24 (E) "CLASS III NET METERING FACILITY" MEANS AN AGRICULTURAL NET METER-
25 ING FACILITY, SOLAR NET METERING FACILITY OR WIND NET METERING FACILITY
26 WITH A GENERATING CAPACITY OF MORE THAN ONE MEGAWATT BUT LESS THAN OR
27 EQUAL TO TWO MEGAWATTS.

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

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(F) "CUSTOMER" MEANS ANY PERSON, PARTNERSHIP, CORPORATION OR ANY OTHER ENTITY, WHETHER PUBLIC OR PRIVATE, WHICH OBTAINS DISTRIBUTION SERVICE AT A CUSTOMER DELIVERY POINT AND WHICH IS A CUSTOMER OF RECORD OF AN ELECTRIC CORPORATION FOR ITS OWN ELECTRICITY CONSUMPTION.

(G) "HOST CUSTOMER" MEANS A CUSTOMER WITH A CLASS I, II OR III NET METERING FACILITY THAT GENERATES ELECTRICITY ON SUCH CUSTOMER'S SIDE OF THE METER.

(H) "INDEPENDENT SYSTEM OPERATOR" MEANS THE NEW YORK INDEPENDENT SYSTEM OPERATOR.

(I) "MUNICIPALITY" MEANS A TOWN OR A CITY.

(J) "NEIGHBORHOOD" MEANS A GEOGRAPHIC AREA WITHIN A MUNICIPALITY THAT:

(I) IS RECOGNIZED BY THE RESIDENTS THEREOF AS INCLUDING A UNIQUE COMMUNITY OF INTERESTS;

(II) FALLS WITHIN THE SERVICE TERRITORY OF A SINGLE ELECTRIC CORPORATION AND WITHIN A SINGLE INDEPENDENT SYSTEM OPERATOR LOAD ZONE; AND

(III) MAY ENCOMPASS RESIDENTIAL, COMMERCIAL AND UNDEVELOPED PROPERTIES.

(K) "NEIGHBORHOOD NET METERING FACILITY" MEANS A CLASS I, II OR III NET METERING FACILITY THAT:

(I) IS OWNED BY OR SERVES THE ENERGY NEEDS OF A GROUP OF TEN OR MORE RESIDENTIAL CUSTOMERS THAT RESIDE IN A SINGLE NEIGHBORHOOD AND ARE SERVED BY A SINGLE ELECTRIC CORPORATION;

(II) MAY ALSO BE OWNED BY OR SERVES THE ENERGY NEEDS OF OTHER CUSTOMERS WHO RESIDE IN THE SAME NEIGHBORHOOD AND ARE SERVED BY THE SAME ELECTRIC CORPORATION AS THE RESIDENTIAL CUSTOMERS THAT OWN OR ARE SERVED BY SUCH FACILITY; AND

(III) IS LOCATED WITHIN THE SAME NEIGHBORHOOD AS THE CUSTOMERS THAT OWN OR ARE SERVED BY THE FACILITY.

(L) "NET METERING" MEANS THE PROCESS OF MEASURING THE DIFFERENCE BETWEEN ELECTRICITY DELIVERED BY AN ELECTRIC CORPORATION AND ELECTRICITY GENERATED BY A CLASS I, CLASS II OR CLASS III, OR NEIGHBORHOOD NET METERING FACILITY AND FED BACK TO SUCH ELECTRIC CORPORATION.

(M) "NET METERING FACILITY OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY" MEANS A CLASS II OR III NET METERING FACILITY:

(I) THAT IS OWNED OR OPERATED BY A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY; OR

(II) OF WHICH A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY IS THE HOST CUSTOMER AND IS ASSIGNED THE ENTIRETY OF ITS OUTPUT.

(N) "RENEWABLE ENERGY GENERATING FACILITY" MEANS AN AGRICULTURAL NET METERING FACILITY, SOLAR NET METERING FACILITY OR WIND NET METERING FACILITY.

