

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2602

By: Covey

AS INTRODUCED

An Act relating to electric utilities; creating the Oklahoma Net Metering Act; stating legislative finding; providing definitions; providing for calculation of electric energy measurement; specifying process for crediting excess kilowatt hours generated; requiring electric service providers to develop standard contracts or tariff; providing for the installation of certain meter; authorizing the installation of additional meters for certain purpose; prohibiting additional fees; prohibiting a requirement for additional insurance; prohibiting statewide caps or capacity for net metering; establishing certain safety regulations; providing for application to certain rules and ordinances; directing the Corporation Commission to promulgate rules; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.1 of Title 17, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Net Metering Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.2 of Title 17, unless there is created a duplication in numbering, reads as follows:

The Legislature hereby finds that allowing net energy metering for eligible customer-generators is in the public interest in order to:

1. Encourage substantial private investment in renewable energy resources;
2. Stimulate in-state economic growth;

3. Reduce demand for electricity during peak consumption periods;

4. Enhance the continued diversification of the energy resources used in this state;

5. Help stabilize the energy supply infrastructure for the state; and

6. Reduce interconnection and administrative costs for electricity suppliers.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.3 of Title 17, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Net Metering Act:

1. "Eligible customer-generator" means a residential, commercial, agricultural or industrial customer of an electric service provider who uses renewable energy sources;

2. "Electric service provider" means a public or private utility company, including investor-owned utilities, electrical cooperatives, and municipal electric systems that provide electricity to residential, commercial, agricultural, and industrial customers;

3. "Average retail utility energy rate" means the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer;

4. "Renewable energy source" means energy derived from wind power, solar power, hydroelectric power, or biogas power;

5. "Biogas power" means a facility of no more than 100-kilowatt (AC) capacity that generates electric energy from the anaerobic digestion of agricultural waste produced by farming and which is located on the farm where substantially all of the waste used is produced;

6. "Net energy metering" means measuring the difference between the electricity supplied to a customer through the electricity grid and the electricity generated by an eligible customer-generator and fed back to the electric grid over a 12-month period. Net energy metering shall be accomplished using a single meter or a set of meters capable of registering the flow of electricity both into and out of the electricity grid; and

7. "Net metering system" means a facility for generation of electricity that:

- a. is of no more than a 25-kilowatt capacity for residential systems and no more than a 100-kilowatt capacity for commercial, agricultural (including farm systems), and industrial systems,
- b. operates in parallel with facilities of the electric distribution system,
- c. is intended primarily to offset part or all of the electricity requirements of the customer,
- d. is located on the premises owned or operated by the customer, and
- e. employs a renewable energy source as defined in this section.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.4 of Title 17, unless there is created a duplication in numbering, reads as follows:

Consistent with the other provisions of the Oklahoma Net Metering Act, electric energy measurement for net metering systems shall be calculated in the following manner:

1. The electric service provider which serves the customer shall measure the net electricity produced or consumed during the billing period for the customer, in accordance with normal metering practices;

2. If the electricity supplied by the electric service provider exceeds the electricity generated by the customer and fed back to the electric distribution system during the billing period, then the customer shall be billed for the net electricity supplied by the electric service provider in accordance with normal metering practices; and

3. If electricity generated by the customer exceeds the electricity supplied by the electric service provider:

- a. the customer shall be credited for the excess kilowatt-hours generated during the billing period, with this kilowatt-hour credit appearing on the bill for the following billing period, and
- b. at the beginning of each calendar year, any remaining unused kilowatt-hour credit accumulated during the previous year shall revert to the customer-generator in the form of monetary compensation at the avoided cost rate of electricity for the rate class of the customer.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.5 of Title 17, unless there is created a duplication in numbering, reads as follows:

Every electric service provider:

1. Shall develop a standard contract or tariff providing for net energy metering and shall make this contract available to eligible customer-generators, upon request;
2. May make available to each of its eligible customer-generators that have installed a net metering system the meter (or set of meters) that is needed to determine the net flow of electricity both into and out of the electricity grid;
3. May, at its own expense, install additional metering that shall be used only to provide the information necessary to accurately bill or credit the customer-generator or to collect

renewable energy generating system performance information for research purposes;

4. May charge the customer a minimum monthly fee that is the same as other customers of the electric service provider in the same rate class, but shall not charge the customer any additional or new recurring fee or charge related to the installation of a renewable energy system; and

5. Shall not require the customer to purchase additional insurance beyond what they already maintain or to modify that insurance in any way.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.6 of Title 17, unless there is created a duplication in numbering, reads as follows:

There shall be no statewide cap on the number of net metering systems eligible or on the total capacity for net metering.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.7 of Title 17, unless there is created a duplication in numbering, reads as follows:

Safety regulations for net metering systems under the Oklahoma Net Metering Act are as follows:

1. A net metering system shall conform to applicable electrical safety requirements established by the National Electrical Code;

2. A net metering system shall incorporate an accessible disconnect switch that will enable the electric service provider to disconnect and lock out the generator of the customer in the event that the provider determines that disconnection is necessary for the safety of its personnel during repair operations. If the generating system of the customer includes an inverter or protective relay system conforming to IEEE 929 and/or UL 1741 then this requirement shall be waived; and

3. An electric company may, at its own expense, and upon reasonable written notice to the customer, perform testing and

inspection of a net metering system in order to confirm that the system conforms to applicable electrical safety and interconnection requirements.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 192.8 of Title 17, unless there is created a duplication in numbering, reads as follows:

No later than one hundred eighty (180) days after the effective date of this act, the Corporation Commission shall promulgate all necessary rules to ensure the proper implementation and enforcement of the provisions of the Oklahoma Net Metering Act.

SECTION 9. This act shall become effective November 1, 2006.

50-2-9106 KB 01/17/06