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February 20, 2014

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1456

By: Griffin of the Senate

and

Turner of the House

COMMITTEE SUBSTITUTE

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

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

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

Section 156. A. As used in this section:

1. "Distributed generation" means:

a. an energy resource that is located on or near a
customer's premises,

b. is owned, operated, or leased by the customer,

- 1 c. 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 d. 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, and
- 9 e. does not include generators used exclusively for
10 emergency purposes or customers who receive service
11 which includes a demand-based charge.

12 2. "Fixed charge" means any fixed monthly charge, basic
13 service, or other charge not based on the volume of energy consumed
14 by the customer, which reflects the actual fixed costs of the retail
15 electric supplier that do not vary with the quantity of energy
16 consumed by the customer.

17 B. No ~~public utility~~ retail electric supplier shall increase
18 rates charged or enforce a surcharge ~~on the basis of the use or~~
19 ~~installation of a solar energy device by a consumer~~ above that
20 required to recover the full costs necessary to serve a customer who
21 installs distributed generation on the customer's side of the meter
22 after the effective date of this act. No retail electric supplier
23 shall allow a customer with distributed generation to be subsidized
24 by customers in the same class of service who do not have

1 distributed generation. A higher fixed charge between customers
2 within the same class of service that have distributed generation
3 and those who do not have distributed generation is a means to avoid
4 subsidization between customers within that class of service.
5 Retail electric suppliers shall implement tariffs in compliance with
6 this act no later than December 31, 2015.

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

8 COMMITTEE REPORT BY: COMMITTEE ON ENERGY
9 February 20, 2014 - DO PASS AS AMENDED
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