

# STATE OF NEW YORK

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4326

2023-2024 Regular Sessions

## IN ASSEMBLY

February 14, 2023

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Introduced by M. of A. LEMONDES -- 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:

1 Section 1. Paragraph (a) of subdivision 1 of section 66-j of the  
2 public service law, as amended by chapter 546 of the laws of 2011,  
3 subparagraph (iv) as separately amended by chapter 530 of the laws of  
4 2011, subparagraphs (v) and (vi) as amended by chapter 691 of the laws  
5 of 2022 and subparagraphs (vii) and (viii) as amended and (ix) as added  
6 by chapter 494 of the laws of 2014, is amended to read as follows:

7 (a) "Customer-generator" means: (i) a residential customer of an elec-  
8 tric corporation, who owns or operates solar electric generating equip-  
9 ment located and used at his or her residence; (ii) a customer of an  
10 electric corporation, who owns or operates farm waste electric generat-  
11 ing equipment located and used at his or her "farm operation," as such  
12 term is defined in subdivision eleven of section three hundred one of  
13 the agriculture and markets law; (iii) a non-residential customer of an  
14 electric corporation which owns or operates solar electric generating  
15 equipment located and used at its premises; (iv) a residential customer  
16 of an electric corporation who owns, leases or operates micro-combined  
17 heat and power generating equipment located on the customer's premises;  
18 (v) a residential customer of an electric corporation who owns, leases  
19 or operates fuel cell generating equipment or fuel-flexible linear  
20 generator electric generating equipment located on the customer's prem-  
21 ises; ~~and~~ (vi) a non-residential customer of an electric corporation  
22 who owns, leases or operates fuel cell generating equipment or fuel-  
23 flexible linear generator electric generating equipment located and used

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

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1 at the customer's premises; (vii) a residential customer of an electric  
2 corporation, who owns or operates micro-hydroelectric generating equip-  
3 ment located and used at his or her residence; (viii) a non-residential  
4 customer of an electric corporation which owns or operates micro-hydroe-  
5 lectric generating equipment located and used at its premises; [~~and~~]  
6 (ix) a non-residential customer of an electric corporation which owns or  
7 operates farm waste electric generating equipment located and used at  
8 its premises; and (x) a non-residential customer of an electric corpo-  
9 ration which owns, leases or operates micro-combined heat and power  
10 generating equipment located on the customer's premises.

11 § 2. Paragraph (f) of subdivision 1 of section 66-j of the public  
12 service law, as amended by chapter 691 of the laws of 2022, is amended  
13 to read as follows:

14 (f) "Micro-combined heat and power generating equipment" means (i) (A)  
15 in the case of residential customer, an integrated, cogenerating build-  
16 ing heating and electrical power generation system, operating on any  
17 fuel and of any applicable engine, fuel cell, fuel-flexible linear  
18 generator, or other technology, with a rated capacity of [~~at least one~~  
19 ~~kilowatt and~~] not more than ten kilowatts electric and any thermal  
20 output that at full load has a design total fuel use efficiency in the  
21 production of heat and electricity of not less than eighty percent, and  
22 annually produces at least two thousand kilowatt hours of useful energy  
23 in the form of electricity that may work in combination with supple-  
24 mental or parallel conventional heating systems[~~7~~]; and (B) in the case  
25 of a non-residential customer, an integrated, cogenerating building  
26 heating and electrical power generation system, operating on any fuel  
27 and of any applicable engine, fuel cell, or other technology, with a  
28 rated capacity of not more than twenty-five kilowatts electric and any  
29 thermal output that a full load has a design total fuel use efficien-  
30 cy in the production of heat and electricity of not less than eighty  
31 percent, and annually produces at least two thousand kilowatt hours of  
32 useful energy in the form of electricity that may work in combination  
33 with supplemental or parallel conventional heating systems; and (ii)  
34 that is manufactured, installed and operated in accordance with applica-  
35 ble government and industry standards, that is connected to the electric  
36 system and operated in conjunction with an electric corporation's trans-  
37 mission and distribution facilities.

38 § 3. Subparagraph (i) of paragraph (c) and paragraph (e) of subdivi-  
39 sion 3 of section 66-j of the public service law, subparagraph (i) of  
40 paragraph (c) as amended by chapter 691 of the laws of 2022, and para-  
41 graph (e) as amended by chapter 546 of the laws of 2011, are amended to  
42 read as follows:

43 (i) In the case of a customer-generator who owns or operates solar  
44 electric generating equipment, micro-combined heat and power generating  
45 equipment, fuel cell electric generating equipment, fuel-flexible linear  
46 generator electric generating equipment or micro-hydroelectric generat-  
47 ing equipment located and used at his or her residence, or a non-resi-  
48 dential customer-generator who owns or operates solar electric generat-  
49 ing equipment or micro-combined heat and power generating equipment with  
50 a rated capacity of not more than twenty-five kilowatts, up to a maximum  
51 amount of three hundred fifty dollars;

52 (e) A customer who owns or operates a farm operation as such term is  
53 defined in subdivision eleven of section three hundred one of the agri-  
54 culture and markets law, or a non-residential customer-generator as  
55 defined by [~~subparagraph~~] subparagraphs (iii) and (x) of paragraph (a)  
56 of subdivision one of this section that locates solar electric generat-

ing 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 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

1 generating equipment owned or operated by non-residential customers, (D)  
2 micro-combined heat and power generating equipment owned, leased or  
3 operated by residential customers, (E) fuel cell electric generating  
4 equipment owned, leased or operated by residential customers, [~~and~~] (F)  
5 micro-combined heat and power generating equipment owned, leased, or  
6 operated by non-residential customers, and (G) micro-hydroelectric  
7 generating equipment owned, leased or operated by customer-generators  
8 and for net energy metering consistent with section sixty-six-j of the  
9 public service law, to increase the efficiency of energy end use, to  
10 shift demand from periods of high demand to periods of low demand and to  
11 facilitate the development of cogeneration; and (ii) wind electric  
12 generating equipment owned or operated by customer-generators and for  
13 net energy metering consistent with section sixty-six-l of the public  
14 service law.

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