

# STATE OF NEW YORK

8327--A

## IN SENATE

February 14, 2022

Introduced by Sen. KENNEDY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public service law, in relation to net energy metering for fuel-flexible linear generator electric generating equipment

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

1 Section 1. Subdivision 2-b of section 2 of the public service law, as  
2 amended by chapter 6 of the laws of 2011, is amended to read as follows:

3 2-b. The term "alternate energy production facility," when used in  
4 this chapter, includes any solar, wind turbine, fuel cell, fuel-flexible  
5 linear generator electric generating equipment, tidal, wave energy,  
6 waste management resource recovery, refuse-derived fuel, wood burning  
7 facility, or energy storage device utilizing batteries, flow batteries,  
8 flywheels or compressed air, together with any related facilities  
9 located at the same project site, with an electric generating capacity  
10 of up to eighty megawatts, which produces electricity, gas or useful  
11 thermal energy.

12 § 2. The section heading of section 66-j of the public service law, as  
13 amended by chapter 546 of the laws of 2011, is amended to read as  
14 follows:

15 Net energy metering for residential solar, farm waste, non-residential  
16 solar electric generating systems, micro-combined heat and power gener-  
17 ating equipment, fuel cell electric generating equipment, fuel-flexible  
18 linear generator electric generating equipment, and micro-hydroelectric  
19 generating equipment.

20 § 3. Subparagraphs (v) and (vi) of paragraph (a) of subdivision 1 of  
21 section 66-j of the public service law, subparagraph (v) as separately  
22 amended by chapters 530 and 546 of the laws of 2011 and subparagraph  
23 (vi) as added by chapter 530 of the laws of 2011, are amended to read as  
24 follows:

25 (v) a residential customer of an electric corporation who owns, leases  
26 or operates fuel cell generating equipment or fuel-flexible linear

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

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1 generator electric generating equipment located on the customer's prem-  
2 ises; and (vi) a non-residential customer of an electric corporation who  
3 owns, leases or operates fuel cell generating equipment or fuel-flexible  
4 linear generator electric generating equipment located and used at the  
5 customer's premises;

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

9 (f) "Micro-combined heat and power generating equipment" means an  
10 integrated, cogenerating building heating and electrical power gener-  
11 ation system, operating on any fuel and of any applicable engine, fuel  
12 cell, fuel-flexible linear generator, or other technology, with a rated  
13 capacity of at least one kilowatt and not more than ten kilowatts elec-  
14 tric and any thermal output that at full load has a design total fuel  
15 use efficiency in the production of heat and electricity of not less  
16 than eighty percent, and annually produces at least two thousand kilo-  
17 watt hours of useful energy in the form of electricity that may work in  
18 combination with supplemental or parallel conventional heating systems,  
19 that is manufactured, installed and operated in accordance with applica-  
20 ble government and industry standards, that is connected to the electric  
21 system and operated in conjunction with an electric corporation's trans-  
22 mission and distribution facilities.

23 § 5. Subdivision 1 of section 66-j of the public service law is  
24 amended by adding a new paragraph (i) to read as follows:

25 (i) "Fuel-flexible linear generator electric generating equipment" or  
26 "fuel-flexible linear generator" means an integrated system consisting  
27 of oscillators, cylinders, electricity conversion equipment and associ-  
28 ated balance of plant components that directly convert the linear motion  
29 of the oscillators into electricity and which has a combined rated  
30 capacity of not more than two thousand kilowatts.

31 § 6. Subdivision 2 of section 66-j of the public service law, as  
32 amended by chapter 546 of the laws of 2011, is amended to read as  
33 follows:

34 2. Interconnection and net energy metering. An electric corporation  
35 shall provide for the interconnection of solar and farm waste electric  
36 generating equipment, micro-combined heat and power generating equip-  
37 ment, fuel cell electric generating equipment, fuel-flexible linear  
38 generator electric generating equipment and micro-hydroelectric generat-  
39 ing equipment owned or operated by a customer-generator and for net  
40 energy metering, provided that the customer-generator enters into a net  
41 energy metering contract with the corporation or complies with the  
42 corporation's net energy metering schedule and complies with standards  
43 and requirements established under this section.

44 § 7. Subparagraph (iii) of paragraph (a) of subdivision 3 of section  
45 66-j of the public service law, as amended by chapter 546 of the laws of  
46 2011, is amended to read as follows:

47 (iii) Each electric corporation shall make such contract and schedule  
48 available to customer-generators on a first come, first served basis,  
49 until the total rated generating capacity for solar and farm waste elec-  
50 tric generating equipment, micro-combined heat and power generating  
51 equipment, fuel cell electric generating equipment, fuel-flexible linear  
52 generator electric generating equipment and micro-hydroelectric generat-  
53 ing equipment owned, leased or operated by customer-generators in the  
54 corporation's service area is equivalent to one percent of the corpo-  
55 ration's electric demand for the year two thousand five, as determined  
56 by the department.

