

# STATE OF NEW YORK

2696

2017-2018 Regular Sessions

## IN SENATE

January 17, 2017

Introduced by Sens. PARKER, BOYLE, MONTGOMERY, PERKINS -- 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 and the public authorities law, in relation to credit for electricity generated by a customer-generator subject to net energy metering

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

1 Section 1. Subdivision 4 of section 66-j of the public service law, as  
2 amended by chapter 355 of the laws of 2009, paragraphs (b) and (c) as  
3 amended by chapter 494 of the laws of 2014, is amended to read as  
4 follows:

5 4. Rates. An electric corporation shall use net energy metering to  
6 measure and charge for the net electricity supplied by the corporation  
7 and provided to the corporation by a customer-generator, according to  
8 these requirements:

9 (a) In the event that the amount of electricity supplied by the corpo-  
10 ration during the billing period exceeds the amount of electricity  
11 provided by a customer-generator, the corporation shall, after deduct-  
12 ing, from the aggregate of unused credit for excess electricity gener-  
13 ated by such customer-generator prior to such billing period, an amount  
14 of credit equal to the amount of electricity supplied by the electric  
15 corporation, to the extent such credit exists, and may thereafter charge  
16 the customer-generator for the net electricity supplied, after deduction  
17 of such credits, at the same rate per kilowatt hour applicable to  
18 service provided to other customers in the same service class which do  
19 not generate electricity onsite.

20 (b) In the event that the amount of electricity produced by a custom-  
21 er-generator during the billing period exceeds the amount of electricity  
22 used by the customer-generator, the corporation shall (i) apply a credit  
23 to the next bill for service to the customer-generator for the net elec-

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

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1 tricity provided at the same rate per kilowatt hour applicable to  
2 service provided to other customers in the same service class which do  
3 not generate electricity onsite, or (ii) at the option of the customer-  
4 generator, credit such customer-generator with the amount of excess  
5 kilowatt hours generated in excess of its use, and such credit shall be  
6 aggregated indefinitely to be used as credit against charges incurred  
7 pursuant to paragraph (a) of this subdivision; except for micro-combined  
8 heat and power or fuel cell customer-generators or farm waste generating  
9 equipment customer-generators as described in subparagraph (ix) of para-  
10 graph (a) of subdivision one of this section, who will be credited at  
11 the corporation's avoided costs. The avoided cost credit provided to  
12 micro-combined heat and power or fuel cell customer-generators or farm  
13 waste generating equipment customer-generators as described in subpara-  
14 graph (ix) of paragraph (a) of subdivision one of this section shall be  
15 treated for ratemaking purposes as a purchase of electricity in the  
16 market that is includable in commodity costs.

17 (c) At the end of the year or annualized over the period that service  
18 is supplied by means of net energy metering, the corporation shall (i)  
19 promptly issue payment at its avoided cost to the customer-generator, as  
20 defined in subparagraph (i), (ii), (iv), (v) or (ix) of paragraph (a) of  
21 subdivision one of this section, for the value of any remaining credit  
22 for the excess electricity produced during the year or over the annual-  
23 ized period by the customer-generator, or (ii) at the option of the  
24 customer-generator, shall continue to aggregate such credits, at the  
25 same rate per kilowatt hour applicable to the service provided to other  
26 customers in the same service class which do not generate electricity on  
27 site, for an indefinite period of time and continue to allow use of such  
28 credit to offset any liability of the customer-generator to the electric  
29 corporation during billing periods in which the electricity generated by  
30 the customer-generator is less than that used by such customer.

31 (d) In the event that the corporation imposes charges based on kilo-  
32 watt demand on customers who are in the same service class as the  
33 customer-generator but which do not generate electricity on site, the  
34 corporation may impose the same charges at the same rates to the custom-  
35 er-generator, provided, however, that the kilowatt demand for such  
36 demand charges is determined by the maximum measured kilowatt demand  
37 actually supplied by the corporation to the customer-generator during  
38 the billing period.

39 (e) In the event that a customer-generator elects to allow the aggre-  
40 gation of any credits for excess electricity generated, the customer-  
41 generator shall be entitled to an accounting of such credits once every  
42 five years and upon such accounting, the electric corporation shall  
43 promptly issue payment at its avoided cost to such customer-generator,  
44 as defined in subparagraph (i), (ii), (iv) or (v) of paragraph (a) of  
45 subdivision one of this section, for the value of any remaining credit  
46 for the excess electricity produced by the customer-generator.

