

**SENATE BILL NO. 131**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY SENATORS MCGUIRE, Ellis

Introduced: 2/27/09

Referred: Senate 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 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 PURPOSE. The purpose of AS 42.45.055, added by sec. 3 of this Act, directing  
6 implementation of net energy metering by certain retail suppliers of electricity, is to promote  
7 use of alternative energy resources from solar, wind, tidal, geothermal, or hydropower sources  
8 in parallel with, and to complement electrical distribution using, power generated by retail  
9 supplies of electricity.

10 \* **Sec. 2.** AS 42.05.141(b) is amended to read:

11 (b) The commission shall perform the duties assigned to it under  
12 AS 42.45.055(e) and 42.45.100 - 42.45.190 [AS 42.45.100 - 42.45.190].

13 \* **Sec. 3.** AS 42.45 is amended by adding a new section to read:

14 **Sec. 42.45.055. Net energy metering.** (a) A retail supplier of electricity  
15 providing service to residential or commercial customers shall offer to a customer, at

1 the same proportional fee as a standard meter and without an additional fee, the option  
2 of net energy metering that is capable of registering the flow of electricity in two  
3 directions if the customer owns or operates an electric generation facility that

4 (1) is located on the customer's premises;

5 (2) has a capacity of not more than 25 kilowatts, but a utility may elect  
6 to offer a higher capacity limit;

7 (3) uses solar, wind, tidal, geothermal, or hydropower as its fuel;

8 (4) operates in parallel with the distribution facilities of the retail  
9 supplier of electricity; and

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

12 (b) If, during any billing period, a customer's facility that uses a net energy  
13 meter generates more energy than the customer consumes, the retail supplier of  
14 electricity shall credit the customer in kilowatt-hours for the excess amount of energy  
15 and, subject to (c) of this section, apply the credits to reduce amounts owed by the  
16 customer to the retail supplier in the following billing period or periods until the  
17 credits are used. Credits applied in a billing period must be the oldest credits that a  
18 customer has generated.

19 (c) At the beginning of each calendar year, kilowatt-hour energy credits  
20 accumulated during the previous calendar year and remaining unused at that time  
21 revert to the retail supplier of electricity without any compensation to the customer.

22 (d) A retail supplier of electricity

23 (1) shall offer net energy metering to its customers on a first-come,  
24 first-served basis until a total net energy metering capacity of up to one percent of the  
25 supplier's annual peak energy usage has been reached, but a supplier may adopt a  
26 higher capacity limit;

27 (2) may, notwithstanding (1) of this subsection, limit net energy  
28 metering installations because of special circumstances related to engineering  
29 constraints on the portions of the distribution section affected by the proposed  
30 installation.

31 (e) The Regulatory Commission of Alaska shall set the minimum

1 interconnection standards and equipment quality required for a generator to qualify  
 2 under this section. However, unless, under this subsection, the Regulatory  
 3 Commission of Alaska

4 (1) prescribes a higher standard, to be eligible for the net energy  
 5 metering program, a customer's generator must meet the following minimum  
 6 requirements:

7 (A) one of the following:

8 (i) IEEE 1547 Standard for Interconnecting Distributed  
 9 Resources with Electric Power Systems; or

10 (ii) IEEE 929 standard for inverters less than 10  
 11 kilowatts in size; and

12 (B) UL 1741 Standard for Inverters, Converters, and  
 13 Controllers for Use in Independent Power Systems; and

14 (2) prescribes a higher standard for equipment, interconnection  
 15 equipment qualifies for the net energy metering program if the equipment

16 (A) has been tested and listed by a nationally recognized testing  
 17 and certification laboratory for continuous interactive operation with a utility  
 18 grid; and

19 (B) meets the definition for "certification" under Federal  
 20 Energy Regulatory Commission Order No. 2006 (18 CFR Part 35).

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

25 (g) A retail supplier of electricity that sold not more than 1,000,000  
 26 kilowatt-hours during the supplier's previous fiscal year may exempt itself from the  
 27 provisions of this section if a majority of the supplier's customers vote in a favor of an  
 28 exemption

29 (1) at a regular election or special municipality-wide election called for  
 30 that purpose if the retail supplier of electricity is municipally owned; or

31 (2) at an election held by the retail supplier of electricity if (1) of this

1 subsection does not apply.

2 (h) A retail supplier of electricity shall provide any additional metering  
3 required for the retail supplier of electricity to monitor net energy metering of a  
4 customer at no cost to the customer.

5 (i) This section does not

6 (1) limit or prohibit a retail supplier of electricity from adopting other  
7 programs, in addition to or in combination with net energy metering, that offer  
8 incentives for installation of renewable energy systems; or

9 (2) prohibit a customer and a retail supplier of electricity from  
10 negotiating an individual power purchase agreement for excess customer generation.