

HOUSE BILL No. 1304

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-40.

Synopsis: Distributed energy generation. Amends as follows the statute concerning electricity supplied to and generated by an electricity supplier's customers who own a distributed generation facility: (1) Specifies that "excess distributed generation" means the difference between: (A) the kilowatt hours of electricity generated by a customer and supplied back to the electricity supplier; and (B) the kilowatt hours of electricity delivered by the electricity supplier to the customer; as netted over the monthly billing period. (2) Provides for: (A) the billing or crediting, on a monthly basis, of a distributed generation customer for the kilowatt hours of electricity received by or supplied by the customer, as applicable; and (B) the rates at which the customer is to be credited or billed, as applicable, for those kilowatt hours. (3) Makes conforming changes in other provisions of the statute. Adds a noncode provision to address electricity suppliers that have applied for approval, or received approval, for an excess distributed generation rate or tariff from the utility regulatory commission (IURC) under current law, and to require that: (1) the IURC not approve any pending petitions unless those petitions comply with the bill's provisions; and (2) an electricity supplier that has been granted approval by the IURC of an excess distributed generation rate and tariff to file with the IURC, not later than 30 days after the enactment of the bill, an amended rate and tariff, so that both the rate and the tariff, as amended, comply with the bill's provisions.

Effective: Upon passage.

Morrison

January 11, 2022, read first time and referred to Committee on Utilities, Energy and Telecommunications.



Second Regular Session of the 122nd General Assembly (2022)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2021 Regular Session of the General Assembly.

HOUSE BILL No. 1304

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-40-5, AS ADDED BY P.L.264-2017,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 5. As used in this chapter, "excess distributed
4 generation" means the difference between:

5 (1) the **kilowatt hours of** electricity that ~~is supplied by an~~
6 ~~electricity supplier to are:~~

7 (A) **generated by** a customer that produces distributed
8 generation; and

9 (B) **supplied back to the customer's electricity supplier;**
10 **and**

11 (2) the **kilowatt hours of** electricity that ~~is supplied back to are~~
12 ~~delivered by~~ the electricity supplier ~~by to~~ the customer;
13 **as netted over the monthly billing period.**

14 SECTION 2. IC 8-1-40-15, AS ADDED BY P.L.264-2017,
15 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 15. (a) An electricity supplier shall procure
17 the excess distributed generation produced by a customer **at a rate**



1 approved by the commission under section 17 of this chapter. as
2 follows:

3 **(1) If the kilowatt hours delivered by the electricity supplier**
4 **to the customer exceed the kilowatt hours delivered by the**
5 **customer to the electricity supplier during the monthly billing**
6 **period, the customer shall be billed for the kilowatt hour**
7 **difference at the rate that would apply to the customer if the**
8 **customer were not an excess distributed generation customer.**

9 **(2) If the kilowatt hours generated by the customer and**
10 **delivered to the electricity supplier exceed the kilowatt hours**
11 **supplied by the electricity supplier to the customer, as netted**
12 **over the monthly billing period, the customer shall be credited**
13 **in the next monthly billing cycle for the kilowatt hour**
14 **difference at the rate approved by the commission under**
15 **section 17 of this chapter.**

16 **(b)** Amounts credited to a customer by an electricity supplier for
17 excess distributed generation shall be recognized in the electricity
18 supplier's fuel adjustment proceedings under IC 8-1-2-42.

19 SECTION 3. IC 8-1-40-16, AS ADDED BY P.L.264-2017,
20 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 16. Not later than March 1, 2021, an
22 electricity supplier shall file with the commission a petition requesting
23 a rate for the procurement of excess distributed generation by the
24 electricity supplier **under section 15(a)(2) of this chapter.** After an
25 electricity supplier's initial rate for excess distributed generation is
26 approved by the commission under section 17 of this chapter, the
27 electricity supplier shall submit on an annual basis, not later than
28 March 1 of each year, an updated rate for excess distributed generation
29 in accordance with the methodology set forth in section 17 of this
30 chapter.

31 SECTION 4. IC 8-1-40-17, AS ADDED BY P.L.264-2017,
32 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 UPON PASSAGE]: Sec. 17. The commission shall review a petition
34 filed under section 16 of this chapter by an electricity supplier and,
35 after notice and a public hearing, shall approve a rate to be credited
36 **under section 15(a)(2) of this chapter** to participating customers by
37 the electricity supplier for excess distributed generation if the
38 commission finds that the rate requested by the electricity supplier was
39 accurately calculated and equals the product of:

40 (1) the average marginal price of electricity paid by the electricity
41 supplier during the most recent calendar year; multiplied by

42 (2) one and twenty-five hundredths (1.25).



1 SECTION 5. IC 8-1-40-18, AS ADDED BY P.L.264-2017,
 2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 18. An electricity supplier shall compensate
 4 a customer from whom the electricity supplier procures excess
 5 distributed generation (at the rate approved by the commission under
 6 section 17 of this chapter) through a credit on the customer's monthly
 7 bill, **as described in section 15(a)(2) of this chapter.** Any excess
 8 credit shall be carried forward and applied against future charges to the
 9 customer for as long as the customer receives retail electric service
 10 from the electricity supplier at the premises.

11 SECTION 6. [EFFECTIVE UPON PASSAGE] **(a) The definitions**
 12 **in IC 8-1-40, as amended by this act, apply throughout this**
 13 **SECTION.**

14 **(b) If:**

15 **(1) an electricity supplier has filed, before the effective date of**
 16 **this act, a petition with the commission under IC 8-1-40-16,**
 17 **before its amendment by this act; and**

18 **(2) the commission, as of the effective date of this act, has not**
 19 **approved:**

20 **(A) a rate under IC 8-1-40-17, as amended by this act; or**

21 **(B) an excess distributed generation tariff;**

22 **for the electricity supplier;**

23 **the commission may not approve a rate under IC 8-1-40-17, as**
 24 **amended by this act, or an excess distributed generation tariff for**
 25 **the electricity supplier, unless both the rate and the tariff comply**
 26 **with IC 8-1-40-15, as amended by this act, and IC 8-1-40-17, as**
 27 **amended by this act.**

28 **(c) If, before the effective date of this act, the commission has**
 29 **approved a rate under IC 8-1-40-17, before its amendment by this**
 30 **act, and an excess distributed generation tariff for an electricity**
 31 **supplier, the electricity supplier shall, not later than thirty (30)**
 32 **days after the effective date of this act, file with the commission for**
 33 **approval an amended rate under IC 8-1-40-17, as amended by this**
 34 **act, and an amended excess distributed generation tariff, so that**
 35 **both the rate and the tariff, as amended, comply with IC 8-1-40-15,**
 36 **as amended by this act, and IC 8-1-40-17, as amended by this act.**
 37 **Upon the commission's approval of the amended rate and tariff,**
 38 **the electricity supplier shall begin procuring excess distributed**
 39 **generation from the electricity supplier's participating customers**
 40 **in accordance with the amended rate and tariff, as directed by the**
 41 **commission in its order approving the amended rate and tariff.**

42 **(d) This SECTION expires January 1, 2026.**



1 **SECTION 7. An emergency is declared for this act.**

