STATE OF NEW YORK

6325

2017-2018 Regular Sessions

IN ASSEMBLY

March 2, 2017

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

AN ACT to amend the public service law and the public authorities law, in relation to net-metering for non-residential customers of electric corporations which own, lease or operate micro-combined heat and power generating equipment

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph (a) of subdivision 1 of section 66-j of the public service law, as amended by chapter 546 of the laws of 2011, subparagraphs (iv) and (v) as separately amended and subparagraph (vi) as added by chapter 530 of the laws of 2011 and subparagraphs (vii) and (viii) as amended and (ix) as added by chapter 494 of the laws of 2014, is amended to read as follows:

(a) "Customer-generator" means: (i) a residential customer of an electric corporation, who owns or operates solar electric generating equipment located and used at his or her residence; (ii) a customer of an electric corporation, who owns or operates farm waste electric generating equipment located and used at his or her "farm operation," as such term is defined in subdivision eleven of section three hundred one of the agriculture and markets law; (iii) a non-residential customer of an electric corporation which owns or operates solar electric generating equipment located and used at its premises; (iv) a residential customer of an electric corporation who owns, leases or operates micro-combined heat and power generating equipment located on the customer's premises; (v) **a non-residential customer of an electric corporation which owns, leases or operates micro-combined heat and power generating equipment located on the customer's premises; (vi)** a residential customer of an electric corporation who owns, leases or operates fuel cell generating equipment located on the customer's premises; [~~and (vi)~~] **(vii)** a non-residential customer of an electric corporation who owns, leases or oper-

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

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ates fuel cell generating equipment located and used at the customer's premises; [~~(vii)~~] (viii) a residential customer of an electric corporation, who owns or operates micro-hydroelectric generating equipment located and used at his or her residence; [~~(viii)~~] (ix) a non-residential customer of an electric corporation which owns or operates micro-hydroelectric generating equipment located and used at its premises; and [~~(ix)~~] (x) a non-residential customer of an electric corporation which owns or operates farm waste electric generating equipment located and used at its premises.

§ 2. Paragraph (f) of subdivision 1 of section 66-j of the public service law, as added by chapter 355 of the laws of 2009, is amended to read as follows:

(f) "Micro-combined heat and power generating equipment" means (i) (A) in the case of a residential customer, an integrated, co-generating 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[~~,~~]; and (B) in the case of a non-residential customer, an integrated, co-generating 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 not more than twenty-five kilowatts electric and any thermal output that a 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; and (ii) that is 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.

§ 3. Subparagraph (i) of paragraph (c) and paragraph (e) of subdivision 3 of section 66-j of the public service law, as amended by chapter 546 of the laws of 2011, are amended to read as follows:

(i) In the case of a customer-generator who owns or operates solar electric generating equipment, micro-combined heat and power generating equipment, fuel cell electric generating equipment or micro-hydroelectric generating equipment located and used at his or her residence, or a non-residential customer-generator who owns or operates solar electric generating equipment or micro-combined heat and power generating equipment with a rated capacity of not more than twenty-five kilowatts, up to a maximum amount of three hundred fifty dollars;

(e) A customer who owns or operates a farm operation as such term is defined in subdivision eleven of section three hundred one of the agriculture and markets law, or a non-residential customer-generator as defined by [~~subparagraph~~] subparagraphs (iii) and (v) of paragraph (a) of subdivision one of this section that locates solar electric generating equipment, micro-combined heat and power generating equipment or farm waste 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. Paragraphs (a), (b) and (c) of subdivision 5-a of section 66-j of the public service law, as amended by chapter 546 of the laws of 2011, are amended to read as follows:

(a) On or before three months after the effective date of this subdivision, each electric corporation shall establish standards that are necessary for net energy metering and the interconnection of non-residential solar electric generating equipment [~~or~~], micro-hydroelectric generating equipment **or micro-combined heat and power generating equipment** 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 solar generating system [~~or~~], micro-hydroelectric generating equipment **or micro-combined heat and power generating equipment** 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-generator's premises and externally accessible for the purpose of isolating the solar electric generating equipment [~~or~~], micro-hydroelectric generating equipment **or micro-combined heat and power generating equipment**.

(b) In the event that the total rated generating capacity of solar electric generating equipment [~~or~~], micro-hydroelectric generating equipment **or micro-combined heat and power generating equipment** that provides electricity to the electric corporation through the same 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 safety of the local feeder line.

(c) Unless otherwise determined to be necessary by the commission, an electric corporation may not require a customer-generator to comply with additional safety or performance standards, perform or pay for additional tests, or purchase additional liability insurance provided that the solar electric generating equipment [~~or~~], micro-hydroelectric generating equipment **or micro-combined heat and power generating equipment** meets the safety standards established pursuant to this subdivision.

§ 5. 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-combined heat and power generating equipment owned, leased, or**

operated by non-residential customers, and (G) 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.

§ 6. This act shall take effect on the sixtieth day after it shall have become a law.