

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 forty-five (45)~~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) For an eligible electric generating facility in service prior to the effective date of  
7 the initial net metering order by the commission in accordance with subsection  
8 (3) of this section, the net metering tariff provisions in place when the eligible  
9 customer-generator began taking net metering service, including the one-to-one  
10 (1:1) kilowatt-hour denominated energy credit provided for electricity fed into the  
11 grid, shall remain in effect at those premises for a twenty-five (25) year period,  
12 regardless of whether the premises are sold or conveyed during that twenty-five  
13 (25) year period. For any eligible customer-generator to whom this paragraph  
14 applies, each net metering contract or tariff under which the customer takes  
15 service shall be identical, with respect to energy rates, rate structure, and monthly  
16 charges, to the contract or tariff to which the same customer would be assigned if  
17 the customer were not an eligible customer-generator

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

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

1 generator.

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

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

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

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

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

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

19 ~~(Z){{(6)}} Electric generating systems and interconnecting equipment used by eligible~~  
20 ~~customer-generators shall meet all applicable safety and power quality standards~~  
21 ~~established by the National Electrical Code (NEC), Institute of Electrical and~~  
22 ~~Electronics Engineers (IEEE), and accredited testing laboratories such as~~  
23 ~~Underwriters Laboratories.~~

24 ~~(8){{(7)}} An eligible customer-generator installation is transferable to other persons **at**~~  
25 ~~**the same premises** [or service locations] upon notification to the retail electric~~  
26 ~~supplier and verification that the installation is in compliance with the applicable~~  
27 ~~safety and power quality standards in KRS 278.467 and in subsection ~~(Z){{(6)}} of~~~~

1           this section.

2   ~~(9)~~~~(8)~~   Any upgrade of the interconnection between the retail electric supplier and the  
3           customer-generator that is required by commission-approved tariffs for the purpose  
4           of allowing net metering shall be made at the expense of the customer-generator.

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

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

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

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

19          ➔Section 4. This Act takes effect January 1, 2020.