

FIRST REGULAR SESSION

# HOUSE BILL NO. 145

99TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BERRY.

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D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal section 386.890, RSMo, and to enact in lieu thereof one new section relating to the net metering and easy connection act.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 386.890, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 386.890, to read as follows:

386.890. 1. This section shall be known and may be cited as the "Net Metering and Easy Connection Act".

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

(1) "Avoided fuel cost", the current average cost of fuel for the entity generating electricity, as defined by the governing body with jurisdiction over any municipal electric utility, rural electric cooperative as provided in chapter 394, or electrical corporation as provided in this chapter;

(2) "Commission", the public service commission of the state of Missouri;

(3) "Customer-generator", the owner or operator of a qualified electric energy generation unit which:

(a) Is powered by a renewable energy resource;

(b) Has an electrical generating system ~~[with a capacity of not more than one hundred kilowatts];~~

(c) Is located on a premises owned, operated, leased, or otherwise controlled by the customer-generator;

(d) Is interconnected and operates in parallel phase and synchronization with a retail electric supplier and has been approved by said retail electric supplier;

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 (e) Is intended [~~primarily to offset part or all~~] **not to exceed one hundred percent** of  
19 the customer-generator's own electrical energy requirements;

20 (f) Meets all applicable safety, performance, interconnection, and reliability standards  
21 established by the National Electrical Code, the National Electrical Safety Code, the Institute of  
22 Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory  
23 Commission, and any local governing authorities; and

24 (g) Contains a mechanism that automatically disables the unit and interrupts the flow of  
25 electricity back onto the supplier's electricity lines in the event that service to the  
26 customer-generator is interrupted;

27 (4) "Department", the department of natural resources;

28 (5) **"Minimum bill", all charges on a customer's bill that are not calculated on a**  
29 **kilowatt-hour basis including, but not limited to, a service charge, customer charge, meter**  
30 **charge, facilities charge, demand charge, billed demand charge, or any other charges billed**  
31 **to customers for services, including special facilities, late fees, and taxes;**

32 (6) **"Net excess energy", the amount of energy expressed in kilowatt hours delivered**  
33 **by a customer-generator to a supplier that exceeds the amount of energy delivered by the**  
34 **supplier to the customer-generator over a single billing period;**

35 (7) "Net metering", using metering equipment sufficient to measure the difference  
36 between the electrical energy supplied to a customer-generator by a retail electric supplier and  
37 the electrical energy supplied by the customer-generator to the retail electric supplier over the  
38 applicable billing period;

39 [~~(6)~~] (8) "Renewable energy resources", electrical energy produced from wind, solar  
40 thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using hydrogen  
41 produced by one of the above-named electrical energy sources, and other sources of energy that  
42 become available after August 28, 2007, and are certified as renewable by the department;

43 [~~(7)~~] (9) "Retail electric supplier" or "supplier", any municipal utility, electrical  
44 corporation regulated under this chapter, or rural electric cooperative under chapter 394 that  
45 provides retail electric service in this state.

46 3. A retail electric supplier shall:

47 (1) Make net metering available to customer-generators on a first-come, first-served  
48 basis until the total rated generating capacity of net metering systems equals five percent of the  
49 utility's single-hour peak load during the previous year, after which the commission for a public  
50 utility or the governing body for other electric utilities may increase the total rated generating  
51 capacity of net metering systems to an amount above five percent. However, in a given calendar  
52 year, no retail electric supplier shall be required to approve any application for interconnection  
53 if the total rated generating capacity of all applications for interconnection already approved to

54 date by said supplier in said calendar year equals or exceeds one percent of said supplier's  
55 single-hour peak load for the previous calendar year;

56 (2) Offer to the customer-generator a tariff or contract that is identical in electrical  
57 energy rates, rate structure, and monthly charges to the contract or tariff that the customer would  
58 be assigned if the customer were not an eligible customer-generator but shall not charge the  
59 customer-generator any additional standby, capacity, interconnection, or other fee or charge that  
60 would not otherwise be charged if the customer were not an eligible customer-generator; and

61 (3) Disclose annually the availability of the net metering program to each of its  
62 customers with the method and manner of disclosure being at the discretion of the supplier.