(O) "SOLAR NET METERING FACILITY" MEANS A FACILITY FOR THE PRODUCTION OF ELECTRICAL ENERGY THAT USES SUNLIGHT TO GENERATE ELECTRICITY, AND IS INTERCONNECTED TO AN ELECTRIC CORPORATION.

(P) "WIND NET METERING FACILITY" MEANS A FACILITY FOR THE PRODUCTION OF ELECTRICAL ENERGY THAT USES WIND TO GENERATE ELECTRICITY, AND IS INTERCONNECTED TO AN ELECTRIC CORPORATION.

2. NET METERING SERVICES. (A) EACH ELECTRIC CORPORATION SHALL PROVIDE SERVICES TO CUSTOMERS AND HOST CUSTOMERS NECESSARY TO PERMIT NET METERING, INCLUDING THOSE RELATED TO INTERCONNECTION, METERING, AND CALCULATION AND BILLING OF NET METERING CREDITS.

(B) NO ELECTRIC CORPORATION SHALL IMPOSE SPECIAL FEES ON A HOST CUSTOMER OPERATING A CLASS I NET METERING FACILITY, SUCH AS BACKUP CHARGES AND DEMAND CHARGES, OR ADDITIONAL CONTROLS OR LIABILITY INSURANCE, PROVIDED THAT THE FACILITY MEETS THE OTHER REQUIREMENTS FOR INTERCONNECTION, AND ALL RELEVANT SAFETY AND POWER QUALITY STANDARDS.

(C) EACH ELECTRIC CORPORATION SHALL CALCULATE A NET METERING CREDIT IN ACCORDANCE WITH SUBDIVISION THREE OF THIS SECTION, AND BILL ANY HOST CUSTOMER FOR KILOWATT-HOUR USAGE DURING ANY BILLING PERIOD IN WHICH THE KILOWATT-HOURS GENERATED BY SUCH CUSTOMER'S CLASS I, II OR III NET METERING FACILITY EXCEED THE CUSTOMER'S KILOWATT-USAGE DURING SUCH PERIOD.

(D) EACH ELECTRIC CORPORATION SHALL BILL A HOST CUSTOMER FOR EXCESS CONSUMPTION DURING ANY BILLING PERIOD IN WHICH THE KILOWATT-HOURS CONSUMED BY SUCH CUSTOMER EXCEED THE KILOWATT-HOURS GENERATED BY ITS CLASS I, II OR III NET METERING FACILITY.

3. CALCULATION OF NET METERING CREDITS. (A) FOR EACH CLASS I WIND, SOLAR OR AGRICULTURAL NET METERING FACILITY, CLASS II NET METERING FACILITY, AND NET METERING FACILITY OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY, AN ELECTRIC CORPORATION SHALL CALCULATE, FOR EACH BILLING PERIOD, A NET METERING CREDIT EQUAL TO THE PRODUCT OF THE:

(I) EXCESS KILOWATT-HOURS BY TIME OF USE, IF APPLICABLE; AND

(II) SUM OF THE ELECTRIC CORPORATION CHARGES APPLICABLE TO THE RATE CLASS UNDER WHICH THE HOST CUSTOMER RECEIVES ELECTRICITY.

(B) FOR EACH CLASS I NET METERING FACILITY NOT REFERRED TO IN PARAGRAPH (A) OF THIS SUBDIVISION, AN ELECTRIC CORPORATION SHALL CALCULATE, FOR EACH BILLING PERIOD, A NET METERING CREDIT EQUAL TO THE PRODUCT OF THE:

(I) EXCESS KILOWATT-HOURS BY TIME OF USE, IF APPLICABLE; AND

(II) THE AVERAGE MONTHLY CLEARING PRICE AT THE INDEPENDENT SYSTEM OPERATOR.

