

HOUSE BILL No. 1328

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-40.

Synopsis: Elimination of net metering phase out. Eliminates provisions under which net metering (an arrangement under which an electric utility's customer that has equipment for the production of electricity and that intermittently supplies electricity from that equipment to the electric utility is credited for the electricity that the customer supplies to the electric utility) would be partially ended by 2032 and completely ended by 2047. Eliminates a limit on the aggregate amount of an electric utility's net metering facility nameplate capacity that can be made available for customers' participation in net metering. Provides instead that the net metering facility nameplate capacity that an electric utility makes available for customers' participation in net metering must be at least 3% of the electric utility's most recent summer peak load. Provides that, of the net metering facility nameplate capacity made available for customers' participation in net metering, 30% must be reserved for participation by residential customers and not more than 5% must be reserved for participation by customers that install net metering facilities using organic waste biomass.

Effective: July 1, 2020.

DeLaney

January 14, 2020, read first time and referred to Committee on Utilities, Energy and Telecommunications.



Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1328

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 8-1-40-7, AS ADDED BY P.L.264-2017,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 7. As used in this chapter, "net metering tariff"
4 means a tariff that ~~(1)~~ an electricity supplier offers for net metering
5 under 170 IAC 4-4.2. ~~and~~
6 ~~(2) is in effect on January 1, 2017.~~
7 SECTION 2. IC 8-1-40-10 IS REPEALED [EFFECTIVE JULY 1,
8 2020]. ~~Sec. 10. Subject to sections 13 and 14 of this chapter, a net~~
9 ~~metering tariff of an electricity supplier must remain available to the~~
10 ~~electricity supplier's customers until the earlier of the following:~~
11 ~~(1) January 1 of the first calendar year after the calendar year in~~
12 ~~which the aggregate amount of net metering facility nameplate~~
13 ~~capacity under the electricity supplier's net metering tariff equals~~
14 ~~at least one and one-half percent (1.5%) of the most recent~~
15 ~~summer peak load of the electricity supplier.~~
16 ~~(2) July 1, 2022.~~
17 Before July 1, 2022, if an electricity supplier reasonably anticipates, at



1 any point in a calendar year, that the aggregate amount of net metering
 2 facility nameplate capacity under the electricity supplier's net metering
 3 tariff will equal at least one and one-half percent (1.5%) of the most
 4 recent summer peak load of the electricity supplier; the electricity
 5 supplier shall, in accordance with section 16 of this chapter, petition
 6 the commission for approval of a rate for the procurement of excess
 7 distributed generation.

8 SECTION 3. IC 8-1-40-11 IS REPEALED [EFFECTIVE JULY 1,
 9 2020]. Sec. 11. (a) Except as provided in sections 12 and 21(b) of this
 10 chapter, before July 1, 2047:

11 (1) an electricity supplier may not seek to change the terms and
 12 conditions of the electricity supplier's net metering tariff; and

13 (2) the commission may not approve changes to an electricity
 14 supplier's net metering tariff.

15 (b) Except as provided in sections 13 and 14 of this chapter, after
 16 June 30, 2022:

17 (1) an electricity supplier may not make a net metering tariff
 18 available to customers; and

19 (2) the terms and conditions of a net metering tariff offered by an
 20 electricity supplier before July 1, 2022, expire and are
 21 unenforceable.

22 SECTION 4. IC 8-1-40-12, AS ADDED BY P.L.264-2017,
 23 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2020]: Sec. 12. (a) Before January 1, 2018; **January 1, 2021**,
 25 the commission shall amend 170 IAC 4-4.2-4, and an electricity
 26 supplier shall amend the electricity supplier's net metering tariff, to do
 27 the following:

28 (1) **Increase the allowed limit on Provide that** the aggregate
 29 amount of net metering facility nameplate capacity **made**
 30 **available for participation by customers** under the net metering
 31 tariff to **one and one-half must be at least three** percent (~~1.5%~~)
 32 **(3%)** of the most recent summer peak load of the electricity
 33 supplier.

34 (2) **Modify Provide that** the required reservation **minimum** of
 35 **net metering facility nameplate** capacity under the limit
 36 **described in made available for participation by customers**
 37 **under** subdivision (1) is **subject** to require the reservation of:
 38 **following:**

39 (A) **forty Thirty** percent (~~40%~~) **(30%)** of the capacity **must be**
 40 **reserved** for participation by residential customers. **and**

41 (B) **fifteen Not more than five** percent (~~15%~~) **(5%)** of the
 42 capacity **must be reserved** for participation by customers that



1 install a net metering facility that uses a renewable energy
2 resource described in IC 8-1-37-4(a)(5).

