

SECOND REGULAR SESSION

# SENATE BILL NO. 1100

91ST GENERAL ASSEMBLY

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INTRODUCED BY SENATORS CHILDERS, STOLL, YECKEL AND MATHEWSON.

Read 1st time February 4, 2002, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4479S.011

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## AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to the promotion of energy efficiency.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 386, RSMo, is amended by adding thereto one new section, to be known as section 386.887, to read as follows:

**386.887. 1. This section shall be known and may be cited as the "Consumer Clean Energy Act".**

**2. As used in this section, the following terms mean:**

**(1) "Commission", the public service commission of the state of Missouri;**

**(2) "Customer-generator", a consumer of electric energy who purchases electric energy from a retail electric energy supplier and is the owner of a qualified net metering unit;**

**(3) "Local distribution system", facilities for the distribution of electric energy to the ultimate consumer thereof;**

**(4) "Net energy metering", a measurement of the difference between the electric energy supplied to a customer-generator by a retail electric supplier and the electric energy generated by a customer-generator that is delivered to a local distribution system at the same point of interconnection;**

**(5) "Qualified net metering unit", an electric generation unit which:**

- (a) Is owned by a customer-generator;**
- (b) Is a hydrogen fuel cell or is powered by sun, wind or biomass;**
- (c) Has an electrical generating system with a capacity of not more than one hundred kilowatts;**
- (d) Is located on the premises that are owned, operated, leased or otherwise controlled by the customer-generator;**
- (e) Is interconnected and operates in parallel and in synchronization with a retail electric supplier; and**
- (f) Is intended primarily to offset part or all of the customer-generator's own electrical requirements;**
- (6) "Retail electric supplier" or "supplier", any person that sells electric energy to the ultimate consumer thereof;**
- (7) "Value of electric energy", the total resulting from the application of the appropriate rates to the quantity of electric energy produced from qualified net metering units or the quantity of electric energy sold to customer-generators.**

**3. By August 28, 2003, each retail electric supplier shall adopt rates, charges, conditions and contract terms for the purchase from and the sale of electric energy to customer-generators. Upon agreement of the wholesale generator supplying electric energy to the retail electric supplier, at the option of the retail electric supplier, the purchase from the customer-generator may be by the wholesale generator. The rates charged for electric energy sold to customer-generators shall be the same as for any other customers with the same net electric energy usage pattern including minimum bills and service availability charges. Rates for electric energy generated by the customer-generator from a qualified net generating unit and sold to the retail electric supplier or its wholesale generator shall be the avoided cost of the wholesale generator. Whenever a customer-generator with a qualified net generating unit uses any energy generation method entitled to eligibility under a minimum renewable energy generation requirement, the total amount of energy generated by that method shall be treated as generated by the generator providing electric energy to the retail electric supplier for purposes of such requirement. The wholesale generator shall receive credit for emissions avoided by the wholesale generator because of electric energy purchased by the wholesale generator or the retail electric supplier from a qualified net metering**

**unit.**

**4. Each retail electric supplier shall calculate the net energy measurement for a customer-generator using a qualified net metering unit in the following manner:**

**(1) The retail electric supplier shall individually measure both the electric energy produced and the electric energy consumed by the customer-generator during each billing period using an electric metering capable of such function;**

**(2) If the value of the electric energy supplied by the retail electric supplier exceeds the value of the electric energy delivered by the customer-generator to the retail electric supplier during a billing period, then the customer-generator shall be billed for the net value of the electric energy supplied by the retail electric supplier in accordance with the rates, terms and conditions established by the retail electric supplier for customer-generators; and**

**(3) If the value of the electric energy generated by the customer-generator exceeds the value of the electric energy supplied by the retail electric supplier, then the customer-generator:**

**(a) Shall be billed for the appropriate customer charges for that billing period; and**

**(b) Shall be credited the excess value of the electric energy generated and supplied to the retail electric supplier during the billing period, with this credit appearing on the bill for the following billing period.**

**5. A retail electric supplier shall not be required to provide net metering service with respect to additional customer-generators after the date during any calendar year on which the total generating capacity of all customer-generators with qualified net metering units served by that retail electric supplier is equal to or in excess of the lesser of ten thousand kilowatts or one-tenth of one percent of the capacity necessary to meet the company's aggregate customer peak demand for the preceding calendar year.**

**6. Each retail electric supplier shall maintain and make available to the public records of the total generating capacity of customer-generators of the supplier that are using net metering, the type of generating systems and energy source used by the electric generating systems which customer-generators use. Each such retail**

**electric supplier shall notify the commission when the total generating capacity of such customer-generators is equal to or in excess of the lesser of ten thousand kilowatts or one-tenth of one percent of the capacity necessary to meet the company's aggregate customer peak demand for the preceding calendar year.**

**7. Each qualified net metering unit used by a customer-generator shall meet all applicable safety, performance, synchronization, interconnection and reliability standards established by the commission, the National Electrical Safety Code, National Electrical Code, the Institute of Electrical, Electronics Engineers, and Underwriters Laboratories. Each qualified net metering unit used by a customer-generator shall also meet all reasonable standards and requirements established by the retail electric supplier to enhance employee, consumer and public safety and the reliability of electric service to the customer-generator and other consumers receiving electric service from the retail electric supplier. Each qualified net metering unit used by a customer-generator shall also comply with all applicable local building, electrical and safety codes. The customer-generator shall obtain liability insurance coverage in amounts and coverage as set by the commission by rule applicable to all qualified net metering units.**

**8. The cost of meeting the standards of subsection 7 of this section and any cost to install additional controls, to install additional metering, to perform or pay for additional tests or analysis of the effect of the operation of the qualified net metering unit on the local distribution system shall be paid by the customer-generator.**

**9. Applications by a customer-generator for interconnection to the distribution system shall be accompanied by certification from a qualified professional electrician or engineer that the installation meets the requirements of subsection 7 of this section. Such applications shall be reviewed and responded to by the retail electric supplier within ninety days. If the application for interconnection is approved by the retail electric supplier, the retail electric supplier shall complete the interconnection within fifteen days if electric service already exists to the premises, unless a later date is mutually agreeable to both the customer-generator and the retail electric supplier.**

**10. The sale of qualified net metering units shall be subject to the provisions of sections 407.700 to 407.720, RSMo. The attorney general**

**shall have the authority to promulgate in accordance with the provisions of chapter 536, RSMo, rules regarding mandatory disclosures of information by sellers of qualified net metering units. Such rules shall as a minimum require disclosure or the standards of subsection 7 of this section and potential liability of the owner or operator of a qualified net metering unit to third persons for personal injury or property damage as a result of negligent operation of a qualified net metering unit. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be invalid and void.**

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