

HOUSE BILL NO. 31

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE OLSON

Introduced: 1/20/09

Referred: House Special Committee on Energy, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to net energy metering for retail electricity suppliers and customers;**
2 **and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 42.45 is amended by adding a new section to read:

5 **Sec. 42.45.047. Net energy metering.** (a) A retail supplier of electricity
6 providing service to residential or commercial customers shall offer to a customer, at
7 the same proportional fee as a standard meter, the option of net energy metering that is
8 capable of registering the flow of electricity in two directions if the customer owns or
9 operates an electric generation facility that

- 10 (1) is located on the customer's premises;
11 (2) has a capacity of not more than 25 kilowatts;
12 (3) uses solar, wind, tidal, geothermal, or hydropower as its fuel;
13 (4) operates in parallel with the distribution facilities of the retail
14 supplier of electricity; and

1 (5) is intended primarily to offset part or all of the customer's
2 requirements for electricity.

3 (b) If, during any billing period, a customer's facility that uses a net energy
4 meter generates more energy than the customer consumes, the retail supplier of
5 electricity shall credit the customer in kilowatt-hours, based on the negotiated firm
6 purchase power rate paid by the retail supplier for energy, for the excess amount of
7 energy and apply the credits to reduce amounts owed by the customer to the retail
8 supplier during the following billing period or periods until the credits are used.
9 Credits applied during a billing period must be the oldest credits that a customer has
10 generated.

11 (c) The customer may sell to the retail supplier of electricity kilowatt-hour
12 energy credits described in (b) of this section that are not applied under (b) of this
13 section. The customer may sell credits at the negotiated firm purchase power rate paid
14 by the retail supplier for energy, as determined and approved by the Regulatory
15 Commission of Alaska for the retail supplier. Credits expire one year after the billing
16 period in which the credits were generated.

17 (d) A retail supplier of electricity that is organized as a cooperative under
18 AS 10.25 is exempt from the provisions of this section. A cooperative organized under
19 AS 10.25 may waive exemption from this section if the majority of its membership
20 votes in favor of waiving the exemption. The Regulatory Commission of Alaska shall
21 adopt by regulation a procedure for an exemption waiver vote for a retail supplier of
22 electricity described in this subsection.

23 (e) The provisions of (a) - (c) of this section do not apply to a retail supplier of
24 electricity if, except for carbon fuel based generation for standby and emergency
25 power, 100 percent of its power generation is provided by an alternative energy
26 system, as that term is defined in AS 46.11.900.

27 * **Sec. 2.** This Act takes effect January 1, 2010.