

SECOND REGULAR SESSION

# HOUSE BILL NO. 1536

## 101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ELLEBRACHT.

3059H.011

DANA RADEMAN MILLER, Chief Clerk

### AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to community solar gardens.

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

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be known as section 393.1110, to read as follows:

**393.1110. 1. As used in this section, the following terms shall mean:**

(1) "Commission", the same as defined in section 386.020;

(2) "Community solar garden" or "solar garden", a solar electric generation facility with a nameplate rating of two megawatts or less that is located within the service territory of an electrical corporation, where the beneficial use of the electricity generated by the facility belongs to the subscribers of the community solar garden, and where there are at least ten subscribers. A community solar garden may be owned by a subscriber organization whose sole purpose shall be beneficially owning and operating the community solar garden, by any for-profit or nonprofit entity, or by any third party under contract with the subscriber organization;

(3) "Electrical corporation", the same as defined in section 386.020;

(4) "Subscriber", a retail customer of an electrical corporation who owns a subscription and who has identified one or more physical locations to which the subscription shall be attributed. Such physical locations shall be within the service territory of the electrical corporation and within the same county as the community solar garden; except that, if the subscriber lives in a county with fewer than twenty thousand inhabitants, the subscriber may designate a physical location in another

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 county also with fewer than twenty thousand inhabitants that is within the service  
19 territory of the same electrical corporation. The subscriber may change the locations to  
20 which the subscription shall be attributed on an annual basis;

21 (5) "Subscription", a proportional interest in solar electric generation facilities  
22 installed in a community solar garden. Each subscription shall be sized to represent at  
23 least one kilowatt of the community solar garden's generating capacity and shall supply  
24 no more than one hundred twenty percent of the average annual consumption of  
25 electricity by each subscriber at the premises to which the subscription is attributed.  
26 Subscriptions in a community solar garden may be both transferred or assigned to a  
27 subscriber organization or to any person or entity who qualifies to be a subscriber  
28 under this section.

29 2. In all electrical corporation resource plans filed with the commission,  
30 electrical corporations shall set forth the electrical corporation's plan for acquiring or  
31 constructing supply-side resources. If, according to the electrical corporation's resource  
32 plan, the electrical corporation intends to acquire or construct a supply-side resource,  
33 the electrical corporation shall provide for a plan to purchase the energy and renewable  
34 energy credits generated from one or more community solar gardens over the period  
35 covered by the plan.

36 3. Beginning January 1, 2023, if an electrical corporation plans to acquire or  
37 construct one or more supply-side resources, the electrical corporation shall issue one or  
38 more standard offers to purchase energy from community solar gardens of five hundred  
39 kilowatts or less at prices that are comparable to the prices offered by the electrical  
40 corporation to any customer-generator under section 386.890. However, at no point  
41 shall the output from the community solar gardens and the renewable energy credits  
42 generated from such be used to achieve more than twenty percent of the electrical  
43 corporation's renewable energy standard portfolio requirements set forth under section  
44 393.1030, and at no point shall the electrical corporation be obligated to purchase more  
45 than six megawatts of energy generated from community solar gardens for the first  
46 three years the electrical corporation complies with this section.

47 4. Beginning January 1, 2026, if, according to the electrical corporation's  
48 resource plan, the electrical corporation intends to acquire or construct a supply-side  
49 resource, the electrical corporation shall provide for a plan to purchase the energy and  
50 renewable energy credits generated from one or more community solar gardens. The  
51 commission shall determine the minimum and maximum purchases of energy from  
52 community solar gardens of different output capacity that the electrical corporation  
53 shall plan to acquire.

54           **5. The energy generated by a community solar garden shall be sold only to the**  
55 **electrical corporation serving the geographic area where the community solar garden is**  
56 **located. Once a community solar garden is part of an electrical corporation's plan for**  
57 **acquiring a new supply-side resource, the electrical corporation shall install a**  
58 **production meter at the community solar garden in order to measure the amount of**  
59 **electricity and renewable energy credits generated by such garden. The costs of**  
60 **installing the production meter shall be paid for by the subscribers, or the owner if**  
61 **applicable, of the community solar garden. The subscribers, or the owner if applicable,**  
62 **of the community solar garden shall provide real-time production data to the electrical**  
63 **corporation to facilitate incorporation of the community solar garden into the**  
64 **corporation's operation of its electric system.**

65           **6. If the energy generated by the community solar garden exceeds the energy**  
66 **supplied by the electrical corporation during a billing period, the community solar**  
67 **garden subscribers shall be billed the appropriate customer charges for that billing**  
68 **period, and each subscriber shall be credited by calculating the subscriber's share of the**  
69 **electricity production from the community solar garden by the electrical corporation's**  
70 **retail rate for the relevant customer class, as charged to the subscriber. Any credits**  
71 **granted by this subsection shall expire without any compensation at the earlier of twelve**  
72 **months after issuance, when the subscriber disconnects service, or when the community**  
73 **solar garden terminates the agreement to sell excess energy to the electrical corporation.**

74           **7. The subscribers, or the owner if applicable, shall be responsible for providing**  
75 **to the electrical corporation, on a monthly basis and within reasonable periods set by**  
76 **the electrical corporation, the percentage shares that should be used to determine the**  
77 **credit to each subscriber and the physical location to which the subscription shall be**  
78 **attributed. If the energy output of the community solar garden is not fully subscribed,**  
79 **the electrical corporation shall purchase the unsubscribed energy and the renewable**  
80 **energy credits at a rate equal to the electrical corporation's kilowatt-hour retail rate for**  
81 **the relevant customer class.**

82           **8. Beginning January 1, 2025, electrical corporations shall set forth in their**  
83 **resource plan filed with the commission a proposal for including low-income customers**  
84 **as subscribers to a community solar garden. The electrical corporation may give**  
85 **preference to community solar gardens that have low-income subscribers.**

86           **9. Electrical corporations shall be eligible to recover a margin, in an amount**  
87 **determined by the commission, on all energy and renewable energy credits purchased**  
88 **from community solar gardens. Nothing in this section shall be construed to waive or**  
89 **supersede the retail rate impact limitations set forth under section 393.1030.**  
90 **Expenditures for unsubscribed energy and renewable energy credits generated by**

91 community solar gardens shall be included in the calculations of retail rate impact  
92 required under section 393.1030.

93       **10. This section shall not apply to rural electric cooperatives regulated under**  
94 **chapter 394 or to municipally-owned utilities regulated under chapter 91.**

95       **11. The commission shall promulgate rules and regulations to implement the**  
96 **provisions of this section. Any rule or portion of a rule, as that term is defined in section**  
97 **536.010, that is created under the authority delegated in this section shall become**  
98 **effective only if it complies with and is subject to all of the provisions of chapter 536 and,**  
99 **if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any**  
100 **of the powers vested with the general assembly pursuant to chapter 536 to review, to**  
101 **delay the effective date, or to disapprove and annul a rule are subsequently held**  
102 **unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
103 **adopted after August 28, 2022, shall be invalid and void.**

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