

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2018 REGULAR SESSION
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Amend printed copy of **HB 227/HCS 1**

On page 1, after line 2, delete all language after the enacting clause 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, and subject to commission approval under subsection (2) of this section, a retail electric supplier may charge an additional monthly fixed net metering fee to eligible customer-generators who begin participating in net metering service pursuant to Section 2 of this Act after the effective date of this Act. The fee shall be reasonably calculated to ensure that eligible customer-generators are equitably contributing to the recovery of the retail electric supplier's fixed costs of service relative to nonparticipating customers of the same class. 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 of the effective date of this Act, the commission shall open an administrative case to evaluate whether eligible customer-generators are equitably contributing to the recovery of the retail electric supplier's fixed costs of service relative to nonparticipating customers of the same class. Each retail electric supplier shall be

Amendment No. HFA 26

Rep. Rep. Kelly Flood

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: Kasacavage, Stefan

Adopted: _____

Date: _____

Rejected: _____

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made a party to the case. A retail electric supplier may file a notice with the commission stating that it does not seek any additional net metering fee, at which time that retail electric supplier may be excused from participation in the administrative case. The commission shall determine whether, for each retail electric supplier participating in the administrative case, a proposed 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 proposed net metering fee is reasonably necessary to do so, then the commission shall establish a fixed monthly fee to provide the equitable and proportionate contribution that shall be recovered from the customer-generator.

(3) Any fee approved under subsection (2) of this section shall not apply to an eligible customer-generator participating in net metering on the effective date of this Act, or any subsequent purchaser of property from that customer, as long as the eligible generating facility continues in service at those premises.

(4) The commission shall retain all jurisdiction to review the net metering fee authorized by this section and to resolve any complaints as to the net metering fee.

➔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

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- (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 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 for any net metering fee approved by the commission under 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-

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generator shall be credited for the excess kilowatt hours in accordance with subsections (3) and (4) of this section. This electricity credit shall appear on the customer-generator's next bill. Credits shall carry forward for the life of the customer-generator's account. **Credits shall not be applied toward a net metering fee authorized under Section 1 of this Act;**

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