(C) FOR EACH NEIGHBORHOOD OR CLASS III NET METERING FACILITY, OTHER THAN A NET METERING FACILITY OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY, AN ELECTRIC CORPORATION SHALL CALCULATE, FOR EACH BILLING PERIOD, A NET METERING CREDIT EQUAL TO THE PRODUCT OF THE:

(I) EXCESS KILOWATT-HOURS BY TIME OF USE, IF APPLICABLE; AND

(II) SUM OF ELECTRIC CORPORATION CHARGES APPLICABLE TO THE RATE CLASS UNDER WHICH THE HOST CUSTOMER RECEIVES ELECTRICITY.

(D) FOR ANY BILLING PERIOD IN WHICH AN ELECTRIC CORPORATION CALCULATES A NET METERING CREDIT FOR A HOST CUSTOMER, SUCH CORPORATION SHALL APPLY SUCH CREDIT TO THE HOST CUSTOMER'S ACCOUNT FOR THE SUBSEQUENT BILLING PERIOD, UNLESS SUCH CUSTOMER DESIGNATES OTHERWISE PURSUANT TO SUBDIVISION FOUR OF THIS SECTION. AN ELECTRIC CORPORATION SHALL CARRY FORWARD, FROM BILLING PERIOD TO BILLING PERIOD, ANY REMAINING NET METERING CREDIT BALANCE.

4. ALLOCATION OF NET METERING CREDITS. (A) FOR EACH CLASS I, II OR III NET METERING FACILITY, EACH ELECTRIC CORPORATION SHALL ALLOCATE NET METERING CREDITS, AS DESIGNATED IN WRITING BY THE HOST CUSTOMER, TO OTHER CUSTOMERS WHO ARE IN SUCH CORPORATION'S SERVICE TERRITORY AND ARE LOCATED IN THE SAME INDEPENDENT SYSTEM OPERATOR LOAD ZONE. THE MANNER AND FORM OF CREDIT DESIGNATION SHALL BE AS SPECIFIED IN THE ELECTRIC CORPORATION'S REQUIREMENTS. NOTWITHSTANDING THE FOREGOING, IF THE HOST CUSTOMER IS A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY, IT MAY DIRECT ITS ELECTRIC CORPORATION TO ALLOCATE NET METERING CREDITS ONLY TO OTHER CUSTOMERS THAT ARE MUNICIPALITIES OR OTHER GOVERNMENTAL ENTITIES.

(B) FOR A NEIGHBORHOOD NET METERING FACILITY, AN ELECTRIC CORPORATION SHALL ALLOCATE NET METERING CREDITS TO RESIDENTIAL OR OTHER CUSTOMERS WHO RESIDE IN THE SAME NEIGHBORHOOD IN WHICH THE NEIGHBORHOOD NET METERING FACILITY IS LOCATED AND HAVE AN OWNERSHIP INTEREST IN, OR ARE SERVED BY THE NEIGHBORHOOD NET METERING FACILITY.

(C) EACH ELECTRIC CORPORATION SHALL CARRY FORWARD, FROM BILLING PERIOD TO BILLING PERIOD, ANY REMAINING NET METERING CREDIT BALANCE.

(D) FOR A CLASS III NET METERING FACILITY, AN ELECTRIC CORPORATION MAY ELECT TO PAY TO A HOST CUSTOMER NET METERING CREDITS RATHER THAN ALLOCATING SUCH CREDITS PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION.

5. ELIGIBILITY FOR NET METERING. NO ELECTRIC CORPORATION SHALL PROVIDE NET METERING SERVICES TO ANY HOST CUSTOMER OR TO ANY OTHER ELECTRIC CORPORATION THAT IS SUBJECT TO THE PROVISIONS OF THIS CHAPTER.

