

FIRST REGULAR SESSION

HOUSE BILL NO. 1417

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FOGLE.

2635H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 386, RSMo, by adding thereto one new section relating to community solar facilities.

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 386.1050, to read as follows:

386.1050. 1. As used in this section, the following terms shall mean:

(1) "Bill credit", the commission-approved monetary value of each kilowatt-hour of electricity generated by a community solar facility and allocated to a subscriber's monthly bill to offset the subscriber's retail electric bill;

(2) "Community solar facility", a facility that:

(a) Generates electricity by means of a solar photovoltaic device whereby subscribers receive a bill credit for the electricity generated based on the size of the subscriptions;

(b) Is located within this state;

(c) Is connected to and delivers electricity to a distribution system operated by a retail electric supplier operating in this state and in compliance with requirements under this section;

(d) Has a nameplate capacity greater than 100 AC kilowatts and no greater than 5,000 AC kilowatts;

(e) Has at least ten subscribers;

(f) Credits some or all of the electricity generated from a community solar facility to the bills of subscribers; and

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in bold-face type in the above bill is proposed language.

18 (g) May be located remotely from a subscriber's premises and shall not be required
19 to provide energy to an on-site load;

20 (3) "Community solar organization", an entity that owns or operates one or more
21 community solar facilities;

22 (4) "Customer-generator", the same meaning as set forth in section 386.890;

23 (5) "Low-income customer", a retail residential end user of a retail electric supplier
24 whose household income adjusted for family size does not exceed either two hundred
25 percent of the federal poverty level or eighty percent of the area median income, whichever
26 is higher. Owners or managers of apartment buildings or rental units that serve
27 low-income customers shall be considered low-income customers if 50 percent or more of
28 the tenants qualify under this definition. Certain entities, organizations, and institutions
29 that are focused on social welfare and that serve the low-income customer community may
30 also qualify including, but not limited to, homeless shelters, halfway houses, soup kitchens,
31 foster homes, orphanages, and other similar organizations;

32 (6) "Retail electric supplier", any municipal utility, electrical corporation regulated
33 under chapter 386, or rural electric cooperative under chapter 394 that provides retail
34 electric service in this state;

35 (7) "Subscriber", a retail customer of a retail electric supplier who owns one or
36 more subscriptions to a community solar facility interconnected with the customer's retail
37 electric supplier. "Subscriber" shall include a retail customer who owns a portion of a
38 community solar facility. A subscriber's subscription size shall be 120 percent or less of
39 the twelve-month rolling average kilowatt-hour usage for any one subscriber meter;

40 (8) "Subscriber administrator", an entity that recruits and enrolls subscribers,
41 administers subscriber participation in community solar facilities, and manages the
42 subscription relationship between subscribers and a retail electric supplier;

43 (9) "Subscription", a contract between a subscriber and subscriber administrator
44 of a community solar facility that entitles the subscriber to a bill credit against the
45 subscriber's retail electric bill;

46 (10) "Unsubscribed energy", the output of a community solar facility, measured
47 in kilowatt-hours, that is not allocated to subscribers.

48 2. Each retail electric supplier shall implement a three-year community solar pilot
49 program to run during calendar years 2022 through 2024. Retail electric suppliers shall
50 allow subscriber administrators and owners or operators of community solar facilities to
51 recruit customers as subscribers and shall process subscribers' bill credits as required by
52 subdivision (5) of subsection 3 of this section. Each retail electric supplier's community
53 solar pilot program shall achieve subscribership equal to two percent of the retail electric

54 **supplier's electricity sales for the previous year for each of the three years of the pilot**
55 **program.**

56 **3. (1) A community solar facility shall be authorized under the following**
57 **conditions:**

58 **(a) A community solar facility may be built, owned, or operated by a third party**
59 **entity under contract with an owner or operator of a community solar facility or a**
60 **subscriber administrator. A subscriber administrator may contract to administer bill**
61 **credits to the subscriber's electricity bill, generated by the subscriber's share of the**
62 **community solar facility, subject to the requirements of this section. A subscriber**
63 **administrator that provides bill credits to a subscriber under this section shall not be**
64 **considered an electrical corporation or public utility under section 386.020 for purposes**
65 **of determining jurisdiction of the commission.**

66 **(b) The owner or operator of a community solar facility may serve as a subscriber**
67 **administrator or may contract with a third party to serve as a subscriber administrator on**
68 **behalf of the owner or operator. Nothing in this section shall prevent a retail electric**
69 **supplier from owning or operating a community solar facility or from acting as a**
70 **subscriber administrator as part of its own community solar pilot program.**

71 **(c) Except as provided under paragraph (d) of this subdivision, the price paid for**
72 **a subscription in a community solar facility shall not be subject to regulation by the**
73 **commission.**

