

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 electric generating facility that is located on the customer's  
7 premises, for the primary purpose of supplying all or part of the customer's own  
8 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 thirty (30) kilowatts.
- 17 (3) "Kilowatt hour" means a measure of electricity defined as a unit of work of energy,  
18 measured as one (1) kilowatt of power expended for one (1) hour.
- 19 (4) "Net metering" means~~[measuring]~~ the difference between the:
- 20 **(a) Dollar value of all**~~[electricity supplied by the electric grid and the]~~ electricity  
21 generated by an eligible customer-generator that is fed back to the electric grid  
22 over a billing period **and priced as prescribed in Section 2 of this Act; and**
- 23 **(b) Dollar value of all electricity consumed by the eligible customer-generator**  
24 **over the same billing period and priced using the applicable tariff of the**  
25 **retail electric supplier.**

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

- 27 (1) Each retail electric supplier shall make net metering available to any eligible

1 customer-generator that the supplier currently serves or solicits for service. If the  
2 cumulative generating capacity of net metering systems reaches one percent (1%) of  
3 a supplier's single hour peak load during a calendar~~[the previous]~~ year, the supplier  
4 shall have no further obligation~~[of the supplier]~~ to offer net metering to any~~[a]~~  
5 new customer-generator at any subsequent time~~[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.

13 (3) A retail electric supplier serving an eligible customer-generator shall compensate  
14 that customer for all electricity produced by the customer's eligible electric  
15 generating facility that flows to the retail electric supplier, as measured by the  
16 standard kilowatt-hour metering prescribed in subsection (2) of this section. The  
17 rate to be used for such compensation shall be set by the commission using the  
18 ratemaking processes under this chapter during a proceeding initiated by a retail  
19 electric supplier or generation and transmission cooperative on behalf of one (1)  
20 or more retail electric suppliers.

21 (4) Each billing period, compensation provided to an eligible customer-generator  
22 shall be in the form of a dollar-denominated bill credit. If an eligible customer-  
23 generator's bill credit exceeds the amount to be billed to the customer in a billing  
24 period, the amount of the credit in excess of the customer's bill shall carry  
25 forward to the customer's next bill. Excess bill credits shall not be transferable  
26 between customers or premises. If an eligible customer-generator closes his or  
27 her account, no cash refund for accumulated credits shall be paid.

1 (5) Using the ratemaking process provided by this chapter, each retail electric  
2 supplier shall be entitled to implement rates to recover from its eligible customer-  
3 generators all costs necessary to serve its eligible customer-generators, including  
4 but not limited to fixed and demand-based costs, without regard for the rate  
5 structure for customers who are not eligible customer-generators.

6 (6) (a) The net metering tariff provisions for an eligible customer-generator in  
7 place when the eligible customer-generator began taking net metering  
8 service shall remain in effect for a twenty-five (25) year period from the  
9 effective date of the initial net metering compensation rate or rates set by  
10 the commission in accordance with subsection (3) of this section for an  
11 eligible electric generating facility in service prior to that effective date, but  
12 only as long as the eligible electric generating facility continues in service at  
13 those premises.

14 (b) For eligible customer-generators with existing eligible electric generating  
15 facilities described in paragraph (a) of this subsection, the energy rates, rate  
16 structure, and monthly charges during the twenty-five (25) year period  
17 described in paragraph (a) of this subsection shall be identical to those that  
18 the same customer would be assigned if the customer were not an eligible  
19 customer-generator, all of which may change from time to time in  
20 accordance with the ratemaking processes set out in this chapter.

21 ~~The amount of electricity billed to the eligible customer-generator using net~~  
22 ~~metering shall be calculated by taking the difference between the electricity~~  
23 ~~supplied by the retail electric supplier to the customer and the electricity~~  
24 ~~generated and fed back by the customer. If time-of-day or time-of-use~~  
25 ~~metering is used, the electricity fed back to the electric grid by the eligible~~  
26 ~~customer-generator shall be net-metered and accounted for at the specific time~~  
27 ~~it is fed back to the electric grid in accordance with the time-of-day or time-of-~~

1 use billing agreement currently in place.

2 ~~(4) Each net metering contract or tariff shall be identical, with respect to energy~~  
3 ~~rates, rate structure, and monthly charges, to the contract or tariff to which the~~  
4 ~~same customer would be assigned if the customer were not an eligible~~  
5 ~~customer-generator.~~

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

7 ~~(a) The net electricity produced or consumed during a billing period shall be read,~~  
8 ~~recorded, and measured in accordance with metering practices prescribed by~~  
9 ~~the commission;~~

10 ~~(b) If the electricity supplied by the retail electric supplier exceeds the electricity~~  
11 ~~generated and fed back to the supplier during the billing period, the customer-~~  
12 ~~generator shall be billed for the net electricity supplied in accordance with~~  
13 ~~subsections (3) and (4) of this section;~~

14 ~~(c) If the electricity fed back to the retail electric supplier by the customer-~~  
15 ~~generator exceeds the electricity supplied by the supplier during a billing~~  
16 ~~period, the customer-generator shall be credited for the excess kilowatt hours~~  
17 ~~in accordance with subsections (3) and (4) of this section. This electricity~~  
18 ~~credit shall appear on the customer-generator's next bill. Credits shall carry~~  
19 ~~forward for the life of the customer-generator's account;~~

20 ~~(d) If a customer-generator closes his account, no cash refund for residual~~  
21 ~~generation-related credits shall be paid; and~~

22 ~~(e) Excess electricity credits are not transferable between customers or locations}.~~

23 ~~(Z) [(6)]~~ Electric generating systems and interconnecting equipment used by eligible  
24 customer-generators shall meet all applicable safety and power quality standards  
25 established by the National Electrical Code (NEC), Institute of Electrical and  
26 Electronics Engineers (IEEE), and accredited testing laboratories such as  
27 Underwriters Laboratories.

1 ~~(8)~~~~(7)~~ An eligible customer-generator installation is transferable to other persons *at*  
2 *the same premises*~~[or service locations]~~ upon notification to the retail electric  
3 supplier and verification that the installation is in compliance with the applicable  
4 safety and power quality standards in KRS 278.467 and in subsection ~~(7)~~~~(6)~~ of  
5 this section.

6 ~~(9)~~~~(8)~~ Any upgrade of the interconnection between the retail electric supplier and the  
7 customer-generator that is required by commission-approved tariffs for the purpose  
8 of allowing net metering shall be made at the expense of the customer-generator.

9 ➔Section 3. KRS 278.467 is amended to read as follows:

10 (1) The commission shall have original jurisdiction over any dispute between a retail  
11 electric supplier and an eligible customer-generator, regarding net metering rates,  
12 service, standards, performance of contracts, and testing of net meters.

13 (2) No later than one hundred eighty (180) days from July 15, 2008, the Public Service  
14 Commission shall develop interconnection and net metering guidelines for all retail  
15 electric suppliers operating in the Commonwealth. The guidelines shall meet the  
16 requirements of KRS 278.466~~(7)~~~~(6)~~.

17 (3) No later than ninety (90) days from the issuance by the Public Service Commission  
18 of the guidelines required under subsection (2) of this section, each retail electric  
19 supplier shall file with the commission a net metering tariff and application forms to  
20 comply with those guidelines. All retail electric suppliers shall make their net  
21 metering tariff and interconnection practices easily available to the public by  
22 posting the tariff and practices on their Web sites.

23 ➔Section 4. This Act takes effect January 1, 2019.