6. NET METERING CAPACITY. (A) EACH ELECTRIC CORPORATION SHALL MAKE NET METERING SERVICES AVAILABLE TO HOST CUSTOMERS, SUCH THAT THE AGGREGATE CAPACITY OF:

(I) NET METERING FACILITIES THAT ARE NOT NET METERING FACILITIES OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY DOES NOT EXCEED ONE PERCENT OF SUCH CORPORATION'S HIGHEST HISTORICAL PEAK LOAD; AND

(II) NET METERING FACILITIES OF A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY DOES NOT EXCEED TWO PERCENT OF SUCH CORPORATION'S HIGHEST HISTORICAL PEAK LOAD.

(B) THE MAXIMUM AMOUNT OF GENERATING CAPACITY ELIGIBLE FOR NET METERING BY A MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY SHALL BE TEN MEGAWATTS, AS DETERMINED BY THE SUM OF THE NAMEPLATE RATINGS OF CLASS II AND III NET METERING FACILITIES FOR WHICH THE MUNICIPALITY OR OTHER GOVERNMENTAL ENTITY IS THE HOST CUSTOMER.

(C) EACH ELECTRIC CORPORATION SHALL IDENTIFY ON AN ANNUAL BASIS ITS HIGHEST HISTORICAL PEAK LOAD AND POST THAT DATA ON ITS WEBSITE ON OR BEFORE THE FIRST OF FEBRUARY OF THE FOLLOWING YEAR.

(D) FOR THE PURPOSE OF CALCULATING THE AGGREGATE CAPACITY OF CLASS I, II AND III NET METERING FACILITIES, THE CAPACITY OF A:

(I) SOLAR NET METERING FACILITY SHALL BE EIGHTY PERCENT OF THE FACILITY'S DIRECT CURRENT RATING AT STANDARD TEST CONDITIONS; AND

(II) WIND NET METERING FACILITY, AND ALL OTHER NON-SOLAR NET METERING FACILITIES, SHALL BE THE NAMEPLATE RATING.

7. NET METERING REPORTS. (A) EACH ELECTRIC CORPORATION SHALL COMPILE AND MAINTAIN RECORDS OF THE FOLLOWING:

(I) THE SIZE, GENERATION TYPE, NET METERING CLASS, FUEL TYPE AND THE MUNICIPALITY WITHIN WHICH EACH NET METERING FACILITY RECEIVES NET METERING SERVICES;

(II) THE SIZE, GENERATION TYPE, FUEL TYPE AND THE MUNICIPALITY WITHIN WHICH EACH NET METERING FACILITY HAS REQUESTED INTERCONNECTION WITH SUCH ELECTRIC CORPORATION; AND

(III) THE AGGREGATE CAPACITY OF NET METERING FACILITIES THAT HAVE INTERCONNECTED, AND THAT HAVE REQUESTED INTERCONNECTION TO SUCH ELECTRIC CORPORATION.

(B) EACH ELECTRIC CORPORATION SHALL REPORT TO THE COMMISSION THE INFORMATION REQUIRED TO BE COMPILED PURSUANT TO PARAGRAPH (A) OF THIS SUBDIVISION, AT SUCH TIME AND IN SUCH FORM AS SHALL BE DESIGNATED IN THE RULES OF THE COMMISSION.

(C) EACH ELECTRIC CORPORATION SHALL POST, ON A PUBLICLY ACCESSIBLE INTERNET WEBSITE, DATA TRACKING THE AGGREGATE CAPACITY OF ELIGIBLE NET METERING FACILITIES THAT HAVE CONNECTED AND HAVE REQUESTED INTERCONNECTION RELATIVE TO THE NET METERING CAPACITY ESTABLISHED PURSUANT TO SUBDIVISION SIX OF THIS SECTION.

8. RULES. THE COMMISSION SHALL PROMULGATE ANY RULES AND REGULATIONS NECESSARY TO IMPLEMENT THE PROVISIONS OF THIS SECTION.

S 2. This act shall take effect on the first of January next succeeding the date on which it shall have become a law; provided, however, that effective immediately any rules and regulations necessary to implement the provisions of this act on its effective date are authorized and directed to be completed on or before such date.