74 **(d) No later than nine months after August 28, 2021, the commission shall establish**
75 **the value of the bill credit for each retail electric supplier to offset each subscriber's retail**
76 **electric bill for each kilowatt-hour subscribed from a community solar facility. The**
77 **commission shall establish the bill credit value in such a way as to allow for the creation,**
78 **financing, accessibility, and operation of community solar facilities and to maximize**
79 **customer participation so as to meet the goal of two percent of electricity sales per year as**
80 **required by subsection 2 of this section. The commission shall establish an additional bill**
81 **credit value for subscribers who are low-income customers in such a way as to ensure that**
82 **low-income customers save money on their retail electric bills.**

83 **(2) A retail electric supplier shall allow for the transferability and portability of**
84 **subscriptions, including allowing a subscriber to retain a subscription to a community**
85 **solar facility if the subscriber relocates within the same retail electric supplier's territory.**

86 **(3) On a monthly basis, a subscriber administrator shall update the subscriber**
87 **administrator's list of subscribers and provide all of the following information about each**
88 **subscriber to the retail electric supplier in a standardized electronic format approved by**
89 **the commission for the purpose of bill credit to subscribers:**

90 (a) The name, address, account number, and meter number;

91 (b) The kilowatt-hours of electricity generation attributable to each subscriber; and

92 (c) If a subscriber administrator is using the retail electric supplier's billing
93 methods to collect subscription fees, the subscription fee for the month owed by each
94 subscriber to the subscriber administrator.

95 (4) A subscriber administrator or third party owning or operating a community
96 solar facility shall not be considered a retail electric supplier or an electric generation
97 provider solely as a result of involvement with a community solar facility as defined by this
98 chapter.

99 (5) Retail electric suppliers shall have the following duties:

100 (a) On a monthly basis, a retail electric supplier shall provide to a subscriber
101 administrator a report in a standardized electronic format indicating the total value of the
102 bill credit generated by the community solar facility in the prior month and the amount of
103 the bill credit applied to each subscriber;

104 (b) A retail electric supplier shall provide a bill credit to a subscriber's next
105 monthly electric bill for the proportional output of a community solar facility attributable
106 to the subscriber in the same manner as if the solar facility were located on the customer's
107 property;

108 (c) If requested by a subscriber administrator, a retail electric supplier shall
109 include a subscriber's subscription fee on the monthly bill and forward the collected
110 subscription fees to the subscriber administrator on a monthly basis; and

111 (d) No later than one year after the effective date of this section, a retail electric
112 supplier shall make available and update, in a commercially reasonable manner, a system
113 map showing the loading of the distribution system and indicating where in the service
114 territory the distribution system could accommodate new solar generation.

115 (6) Retail electric suppliers shall be compensated in the following manner:

116 (a) A subscriber administrator shall compensate a retail electric supplier for the
117 retail electric supplier's reasonable direct costs of interconnection of a community solar
118 facility. Such compensation shall be in the form of a one-time payment upon
119 interconnection; and

120 (b) A retail electric supplier shall be entitled to recover its reasonable direct costs
121 of complying with the requirements of this section and enabling a community solar facility
122 within its service territory including, but not limited to, added billing costs and added costs
123 of net metering and interconnection for community solar facilities. These reasonable direct
124 costs shall be in the form of an annual fee invoiced to the subscriber administrator based
125 on the total final system size of the community solar facility.

126 **(7) Each community solar facility shall be subscribed with at least ten percent**
127 **low-income customers and twenty percent residential customers.**

128 **(8) A retail electric supplier shall purchase unsubscribed energy from a community**
129 **solar facility at the retail electric supplier's avoided cost as approved by the commission.**
130 **No later than nine months after August 28, 2021, the commission shall establish regulations**
131 **necessary to effectuate this section regarding the purchase of unsubscribed energy.**

132 **(9) No entity, affiliated entity, or entities under common control shall develop, own,**
133 **or operate more than one community solar facility on the same parcel or contiguous**
134 **parcels of land.**

135 **4. Interconnection standards for community solar facilities under 100 kilowatts**
136 **shall be the same as those for customer-generators under section 386.890. For systems**
137 **larger than 100 kilowatts, the commission shall develop technical and net metering**
138 **interconnection rules for customer-generators intending to operate community solar**
139 **facilities or renewable onsite generators in parallel with the electric utility grid, consistent**
140 **with rules defined in other states within the service region of the regional transmission**
141 **organization that manages the transmission system in any part of this state. In developing**
142 **its rules, the commission shall convene a stakeholder process to develop statewide technical**
143 **and net metering rules for customer generators with systems larger than 100 kilowatts.**

144 **5. The commission shall promulgate rules and regulations to implement the**
145 **provisions of this section within nine months of August 28, 2021. Any rule or portion of**
146 **a rule, as that term is defined in section 536.010, that is created under the authority**
147 **delegated in this section shall become effective only if it complies with and is subject to all**
148 **of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
149 **chapter 536 are nonseverable, and if any of the powers vested with the general assembly**
150 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
151 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority and**
152 **any rule proposed or adopted after August 28, 2021, shall be invalid and void.**

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