3 (b) In amending ~~170 IAC 4-4.2-4~~, as required by subsection (a), the
4 commission may adopt emergency rules in the manner provided by
5 ~~IC 4-22-2-37.1~~. Notwithstanding ~~IC 4-22-2-37.1(g)~~, an emergency rule
6 adopted by the commission under this section and in the manner
7 provided by ~~IC 4-22-2-37.1~~ expires on the date on which a rule that
8 supersedes the emergency rule is adopted by the commission under
9 ~~IC 4-22-2-24 through IC 4-22-2-36~~.

10 SECTION 5. IC 8-1-40-13 IS REPEALED [EFFECTIVE JULY 1,
11 2020]. Sec. 13: (a) This section applies to a customer that installs a net
12 metering facility (as defined in ~~170 IAC 4-4.2-1(k)~~) on the customer's
13 premises:

14 (1) after December 31, 2017; and
15 (2) before the date on which the net metering tariff of the
16 customer's electricity supplier terminates under section ~~10(1)~~ or
17 ~~10(2)~~ of this chapter.

18 (b) A customer that is participating in an electricity supplier's net
19 metering tariff on the date on which the electricity supplier's net
20 metering tariff terminates under section ~~10(1)~~ or ~~10(2)~~ of this chapter
21 shall continue to be served under the terms and conditions of the net
22 metering tariff until:

23 (1) the customer removes from the customer's premises or
24 replaces the net metering facility (as defined in ~~170~~
25 ~~IAC 4-4.2-1(k)~~); or
26 (2) July 1, 2032;

27 whichever occurs earlier.

28 (c) A successor in interest to a customer's premises on which a net
29 metering facility (as defined in ~~170 IAC 4-4.2-1(k)~~) that was installed
30 during the period described in subsection (a) is located may, if the
31 successor in interest chooses, be served under the terms and conditions
32 of the net metering tariff of the electricity supplier that provides retail
33 electric service at the premises until:

34 (1) the net metering facility (as defined in ~~170 IAC 4-4.2-1(k)~~) is
35 removed from the premises or is replaced; or
36 (2) July 1, 2032;

37 whichever occurs earlier.

38 SECTION 6. IC 8-1-40-14 IS REPEALED [EFFECTIVE JULY 1,
39 2020]. Sec. 14: (a) This section applies to a customer that installs a net
40 metering facility (as defined in ~~170 IAC 4-4.2-1(k)~~) on the customer's
41 premises before January 1, 2018.

42 (b) A customer that is participating in an electricity supplier's net



1 metering tariff on December 31, 2017; shall continue to be served
2 under the terms and conditions of the net metering tariff until:

3 (1) the customer removes from the customer's premises or
4 replaces the net metering facility (as defined in 170
5 IAC 4-4.2-1(k)); or

6 (2) July 1, 2047;

7 whichever occurs earlier.

8 (c) A successor in interest to a customer's premises on which is
9 located a net metering facility (as defined in 170 IAC 4-4.2-1(k)) that
10 was installed before January 1, 2018; may, if the successor in interest
11 chooses; be served under the terms and conditions of the net metering
12 tariff of the electricity supplier that provides retail electric service at
13 the premises until:

14 (1) the net metering facility (as defined in 170 IAC 4-4.2-1(k)) is
15 removed from the premises or is replaced; or

16 (2) July 1, 2047;

17 whichever occurs earlier.

18 SECTION 7. IC 8-1-40-21, AS ADDED BY P.L.264-2017,
19 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2020]: Sec. 21. (a) Subject to subsection (b); and sections 10
21 and 11 of this chapter; after June 30, 2017; the commission's rules and
22 standards set forth in:

23 (1) 170 IAC 4-4.2 (concerning net metering); and

24 (2) 170 IAC 4-4.3 (concerning interconnection);

25 remain in effect and apply to net metering under an electricity
26 supplier's net metering tariff and to distributed generation under this
27 chapter.

28 (b) After June 30, 2017; The commission may, adopt changes under
29 IC 4-22-2, **adopt or amend rules**, including emergency rules **adopted**
30 in the manner provided by IC 4-22-2-37.1, to the rules and standards
31 described in subsection (a) only as necessary to:

32 (1) update fees or charges;

33 (2) adopt revisions necessitated by new technologies; or

34 (3) reflect changes in safety, performance, or reliability standards.

35 Notwithstanding IC 4-22-2-37.1(g); an emergency rule adopted by the
36 commission under this subsection and in the manner provided by
37 IC 4-22-2-37.1 expires on the date on which a rule that supersedes the
38 emergency rule is adopted by the commission under IC 4-22-2-24
39 through IC 4-22-2-36. **administer this chapter.**

