

1 AN ACT relating to net metering.

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

3 ➔Section 1. KRS 278.465 is amended to read as follows:

4 As used in KRS 278.465 to 278.468:

- 5 (1) "Eligible customer-generator" means a customer of a retail electric supplier who  
 6 owns and operates an ***eligible*** electric generating facility that is located on the  
 7 customer's premises ***and that the customer uses solely to supply***~~[, for the primary  
 8 purpose of supplying]~~ all or part of the customer's own electricity requirements.
- 9 (2) "Eligible electric generating facility" means an electric generating facility that:
- 10 (a) Is connected in parallel with the electric distribution system;
- 11 (b) Generates electricity using:
- 12 1. Solar energy;
- 13 2. Wind energy;
- 14 3. Biomass or biogas energy; or
- 15 4. Hydro energy;~~[and]~~
- 16 (c) Has a rated capacity of not greater than ***one thousand (1000)***~~[thirty (30)]~~  
 17 kilowatts; ***and***
- 18 ***(d) Is served by a single meter located on the eligible customer-generator's***  
 19 ***premises.***
- 20 (3) "Kilowatt hour" means a measure of electricity defined as a unit of work of energy,  
 21 measured as one (1) kilowatt of power expended for one (1) hour.
- 22 (4) "Net metering" means measuring the difference between the electricity supplied by  
 23 the electric grid ***at a single meter on the customer's premises*** and the electricity  
 24 generated by an ***eligible electric generating facility located on the same customer's***  
 25 ***premises***~~[eligible customer-generator]~~ that is fed back to the electric grid over a  
 26 billing period.

27 ➔Section 2. KRS 278.466 is amended to read as follows:

- 1 (1) Each retail electric supplier shall make net metering available to any eligible  
2 customer-generator that the supplier currently serves or solicits for service. If the  
3 cumulative generating capacity of net metering systems reaches one percent (1%) of  
4 a supplier's single hour peak load during the previous year, the obligation of the  
5 supplier to offer net metering to a new customer-generator may be limited by the  
6 commission.
- 7 (2) Each retail electric supplier serving a customer with eligible electric generating  
8 facilities shall use a standard kilowatt-hour meter capable of registering the flow of  
9 electricity in two (2) directions. Any additional meter, meters, or distribution  
10 upgrades needed to monitor the flow in each direction shall be installed at the  
11 customer-generator's expense. If additional meters are installed, the net metering  
12 calculation shall yield the same result as when a single meter is used. **The energy**  
13 **produced by an eligible electric generating facility shall be used to supply all or**  
14 **part of the customer's electricity requirements.**
- 15 (3) The amount of electricity billed to the eligible customer-generator using net  
16 metering shall be calculated by taking the difference between the electricity  
17 supplied by the retail electric supplier to the customer and the electricity generated  
18 and fed back by the customer. If time-of-day or time-of-use metering is used, the  
19 electricity fed back to the electric grid by the eligible customer-generator shall be  
20 net-metered and accounted for at the specific time it is fed back to the electric grid  
21 in accordance with the time-of-day or time-of-use billing agreement currently in  
22 place.
- 23 (4) **The following rules shall apply to the rates retail electric suppliers charge their**  
24 **eligible customer-generators taking net metering service:**
- 25 **(a) For each eligible customer-generator who was taking net metering service**  
26 **from the customer's electric supplier on July 15, 2017, that eligible**  
27 **customer-generator's**<sup>[Each]</sup> net metering contract or tariff shall be identical,

1 with respect to energy rates, rate structure, and monthly charges, to the  
2 contract or tariff to which the same customer would be assigned if the  
3 customer were not an eligible customer-generator. Energy rates, rate  
4 structure, and monthly charges may change in accordance with KRS  
5 Chapter 278. This subsection shall only apply to eligible customer-  
6 generators taking net metering service on July 15, 2017, and shall end when  
7 the eligible customer-generator ceases to take net metering service or July  
8 14, 2042, whichever comes first. This subsection shall not apply to any  
9 lessees, successors, or assigns of an eligible customer-generator or any  
10 subsequent owners of the eligible electric generating facility.

11 (b) Using the ratemaking process provided in KRS Chapter 278, each retail  
12 electric supplier shall be entitled to implement rates to recover from its  
13 eligible customer-generators all costs necessary to serve its eligible  
14 customer-generators, including, but not limited to, fixed and demand-based  
15 costs, without regard for the rate structure for customers who are not  
16 eligible customer-generators.

17 (5) The following rules shall apply to the billing of net electricity:

- 18 (a) The net electricity produced or consumed during a billing period shall be read,  
19 recorded, and measured in accordance with metering practices prescribed by  
20 the commission;
- 21 (b) If the electricity supplied by the retail electric supplier exceeds the electricity  
22 generated and fed back to the supplier during the billing period, the customer-  
23 generator shall be billed for the net electricity supplied in accordance with  
24 subsections (3) and (4) of this section;
- 25 (c) If the electricity fed back to the retail electric supplier by the customer-  
26 generator exceeds the electricity supplied by the supplier during a billing  
27 period, the customer-generator shall be credited for the excess kilowatt hours

- 1           in accordance with subsections (3) and (4) of this section. This electricity  
2           credit shall appear on the customer-generator's next bill. Credits shall carry  
3           forward for the life of the customer-generator's account;
- 4           (d) If a customer-generator closes his account, no cash refund for residual  
5           generation-related credits shall be paid; and
- 6           (e) Excess electricity credits are not transferable between customers, meters, or  
7           locations.
- 8           (6) Electric generating systems and interconnecting equipment used by eligible  
9           customer-generators shall meet all applicable safety and power quality standards  
10          established by the National Electrical Code (NEC), Institute of Electrical and  
11          Electronics Engineers (IEEE), and accredited testing laboratories such as  
12          Underwriters Laboratories.
- 13          (7) An eligible customer-generator installation is transferable to other persons or  
14          service locations upon notification to the retail electric supplier and verification that  
15          the installation is in compliance with the applicable safety and power quality  
16          standards in KRS 278.467 and in subsection (6) of this section.
- 17          (8) Any upgrade of the interconnection between the retail electric supplier and the  
18          customer-generator that is required by commission-approved tariffs for the purpose  
19          of allowing net metering shall be made at the expense of the customer-generator.