

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 **during**~~[over]~~ a billing period **and priced as prescribed in Section 2 of this**  
23 **Act; and**

24 **(b) Dollar value of all electricity consumed by the eligible customer-generator**  
25 **during the same billing period and priced using the applicable tariff of the**  
26 **retail electric supplier.**

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 a calendar~~[the previous]~~ year, the supplier  
5 shall have no further obligation~~[of the supplier]~~ to offer net metering to any~~[a]~~  
6 new customer-generator at any subsequent time~~[may be limited by the~~  
7 ~~commission]~~.
- 8 (2) Each retail electric supplier serving a customer with eligible electric generating  
9 facilities shall use a standard kilowatt-hour meter capable of registering the flow of  
10 electricity in two (2) directions. Any additional meter, meters, or distribution  
11 upgrades needed to monitor the flow in each direction shall be installed at the  
12 customer-generator's expense. If additional meters are installed, the net metering  
13 calculation shall yield the same result as when a single meter is used.
- 14 (3) A retail electric supplier serving an eligible customer-generator shall compensate  
15 that customer for all electricity produced by the customer's eligible electric  
16 generating facility that flows to the retail electric supplier, as measured by the  
17 standard kilowatt-hour metering prescribed in subsection (2) of this section. For  
18 each retail electric supplier, the rate to be used for such compensation shall be set  
19 by the commission using the ratemaking processes under this chapter. Until the  
20 rate or rates are set as required by this subsection, the retail electric supplier's net  
21 metering tariff provisions in effect on December 31, 2018, shall continue to be in  
22 effect.
- 23 (4) Each billing period, compensation provided to an eligible customer-generator  
24 shall be in the form of a dollar-denominated bill credit. If an eligible customer-  
25 generator's bill credit exceeds the amount to be billed to the customer in a billing  
26 period, the amount of the credit in excess of the customer's bill shall, at the retail  
27 electric supplier's sole discretion in each billing period, either carry forward to

1 the customer's next bill or be paid in cash, check, or an equivalent.

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

7 (6) (a) This subsection applies to each eligible customer-generator taking net  
8 metering service on December 31, 2018, and to the following, but only until  
9 December 31, 2043:

10 1. Any lessees, successors, or assigns of such an eligible customer-  
11 generator; and

12 2. Any subsequent owner of the same premises, as long as the same  
13 eligible electric generating facility continues in service at that  
14 premises.

15 (b) An eligible customer-generator's energy rates, rate structure, and monthly  
16 charges shall be identical to those that the same customer would be  
17 assigned if the customer were not an eligible customer-generator, all of  
18 which may change from time to time in accordance with the ratemaking  
19 processes set out in this chapter, but the retail electric supplier's net  
20 metering tariff provisions that applied to the eligible customer-generator on  
21 December 31, 2018, shall continue to apply to the eligible customer-  
22 generator, but only until either:

23 ~~The amount of electricity billed to the~~  
24 ~~eligible customer-generator using net metering shall be calculated by taking~~  
25 ~~the difference between the electricity supplied by the retail electric supplier to~~  
26 ~~the customer and the electricity generated and fed back by the customer. If~~  
27 ~~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~~

1           ~~accounted for at the specific time it is fed back to the electric grid in~~  
2           ~~accordance with the time of day or time of use billing agreement currently in~~  
3           ~~place.~~

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

8           ~~**1. The date on which the eligible customer-generator or a person**~~  
9           ~~**identified in paragraph (b) of this subsection ceases to take net**~~  
10          ~~**metering service at the premises at which the eligible customer-**~~  
11          ~~**generator took net metering service on December 31, 2018; or**~~

12          ~~**2. December 31, 2043;**~~  
13          ~~**whichever comes first.**~~

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

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

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

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

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

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

4       ~~(7)~~~~(6)~~   Electric generating systems and interconnecting equipment used by eligible  
5       customer-generators shall meet all applicable safety and power quality standards  
6       established by the National Electrical Code (NEC), Institute of Electrical and  
7       Electronics Engineers (IEEE), and accredited testing laboratories such as  
8       Underwriters Laboratories.

9       ~~(8)~~~~(7)~~   An eligible customer-generator installation is transferable to other persons or  
10       service locations upon notification to the retail electric supplier and verification that  
11       the installation is in compliance with the applicable safety and power quality  
12       standards in KRS 278.467 and in subsection ~~(7)~~~~(6)~~ of this section.

13       ~~(9)~~~~(8)~~   Any upgrade of the interconnection between the retail electric supplier and the  
14       customer-generator that is required by commission-approved tariffs for the purpose  
15       of allowing net metering shall be made at the expense of the customer-generator.

16       ➔Section 3. This Act takes effect January 1, 2019.