

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE OLSON

TO: HB 31

1 Page 1, line 1:

2 Delete "net energy metering for retail electricity suppliers and customers"

3 Insert "net metering of electric energy for electric utilities subject to economic
4 regulation by the Regulatory Commission of Alaska and for a utility's retail consumers"
5

6 Page 1, line 4, through page 2, line 27:

7 Delete all material and insert:

8 **"* Section 1.** AS 42.05 is amended by adding a new section to read:9 **Sec. 42.05.686. Net metering of electrical energy.** (a) This section applies to
10 every electric utility that is subject to exercise of the jurisdiction of the Regulatory
11 Commission of Alaska that extends to matters concerning rates and charges for public
12 utility services.13 (b) The commission may modify or waive a requirement in this section, in
14 whole or in part, by order. The commission may act on an application for modification
15 or waiver and a showing of good cause or on the commission's own motion. An
16 application for modification or waiver under this section must be in writing and must
17 set out the pertinent facts in sufficient detail to support a finding by the commission
18 that no legitimate public interest will be served by enforcing the requirement
19 designated in the application. Under the authority set out in this subsection, the
20 commission may not modify or waive a requirement in another provision of AS 42.05.21 (c) The commission may adopt by regulation additional requirements
22 pertaining to safety, power quality, and interconnection standards for consumer
23 generation systems participating in the net metering program if the commission

1 considers the requirements to be necessary to protect public safety and system
2 reliability.

3 (d) This section does not apply to the following systems of an electric utility
4 that is otherwise subject to exercise of the jurisdiction of the commission described in
5 (a) of this section:

6 (1) an independent electric system owned and operated by an electric
7 utility if

8 (A) except for fossil fuel generation for standby and emergency
9 power, 100 percent of the independent electric system's power is supplied by a
10 facility described in (l)(1) of this section; or

11 (B) the independent system had total retail sales of less than
12 5,000,000 kilowatt-hours during the previous calendar year; or

13 (2) any portion of the distribution system of the electric utility if and to
14 the extent the electric utility demonstrates to the commission that limiting net metering
15 installations in that portion of its distribution system is reasonably necessary to
16 address system stability constraints or other operational issues.

17 (e) Except as provided in (f) or (j) of this section, an electric utility subject to
18 this section shall

19 (1) make a net metering program available to each of its retail
20 consumers that requests interconnection; and

21 (2) allow eligible consumer generation systems complying with (l) of
22 this section to be interconnected to the electric utility's facilities in accordance with
23 interconnection standards approved or accepted by the commission.

24 (f) An electric utility may refuse to interconnect with a consumer that requests
25 net metering if interconnection would cause the total nameplate capacity of all eligible
26 consumer generation systems participating in the net metering program to exceed 1.5
27 percent of the electric utility's average retail demand. The utility shall notify the
28 commission if it refuses to interconnect with a potential net metering consumer under
29 this subsection.

30 (g) An electric utility that has a decrease in average retail demand that results
31 in the total nameplate capacity of eligible consumer generation systems exceeding 1.5

1 percent of average retail demand shall allow existing net metering consumers to
2 continue participating in the net metering program.

3 (h) By March 1 of each year, an electric utility shall submit a tariff filing
4 stating the number of kilowatts equivalent to 1.5 percent of the electric utility's
5 average retail demand for the previous calendar year and the total nameplate capacity
6 of eligible consumer generation systems participating in the net metering program at
7 the time of filing. The commission may require the filing to be made using a tariff
8 advice letter with accompanying tariff sheet.

9 (i) An electric utility may submit a tariff filing requesting an increase in the
10 limit on total nameplate capacity of eligible consumer generation systems participating
11 in the net metering program above 1.5 percent of the electric utility's average retail
12 demand. The commission may require the filing to be made using a tariff advice letter.

13 (j) An electric utility may deny participation in a net metering program to an
14 electric consumer that

15 (1) participates in another program if the program allows the consumer
16 to collect, through voluntary contributions from other participating consumers of the
17 utility, more than the non-firm power rate a kilowatt-hour for the sale of electric
18 energy; or

19 (2) sells electric energy under an existing contract if the contract
20 allows the consumer to collect more than the non-firm power rate a kilowatt-hour for
21 the sale of electric energy.

22 (k) An electric utility may install additional metering equipment for net
23 metering consumers. The electric utility

24 (1) is responsible for all costs related to the purchase, installation, and
25 maintenance of the additional metering equipment; and

26 (2) may not assess a recurring charge for the additional metering
27 equipment.