63 4. A customer-generator's facility shall be equipped with sufficient metering equipment  
64 that can measure the net amount of electrical energy produced or consumed by the  
65 customer-generator. If the customer-generator's existing meter equipment does not meet these  
66 requirements or if it is necessary for the electric supplier to install additional distribution  
67 equipment to accommodate the customer-generator's facility, the customer-generator shall  
68 reimburse the retail electric supplier for the costs to purchase and install the necessary additional  
69 equipment. At the request of the customer-generator, such costs may be initially paid for by the  
70 retail electric supplier, and any amount up to the total costs and a reasonable interest charge may  
71 be recovered from the customer-generator over the course of up to twelve billing cycles. Any  
72 subsequent meter testing, maintenance or meter equipment change necessitated by the  
73 customer-generator shall be paid for by the customer-generator.

74 5. Consistent with the provisions in this section, the net electrical energy measurement  
75 shall be calculated in the following manner:

76 (1) For a customer-generator, a retail electric supplier shall measure the net electrical  
77 energy produced or consumed during the billing period in accordance with normal metering  
78 practices for customers in the same rate class, either by employing a single, bidirectional meter  
79 that measures the amount of electrical energy produced and consumed, or by employing multiple  
80 meters that separately measure the customer-generator's consumption and production of  
81 electricity;

82 (2) If the electricity supplied by the supplier exceeds the electricity generated by the  
83 customer-generator during a billing period, the customer-generator shall be billed for the net  
84 electricity supplied by the supplier in accordance with normal practices for customers in the same  
85 rate class;

86 (3) If the electricity generated by the customer-generator exceeds the electricity supplied  
87 by the supplier during a billing period, the customer-generator shall be billed for the appropriate  
88 ~~[customer charges]~~ **minimum bill** for that billing period in accordance with subsection 3 of this  
89 section and ~~[shall be credited an amount at least equal to the avoided fuel cost of the excess~~

90 kilowatt-hours generated during the billing period, with this credit applied to the following  
91 billing period] **all net excess energy shall be carried forward from month to month and**  
92 **credited at a ratio of one-to-one against the customer-generator's energy consumption in**  
93 **subsequent months;**

94 (4) ~~[Any credits granted by this subsection shall expire without any compensation at the~~  
95 ~~earlier of either twelve months after their issuance or when the customer-generator disconnects~~  
96 ~~service or terminates the net metering relationship with the supplier;~~

97 ~~———(5) For any rural electric cooperative under chapter 394, or municipal utility, upon~~  
98 ~~agreement of the wholesale generator supplying electric energy to the retail electric supplier, at~~  
99 ~~the option of the retail electric supplier, the credit to the customer-generator may be provided by~~  
100 ~~the wholesale generator] Net excess energy may be accumulated over multiple billing~~  
101 **periods; except that, any accumulated net excess energy remaining in a customer-**  
102 **generator's account shall expire, without compensation, as of the earlier of the end of the**  
103 **March billing period of a twelve-month billing period or when the customer-generator**  
104 **discontinues service or terminates net metering.**

105 6. (1) Each qualified electric energy generation unit used by a customer-generator shall  
106 meet all applicable safety, performance, interconnection, and reliability standards established by  
107 any local code authorities, the National Electrical Code, the National Electrical Safety Code, the  
108 Institute of Electrical and Electronics Engineers, and Underwriters Laboratories for distributed  
109 generation. No supplier shall impose any fee, charge, or other requirement not specifically  
110 authorized by this section or the rules promulgated under subsection 9 of this section unless the  
111 fee, charge, or other requirement would apply to similarly situated customers who are not  
112 customer-generators, except that a retail electric supplier may require that a customer-generator's  
113 system contain a switch, circuit breaker, fuse, or other easily accessible device or feature located  
114 in immediate proximity to the customer-generator's metering equipment that would allow a  
115 utility worker the ability to manually and instantly disconnect the unit from the utility's electric  
116 distribution system[;] .

117 (2) For systems of ten kilowatts or less, a customer-generator whose system meets the  
118 standards and rules under subdivision (1) of this subsection shall not be required to install  
119 additional controls, perform or pay for additional tests or distribution equipment, or purchase  
120 additional liability insurance beyond what is required under subdivision (1) of this subsection  
121 and subsection 4 of this section[;] .

122 (3) For customer-generator systems of greater than ten kilowatts, the commission for  
123 public utilities and the governing body for other utilities shall, by rule or equivalent formal action  
124 by each respective governing body:

125 (a) Set forth safety, performance, and reliability standards and requirements; and

126 (b) Establish the qualifications for exemption from a requirement to install additional  
127 controls, perform or pay for additional tests or distribution equipment, or purchase additional  
128 liability insurance.

