

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 54th Legislature (2014)

4 ENGROSSED SENATE

5 BILL NO. 1456

By: Griffin of the Senate

and

Turner and Echols of the
House

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9 An Act relating to public utilities; amending 17 O.S.
10 2011, Section 156, which relates to distributed
11 generation costs; defining terms; modifying
12 prohibition relating to recovery of certain fixed
13 costs from electric customers utilizing certain
14 distributed generation; prohibiting subsidization of
15 certain costs among customer class; requiring rate
16 tariff adjustment by certain date; and providing an
17 effective date.

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

19 SECTION 1. AMENDATORY 17 O.S. 2011, Section 156, is
20 amended to read as follows:

21 Section 156. A. As used in this section:

22 1. "Distributed generation" means:

23 a. a device that provides electric energy that is owned,
24 operated, leased or otherwise utilized by the
 customer,

- 1 b. is interconnected to and operates in parallel with the
2 retail electric supplier's grid and is in compliance
3 with the standards established by the retail electric
4 supplier,
- 5 c. is intended to offset only the energy that would have
6 otherwise been provided by the retail electric
7 supplier to the customer during the monthly billing
8 period,
- 9 d. does not include generators used exclusively for
10 emergency purposes,
- 11 e. does not include generators operated and controlled by
12 a retail electric supplier, and
- 13 f. does not include customers who receive electric
14 service which includes a demand-based charge.

15 2. "Fixed charge" means any fixed monthly charge, basic
16 service, or other charge not based on the volume of energy consumed
17 by the customer, which reflects the actual fixed costs of the retail
18 electric supplier.

19 3. "Retail electric supplier" means an entity engaged in the
20 furnishing of retail electric service within the State of Oklahoma
21 and is rate regulated by the Oklahoma Corporation Commission.

22 B. No ~~public utility~~ retail electric supplier shall increase
23 rates charged or enforce a surcharge ~~on the basis of the use or~~
24 ~~installation of a solar energy device by a consumer~~ above that

1 required to recover the full costs necessary to serve customers who
2 install distributed generation on the customer side of the meter
3 after the effective date of this act.

4 C. No retail electric supplier shall allow customers with
5 distributed generation installed after the effective date of this
6 act to be subsidized by customers in the same class of service who
7 do not have distributed generation.

8 D. A higher fixed charge for customers within the same class of
9 service that have distributed generation installed after the
10 effective date of this act, as compared to the fixed charges of
11 those customers who do not have distributed generation, is a means
12 to avoid subsidization between customers within that class of
13 service and shall be deemed in the public interest.

14 E. Retail electric suppliers shall implement tariffs in
15 compliance with this act no later than December 31, 2015.

16 SECTION 2. This act shall become effective November 1, 2014.

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18 COMMITTEE REPORT BY: COMMITTEE ON UTILITY AND ENVIRONMENTAL
19 REGULATION, dated 04/01/2014 - DO PASS, As Coauthored.
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