28 (l) To be eligible for interconnection under a net metering program, a
29 generation system must

30 (1) be a facility that produces electric energy derived from one or more
31 of the following sources:

- 1 (A) solar photovoltaic and solar thermal energy;
2 (B) wind energy;
3 (C) biomass energy;
4 (D) hydroelectric energy;
5 (E) geothermal energy;
6 (F) hydrokinetic energy;
7 (G) ocean thermal energy;
8 (H) landfill gas or biogas produced from organic matter,
9 wastewater, anaerobic digesters, or municipal solid waste; and
10 (I) other sources, as approved by the commission, that
11 generally have similar environmental effects;

12 (2) be operated and owned or leased by the consumer and

13 (A) have a total nameplate capacity of not more than 25
14 kilowatts for each consumer premises;

15 (B) be located on or adjacent to the consumer's premises;

16 (C) be used primarily to offset part or all of the consumer's
17 requirements for electric energy; and

18 (D) include a device that converts direct current power into
19 alternating current power to ensure the generated power is compatible with
20 power generated by an electric utility;

21 (3) include an electric generator and its accompanying components
22 that connect the electric generator to a utility's electric distribution system, including
23 interface equipment and interface equipment controls, switchgear, inverter, and other
24 interface devices; and

25 (4) be physically interconnected to the consumer's side of the meter
26 from which electric service is provided by the utility to the consumer.

27 (m) Each electric utility with a consumer participating in a net metering
28 program shall measure the net electric energy during each monthly billing period, and

29 (1) if the utility supplied more electric energy to the consumer than the
30 consumer supplied to the utility during the monthly billing period, the electric utility
31 shall bill the consumer for the number of kilowatt-hours of net electric energy supplied

1 by the utility to the consumer at the applicable rates contained in the utility's currently
2 effective tariff; or

3 (2) if the consumer supplied more electric energy to the utility than the
4 utility supplied to the consumer during the monthly billing period, the electric utility
5 shall credit the consumer's account with an amount derived by multiplying the
6 kilowatt-hours of net electric energy supplied by the consumer to the utility by the
7 non-firm power rate contained in the utility's currently effective tariff, unless a
8 different rate has been established in a commission-approved contract; the electric
9 utility shall credit dollar amounts to the account of a net metering consumer for
10 furnishing electric energy to the utility under this paragraph and use the credits to
11 reduce dollar amounts owed by the consumer in subsequent monthly billing periods;
12 the credits do not expire or otherwise revert to the utility.

13 (n) Except as otherwise provided in (m) of this section regarding kilowatt-
14 hour charges, the electric utility may bill a net metering consumer for all applicable
15 charges authorized by the electric utility's approved tariff.

16 (o) An electric utility administering a net metering program may not charge a
17 consumer participating in the net metering program any additional fee for standby,
18 capacity, interconnection, or other net metering expense unless approved by the
19 commission.

20 (p) An electric utility may petition the commission to change electric rate
21 designs, consistent with regulations adopted by the commission, including appropriate
22 rate classes for net metered consumers. The commission shall allow the charge if the
23 utility can demonstrate an adverse material rate effect on utility consumers that do not
24 participate in the net metering program.

25 (q) In this section,

26 (1) "average retail demand" is the number of kilowatts determined by
27 dividing the total retail sales of the utility, measured in kilowatt-hours, for a calendar
28 year

29 (A) with 365 days, by 8,760 hours; or

30 (B) with 366 days, by 8,784 hours;

31 (2) "consumer" means a customer of an electric utility described in (a)

1 of this section that consumes the electricity purchased from the utility;

2 (3) "consumer premises" means all buildings and associated grounds
3 owned or leased by a consumer at a single location where an electric utility provides
4 service through one or more utility meters;

5 (4) "electric system" means an integrated electrical system that
6 includes, at a minimum, generation and distribution of electric energy;

7 (5) "independent electric system" means an electric system that is not
8 interconnected with another electric system;

9 (6) "nameplate capacity" means the maximum rated output of a
10 generator, prime mover, or other electric power production equipment under specific
11 conditions designated by the manufacturer;

12 (7) "net electric energy" means, as metered by the electric utility for a
13 specified period and expressed in kilowatt-hours, the amount by which the quantity of
14 electric energy supplied by the

15 (A) utility to the consumer exceeds the quantity of electric
16 energy supplied by the consumer to the utility; or

17 (B) consumer to the utility exceeds the quantity of electric
18 energy supplied by the utility to the consumer;

19 (8) "non-firm power rate" means the rate updated quarterly in an
20 electric utility's tariff in accordance with regulations adopted by the commission or
21 another non-firm power rate as may be authorized by the commission;

22 (9) "retail sales" means sales of electricity to the end-use consumer,
23 exclusive of any wholesale sales.

24 * **Sec. 2.** This Act takes effect January 1, 2011."