

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM  
2018 REGULAR SESSION  
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Amend printed copy of **HB 227**

Beginning on page 1, line 3, and continuing through page 5, line 7, delete all sections of the bill and insert in lieu thereof the following:

"➔SECTION 1. A NEW SECTION OF KRS 278.465 TO 278.468 IS CREATED TO READ AS FOLLOWS:

**(1) Notwithstanding any provision of this chapter to the contrary, a retail electric supplier may charge an additional fixed net metering fee not to exceed fifteen dollars (\$15) per month to each eligible customer-generator who begins participating in net metering service pursuant to Section 2 of this Act on or after January 1, 2019. The net metering fee shall be collected to ensure that eligible customer-generators are equitably contributing to the recovery of the retail electric supplier's fixed costs. The initial imposition of the net metering fee shall not require commission approval. The full amount of the net metering fee shall be collected when it is due from an eligible customer-generator, and credits earned for excess generation during a past or current billing period shall not be applied to the amount owed for the net metering fee.**

**(2) Within ninety (90) days after January 1, 2022, and within ninety (90) days after January 1 of each third year thereafter, the commission shall open an administrative case to evaluate whether the net metering fee paid by eligible customer-generators results in an equitable contribution to the recovery of the retail electric supplier's fixed costs of**

Amendment No. HFA 19

Rep. Rep. Jim DuPlessis

Committee Amendment

Signed: \_\_\_\_\_

Floor Amendment

LRC Drafter: Kasacavage, Stefan

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

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*service relative to nonparticipating customers of the same class. Each retail electric supplier charging a net metering fee shall be made a party to the case. The commission shall determine whether, for each retail electric supplier participating in the administrative case, the current net metering fee is reasonably necessary to recover an equitable and proportionate contribution from the eligible customer-generators participating in net metering, as compared to the recovery of fixed costs of service from nonparticipating customers of the same class. If the commission finds that the current net metering fee is reasonably necessary for the retail electric supplier to do so, then the net metering fee it charges shall remain unchanged. If not, then the commission shall establish a new fixed monthly fee for the retail electric supplier to provide for an equitable and proportionate contribution to be recovered from the eligible customer-generator.*

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

- (1) Each retail electric supplier shall make net metering available to any eligible customer-generator that the supplier currently serves or solicits for service. If the cumulative generating capacity of net metering systems reaches one percent (1%) of a supplier's single hour peak load during the previous year, the obligation of the supplier to offer net metering to a new customer-generator may be limited by the commission.
- (2) Each retail electric supplier serving a customer with eligible electric generating facilities shall use a standard kilowatt-hour meter capable of registering the flow of electricity in two (2) directions. Any additional meter, meters, or distribution upgrades needed to monitor the flow in each direction shall be installed at the customer-generator's expense. If additional meters are installed, the net metering calculation shall yield the same result as when a single meter is used.
- (3) The amount of electricity billed to the eligible customer-generator using net metering shall

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be calculated by taking the difference between the electricity supplied by the retail electric supplier to the customer and the electricity generated and fed back by the customer. If time-of-day or time-of-use metering is used, the electricity fed back to the electric grid by the eligible customer-generator shall be net-metered and accounted for at the specific time it is fed back to the electric grid in accordance with the time-of-day or time-of-use billing agreement currently in place.

- (4) **Except as provided in subsection (5) of this section and Section 1 of this Act,** each net metering contract or tariff shall be identical, with respect to energy rates, rate structure, and monthly charges, to the contract or tariff to which the same customer would be assigned if the customer were not an eligible customer-generator.
- (5) The following rules shall apply to the billing of net electricity:
- (a) The net electricity produced or consumed during a billing period shall be read, recorded, and measured in accordance with metering practices prescribed by the commission;
  - (b) If the electricity supplied by the retail electric supplier exceeds the electricity generated and fed back to the supplier during the billing period, the customer-generator shall be billed for the net electricity supplied in accordance with subsections (3) and (4) of this section;
  - (c) If the electricity fed back to the retail electric supplier by the customer-generator exceeds the electricity supplied by the supplier during a billing period, the customer-generator shall be credited, **or at the discretion of the retail electric supplier, paid,** for the excess kilowatt hours in accordance with subsections (3) and (4) of this section. **An**~~[This]~~ electricity credit shall appear on the customer-generator's next bill. **Subject to paragraph (d) of this subsection, if an eligible customer-generator has fed back more electricity to the retail electric supplier than has been supplied to the**

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- eligible customer-generator, as calculated over the course of the previous twelve (12) months, then for each month thereafter, the retail electric supplier shall compensate that customer for excess generation at the rate equal to the average wholesale rate paid by that retail electric supplier during the previous calendar year. Once the electricity supplied by the retail electric supplier exceeds the amount generated by the eligible customer-generator for the previous twelve (12) months, the previously applicable rate required under subsection (4) of this section shall be applied for excess electricity generated by the eligible customer-generator. As used in this paragraph, "wholesale rate" means the hourly market price for electricity as determined by the regional transmission organization approved by the Federal Energy Regulatory Commission for the control area that includes the retail electric supplier's assigned service area~~[Credits shall carry forward for the life of the customer-generator's account];~~
- (d) The rate change for eligible customer-generators with excess generation over the previous twelve (12) months required by paragraph (c) of this subsection shall not apply until July 14, 2038, for:
1. Eligible customer-generators taking net metering service on January 1, 2019, but only until they cease taking net metering service at those premises;
  2. Any lessee, successor, or assignee of such an eligible customer-generator, as long as the same eligible electric generating facility continues in service at those premises; and
  3. Any subsequent owner of the same premises, as long as the same eligible electric generating facility continues in service at those premises;
- (e) If a customer-generator closes his account, no cash refund for residual generation-related credits shall be paid; and

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- ~~(f)(e)~~ Excess electricity credits are not transferable between customers or locations.
- (6) Electric generating systems and interconnecting equipment used by eligible customer-generators shall meet all applicable safety and power quality standards established by the National Electrical Code (NEC), Institute of Electrical and Electronics Engineers (IEEE), and accredited testing laboratories such as Underwriters Laboratories.
- (7) An eligible customer-generator installation is transferable to other persons or service locations upon notification to the retail electric supplier and verification that the installation is in compliance with the applicable safety and power quality standards in KRS 278.467 and in subsection (6) of this section.
- (8) Any upgrade of the interconnection between the retail electric supplier and the customer-generator that is required by commission-approved tariffs for the purpose of allowing net metering shall be made at the expense of the customer-generator.
- ➔Section 3. This Act takes effect January 1, 2019."