47 § 2. Subdivision 4 of section 66-1 of the public service law, as  
48 amended by chapter 721 of the laws of 2006, paragraphs (b) and (c) as  
49 amended and paragraph (d) as added by chapter 483 of the laws of 2008,  
50 is amended to read as follows:

51 4. Rates. An electric corporation shall use net energy metering to  
52 measure and charge for the net electricity supplied by the corporation  
53 and provided to the corporation by a customer-generator, according to  
54 the following requirements:

55 (a) In the event that the amount of electricity supplied by the corpo-  
56 ration during the billing period exceeds the amount of electricity

1 provided by a customer-generator, the corporation shall, after deduct-  
2 ing, from the aggregate of unused credit for excess electricity gener-  
3 ated by such customer-generator prior to such billing period, an amount  
4 of credit equal to the amount of electricity supplied by the electric  
5 corporation, to the extent such credit exists, and may thereafter charge  
6 the customer-generator for the net electricity supplied, after deduction  
7 of such credits, at the same rate per kilowatt hour applicable to  
8 service provided to other customers in the same service class which do  
9 not generate electricity on site.

10 (b) In the event that the amount of electricity produced by a custom-  
11 er-generator during the billing period exceeds the amount of electricity  
12 used by the customer-generator, the corporation shall (i) apply a credit  
13 to the next bill for service to the customer-generator for the net elec-  
14 tricity provided at the same rate per kilowatt hour applicable to  
15 service provided to other customers in the same service class which do  
16 not generate electricity on site, or (ii) at the option of the custom-  
17 er-generator, credit such customer-generator with the amount of excess  
18 kilowatt hours generated in excess of its use, and such credit shall be  
19 aggregated indefinitely to be used as credit against charges incurred  
20 pursuant to paragraph (a) of this subdivision.

21 (c) At the end of the year or annualized over the period that service  
22 is supplied by means of net energy metering, the corporation shall (i)  
23 promptly issue payment at its avoided cost to a residential or farm  
24 service customer-generator for the value of any remaining credit for the  
25 excess electricity produced during the year or over the annualized peri-  
26 od by such customer-generator, or (ii) at the option of the customer-  
27 generator, shall continue to aggregate such credits, at the same rate  
28 per kilowatt hour applicable to the service provided to other customers  
29 in the same service class which do not generate electricity on site, for  
30 an indefinite period of time, and continue to allow use of such credit  
31 to offset any liability of the customer-generator to the electric corpo-  
32 ration during billing periods in which the electricity generated by the  
33 customer-generator is less than that used by such customer.

34 (d) In the event that the corporation imposes charges based on kilo-  
35 watt demand on customers who are in the same service class as the  
36 customer-generator but which do not generate electricity on site, the  
37 corporation may impose the same charges at the same rates to the custom-  
38 er-generator, provided, however, that the kilowatt demand for such  
39 demand charges is determined by the maximum measured kilowatt demand  
40 actually supplied by the corporation to the customer-generator during  
41 the billing period.

42 (e) In the event that a customer-generator elects to allow the aggre-  
43 gation of any credits for excess electricity generated, the customer-  
44 generator shall be entitled to an accounting of such credits once every  
45 five years and upon such accounting, the electric corporation shall  
46 promptly issue payment at its avoided cost to such customer-generator  
47 for the value of any remaining credit for the excess electricity  
48 produced by the customer-generator.

49 § 3. Subdivision (h) of section 1020-g of the public authorities law,  
50 as amended by chapter 546 of the laws of 2011, is amended to read as  
51 follows:

52 (h) To implement programs and policies designed to provide for the  
53 interconnection of: (i) (A) solar electric generating equipment owned or  
54 operated by residential customers, (B) farm waste electric generating  
55 equipment owned or operated by customer-generators, (C) solar electric  
56 generating equipment owned or operated by non-residential customers, (D)

1 micro-combined heat and power generating equipment owned, leased or  
2 operated by residential customers, (E) fuel cell electric generating  
3 equipment owned, leased or operated by residential customers, and (F)  
4 micro-hydroelectric generating equipment owned, leased or operated by  
5 customer-generators and for net energy metering consistent with section  
6 sixty-six-j of the public service law, to increase the efficiency of  
7 energy end use, to shift demand from periods of high demand to periods  
8 of low demand and to facilitate the development of cogeneration; and  
9 (ii) wind electric generating equipment owned or operated by customer-  
10 generators and for net energy metering consistent with section sixty-  
11 six-l of the public service law. Notwithstanding the provisions of  
12 section one thousand twenty-s of this title, as amended by chapter three  
13 hundred eighty-eight of the laws of two thousand eleven, the authority,  
14 in its implementation of such programs and policies, shall be subject to  
15 the provisions of subdivision four of section sixty-six-j and subdivi-  
16 sion four of section sixty-six-l of the public service law;  
17 § 4. This act shall take effect on the first of January next succeed-  
18 ing the date on which it shall have become a law.