

1 AN ACT relating to net metering.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 278.466 is amended to read as follows:

- 4 (1) Each retail electric supplier shall make net metering available to any eligible
5 customer-generator that the supplier currently serves or solicits for service. If the
6 cumulative generating capacity of net metering systems reaches one percent (1%) of
7 a supplier's single hour peak load during a calendar year, the supplier shall have no
8 further obligation to offer net metering to any new customer-generator at any
9 subsequent time.
- 10 (2) Each retail electric supplier serving a customer with eligible electric generating
11 facilities shall use a standard kilowatt-hour meter capable of registering the flow of
12 electricity in two (2) directions. Any additional meter, meters, or distribution
13 upgrades needed to monitor the flow in each direction shall be installed at the
14 customer-generator's expense. If additional meters are installed, the net metering
15 calculation shall yield the same result as when a single meter is used.
- 16 (3) A retail electric supplier serving an eligible customer-generator shall compensate
17 that customer for all electricity produced by the customer's eligible electric
18 generating facility that flows to the retail electric supplier, as measured by the
19 standard kilowatt-hour metering prescribed in subsection (2) of this section. The
20 rate to be used for such compensation shall be set by the commission using the
21 ratemaking processes under this chapter during a proceeding initiated by a retail
22 electric supplier or generation and transmission cooperative on behalf of one (1) or
23 more retail electric suppliers.
- 24 (4) Each billing period, compensation provided to an eligible customer-generator shall
25 be in the form of a dollar-denominated bill credit. If an eligible customer-generator's
26 bill credit exceeds the amount to be billed to the customer in a billing period, the
27 amount of the credit in excess of the customer's bill shall carry forward to the

1 customer's next bill. Excess bill credits shall not be transferable between customers
2 or premises. If an eligible customer-generator closes his or her account, no cash
3 refund for accumulated credits shall be paid.

4 (5) Using the ratemaking process provided by this chapter, each retail electric supplier
5 shall be entitled to implement rates to recover from its eligible customer-generators
6 all costs necessary to serve its eligible customer-generators, including but not
7 limited to fixed and demand-based costs, without regard for the rate structure for
8 customers who are not eligible customer-generators.

9 (6) (a) For an eligible electric generating facility in service prior to the effective date
10 of the initial net metering order by the commission in accordance with
11 subsection (3) of this section, the net metering tariff provisions in place when
12 the eligible customer-generator began taking net metering service, including
13 the one-to-one (1:1) kilowatt-hour denominated energy credit provided for
14 electricity fed into the grid, shall remain in effect at those premises for a
15 twenty-five (25) year period, regardless of whether the premises are sold or
16 conveyed during that twenty-five (25) year period.

17 (b) For an eligible electric generating facility beginning service after the
18 effective date of the initial net metering order issued by the commission in
19 accordance with subsection (3) of this section but on or before December
20 31, 2024, the net metering tariff provisions shall be the same as those
21 applicable to eligible customer-generators under paragraph (a) of this
22 subsection until December 31, 2029, regardless of whether the premises are
23 sold or conveyed prior to that date.

24 (c) For any eligible customer-generator to whom this subsection applies, each net
25 metering contract or tariff under which the customer takes service shall be
26 identical, with respect to energy rates, rate structure, and monthly charges, to
27 the contract or tariff to which the same customer would be assigned if the

1 customer were not an eligible customer-generator.

2 (7) Electric generating systems and interconnecting equipment used by eligible
3 customer-generators shall meet all applicable safety and power quality standards
4 established by the National Electrical Code (NEC), Institute of Electrical and
5 Electronics Engineers (IEEE), and accredited testing laboratories such as
6 Underwriters Laboratories.

7 (8) An eligible customer-generator installation is transferable to other persons at the
8 same premises upon notification to the retail electric supplier and verification that
9 the installation is in compliance with the applicable safety and power quality
10 standards in KRS 278.467 and in subsection (7) of this section.

11 (9) Any upgrade of the interconnection between the retail electric supplier and the
12 customer-generator that is required by commission-approved tariffs for the purpose
13 of allowing net metering shall be made at the expense of the customer-generator.