1 § 8. Paragraph (c) of subdivision 3 of section 66-j of the public  
2 service law, as amended by chapter 546 of the laws of 2011, subparagraph  
3 (iii) as amended by chapter 494 of the laws of 2014, is amended to read  
4 as follows:

5 (c) In the event that the electric corporation determines that it is  
6 necessary to install a dedicated transformer or transformers, or other  
7 equipment to protect the safety and adequacy of electric service  
8 provided to other customers, a customer-generator shall pay the electric  
9 corporation's actual costs of installing the transformer or transfor-  
10 mers, or other equipment:

11 (i) In the case of a customer-generator who owns or operates solar  
12 electric generating equipment, micro-combined heat and power generating  
13 equipment, fuel cell electric generating equipment, fuel-flexible linear  
14 generator electric generating equipment or micro-hydroelectric generat-  
15 ing equipment located and used at his or her residence, or a non-resi-  
16 dential customer-generator who owns or operates solar electric generat-  
17 ing equipment with a rated capacity of not more than twenty-five  
18 kilowatts, up to a maximum amount of three hundred fifty dollars;

19 (ii) In the case of a customer-generator who owns or operates farm  
20 waste electric generating equipment located and used at his or her "farm  
21 operation," up to a total amount of five thousand dollars per "farm  
22 operation"; and

23 (iii) In the case of a non-residential customer-generator who owns or  
24 operates solar electric generating equipment or fuel cell electric  
25 generating equipment or fuel-flexible linear generator electric generat-  
26 ing equipment or micro-hydroelectric generating equipment or farm waste  
27 generating equipment as described in subparagraph (ix) of paragraph (a)  
28 of subdivision one of this section, with a rated capacity of more than  
29 twenty-five kilowatts located and used at its premises, such cost shall  
30 be as determined by the electric corporation subject to review, upon the  
31 request of such customer-generator, by the department.

32 § 9. Paragraph (g) of subdivision 3 of section 66-j of the public  
33 service law, as added by chapter 200 of the laws of 2013, is amended to  
34 read as follows:

35 (g) A customer who owns or operates a farm operation as such term is  
36 defined in subdivision eleven of section three hundred one of the agri-  
37 culture and markets law, or a non-residential customer-generator as  
38 defined by subparagraph (viii) of paragraph (a) of subdivision one of  
39 this section that locates fuel cell electric generating equipment or  
40 fuel-flexible linear generator electric generating equipment with a net  
41 energy meter on property owned or leased by such customer-generator may  
42 designate all or a portion of the net metering credits generated by such  
43 equipment to meters at any property owned or leased by such customer-  
44 generator within the service territory of the same electric corporation  
45 to which the customer-generator's net energy meters are interconnected  
46 and being within the same load zone as determined by the location based  
47 marginal price as of the date of initial request by the customer-genera-  
48 tor to conduct net metering. The electric corporation will credit the  
49 accounts of the customer by applying any credits to the highest use  
50 meter first, then subsequent highest use meters until all such credits  
51 are attributed to the customer. Any excess credits shall be carried over  
52 to the following month.

53 § 10. Paragraph (b) of subdivision 4 of section 66-j of the public  
54 service law, as amended by chapter 494 of the laws of 2014, is amended  
55 to read as follows:

1 (b) In the event that the amount of electricity produced by a custom-  
2 er-generator during the billing period exceeds the amount of electricity  
3 used by the customer-generator, the corporation shall apply a credit to  
4 the next bill for service to the customer-generator for the net elec-  
5 tricity provided at the same rate per kilowatt hour applicable to  
6 service provided to other customers in the same service class which do  
7 not generate electricity onsite, except for micro-combined heat and  
8 power or fuel cell or fuel-flexible linear generator customer-generators  
9 or farm waste generating equipment customer-generators as described in  
10 subparagraph (ix) of paragraph (a) of subdivision one of this section,  
11 who will be credited at the corporation's avoided costs. The avoided  
12 cost credit provided to micro-combined heat and power or fuel cell or  
13 fuel-flexible linear generator customer-generators or farm waste gener-  
14 ating equipment customer-generators as described in subparagraph (ix) of  
15 paragraph (a) of subdivision one of this section shall be treated for  
16 ratemaking purposes as a purchase of electricity in the market that is  
17 includable in commodity costs.

18 § 11. Paragraph (a) of subdivision 5 of section 66-j of the public  
19 service law, as amended by chapter 546 of the laws of 2011, is amended  
20 to read as follows:

21 (a) On or before three months after the effective date of this  
22 section, each electric corporation shall establish standards that are  
23 necessary for net energy metering and the interconnection of residential  
24 solar or farm waste electric generating equipment, micro-combined heat  
25 and power generating equipment and fuel cell electric generating equip-  
26 ment, fuel-flexible linear generator electric generating equipment and  
27 micro-hydroelectric generating equipment to its system and that the  
28 commission shall determine are necessary for safe and adequate service  
29 and further the public policy set forth in this section. Such standards  
30 may include but shall not be limited to:

31 (i) equipment necessary to isolate automatically the residential  
32 solar, farm waste, micro-combined heat and power and fuel cell electric  
33 generating system and fuel-flexible linear generator electric generating  
34 equipment and micro-hydroelectric generating equipment from the utility  
35 system for voltage and frequency deviations; and

36 (ii) a manual lockable disconnect switch provided by the customer-gen-  
37 erator which shall be located on the outside of the customer's premises  
38 and externally accessible for the purpose of isolating the residential  
39 solar and farm waste electric generating equipment and micro-hydroelec-  
40 tric generating equipment.

41 § 12. Subparagraph (i) of paragraph (b) of subdivision 5 of section  
42 66-j of the public service law, as amended by chapter 546 of the laws of  
43 2011, is amended to read as follows:

44 (i) In the case of a customer-generator who owns or operates solar  
45 electric generating equipment located and used at his or her residence;  
46 an electric corporation may not require a customer-generator to comply  
47 with additional safety or performance standards, perform or pay for  
48 additional tests, or purchase additional liability insurance provided  
49 that the residential solar or farm waste electric generating equipment,  
50 micro-combined heat and power generating equipment, fuel cell electric  
51 generating equipment, fuel-flexible linear generator electric generating  
52 equipment or micro-hydroelectric generating equipment meets the safety  
53 standards established pursuant to this paragraph.

54 § 13. This act shall take effect immediately.