129 7. (1) Applications by a customer-generator for interconnection of a qualified electric  
130 energy generation unit meeting the requirements of subdivision (3) of subsection 2 of this section  
131 to the distribution system shall be accompanied by the plan for the customer-generator's electrical  
132 generating system, including but not limited to a wiring diagram and specifications for the  
133 generating unit, and shall be reviewed and responded to by the retail electric supplier within  
134 thirty days of receipt for systems ten kilowatts or less and within ninety days of receipt for all  
135 other systems. Prior to the interconnection of the qualified generation unit to the supplier's  
136 system, the customer-generator will furnish the retail electric supplier a certification from a  
137 qualified professional electrician or engineer that the installation meets the requirements of  
138 subdivision (1) of subsection 6 of this section. If the application for interconnection is approved  
139 by the retail electric supplier and the customer-generator does not complete the interconnection  
140 within one year after receipt of notice of the approval, the approval shall expire and the  
141 customer-generator shall be responsible for filing a new application.

142 (2) Upon the change in ownership of a qualified electric energy generation unit, the new  
143 customer-generator shall be responsible for filing a new application under subdivision (1) of this  
144 subsection.

145 8. Each commission-regulated supplier shall submit an annual net metering report to the  
146 commission, and all other nonregulated suppliers shall submit the same report to their respective  
147 governing body and make said report available to a consumer of the supplier upon request,  
148 including the following information for the previous calendar year:

- 149 (1) The total number of customer-generator facilities;  
150 (2) The total estimated generating capacity of its net-metered customer-generators; and  
151 (3) The total estimated net kilowatt-hours received from customer-generators.

152 9. The commission shall, within nine months of January 1, 2008, promulgate initial rules  
153 necessary for the administration of this section for public utilities, which shall include  
154 regulations ensuring that simple contracts will be used for interconnection and net metering. For  
155 systems of ten kilowatts or less, the application process shall use an all-in-one document that  
156 includes a simple interconnection request, simple procedures, and a brief set of terms and  
157 conditions. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
158 created under the authority delegated in this section shall become effective only if it complies  
159 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.  
160 This section and chapter 536 are nonseverable and if any of the powers vested with the general  
161 assembly under chapter 536 to review, to delay the effective date, or to disapprove and annul a

162 rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule  
163 proposed or adopted after August 28, 2007, shall be invalid and void.

164 10. The governing body of a rural electric cooperative or municipal utility shall, within  
165 nine months of January 1, 2008, adopt policies establishing a simple contract to be used for  
166 interconnection and net metering. For systems of ten kilowatts or less, the application process  
167 shall use an all-in-one document that includes a simple interconnection request, simple  
168 procedures, and a brief set of terms and conditions.

169 11. For any cause of action relating to any damages to property or person caused by the  
170 generation unit of a customer-generator or the interconnection thereof, the retail electric supplier  
171 shall have no liability absent clear and convincing evidence of fault on the part of the supplier.

172 12. The estimated generating capacity of all net metering systems operating under the  
173 provisions of this section shall count towards the respective retail electric supplier's  
174 accomplishment of any renewable energy portfolio target or mandate adopted by the Missouri  
175 general assembly.

176 13. The sale of qualified electric generation units to any customer-generator shall be  
177 subject to the provisions of sections 407.700 to 407.720. The attorney general shall have the  
178 authority to promulgate in accordance with the provisions of chapter 536 rules regarding  
179 mandatory disclosures of information by sellers of qualified electric generation units. Any  
180 interested person who believes that the seller of any electric generation unit is misrepresenting  
181 the safety or performance standards of any such systems, or who believes that any electric  
182 generation unit poses a danger to any property or person, may report the same to the attorney  
183 general, who shall be authorized to investigate such claims and take any necessary and  
184 appropriate actions.

185 14. Any costs incurred under this ~~[aet]~~ **section** by a retail electric supplier shall be  
186 recoverable in that utility's rate structure.

187 15. No consumer shall connect or operate an electric generation unit in parallel phase  
188 and synchronization with any retail electric supplier without written approval by said supplier  
189 that all of the requirements under subdivision (1) of subsection 7 of this section have been met.  
190 For a consumer who violates this provision, a supplier may immediately and without notice  
191 disconnect the electric facilities of said consumer and terminate said consumer's electric service.

192 16. The manufacturer of any electric generation unit used by a customer-generator may  
193 be held liable for any damages to property or person caused by a defect in the electric generation  
194 unit of a customer-generator.

195 17. The seller, installer, or manufacturer of any electric generation unit who knowingly  
196 misrepresents the safety aspects of an electric generation unit may be held liable for any damages  
197 to property or person caused by the electric generation unit of a customer-generator.

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