



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 579**

Hearing Date: February 1, 2007
Committee On: Natural Resources

Introducer(s): (Louden)
Title: Allow alternative energy production through customer-generators

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

8	Yes	Senators Carlson, Christensen, Dubas, Fischer, Hudkins, Kopplin, Louden, Wallman
0	No	None
0	Present, not voting	None
0	Absent	None

Proponents:

Jody Gittins
John Hoke

Danny Kluthe

Representing:

Introducer
Self; Nebraska Rural Electric Association;
Nebraska Power Association
Self; Nebraska Rural Electric Association;
CCPPD

Opponents:

Deborah Ward
Robert Byrnes
Ken Winston
Jarel Vinduska
John Dixon

Representing:

Self
Nebraska Renewable Energy Service
Nebraska Chapter, Sierra Club
Self
Self

Neutral:

Tim Texel

Representing:

Nebraska Power Review Board

Summary of purpose and/or changes:

LB 579 does the following:

Section 1 Legislative findings

Section 2 Definitions

Customer-generator – end use customer that is the owner or operator of a qualified generation unit.

Facility charge – the local distribution system’s costs associated with providing electric service for the customer-generator that are not avoidable by the local distribution utility as a result of the operation of a qualified generation unit.

Local distribution system – any system utilized for the distribution of electric energy to the end use consumer. Transmission facilities rated higher than 69 kilovolts shall not be considered a component of the local distribution system.

Local distribution utility – a public power district, public power and irrigation district, individual municipality or nonprofit electric cooperative which is the owner or operator of the local distribution system to which the customer-generator is interconnected.

Qualified generation unit – a facility for the generation of electricity that meets each of the following requirements:

- (a) The unit uses as its energy source solar, wind, biomass, or hydropower resources;
- (b) The unit is located on premises that are owned, operated, leased or otherwise controlled by the customer-generator;
- (c) The unit operates parallel with the local distribution system;
- (d) The unit is intended primarily to offset part of or all of the customer-generator’s requirements for electric energy at the same location;
- (e) The unit is not intended to offset or provide credits for electric consumption at another location owned, operated, leased or otherwise controlled by the customer-generator or for any other customer; and
- (f) The unit meets all applicable safety, performance and reliability standards established by the National Electrical Code filed with the Secretary of State and adopted by the State Electrical Board under subdivision (5) of section 81-2104, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, Inc., and the American National Standards Institute and shall meet the interconnection standards adopted by the local distribution utility.

Customer-generator rate class – a rate class for customers that interconnect qualified generation units to the local distribution system.

Excess generation – the energy generated which exceeds the customer-generator’s requirements for electric energy at the same location.

Section 3 Responsibilities of the Local Distribution Utility

1. Shall interconnect a customer generator if the customer generator pays for any costs incurred by a local distribution utility for equipment or services required for safety or performance necessary to meet the standards referred to in this act.
2. May, install at the distribution utility's expense, install additional monitoring equipment for monitoring the flow of electricity in either direction.
3. May create customer generator rate class or classes. Classes may be based on the size of generation. Rate class must be non-discriminatory and may be the basis for a facility charge to cover the costs for use of the distribution system. An energy rate may be created to pay for energy used and energy delivered to the distribution utility. That rate shall not be less than the wholesale power supply rates of the distribution utility. Utility shall place monetary credits on a customer generator's bill to compensate for excess generation. Monetary credits carry over month to month until the bill is zero. At the end of the year any remaining credits will be paid out coinciding with the final bill of the year.
4. Statement of indemnification. Local distribution utility shall not be liable for acts or omissions of a customer generator. Distribution utility may require proof of liability insurance.

Section 4 Responsibilities of the Customer Generator

1. Is responsible to provide and pay for equipment that will isolate the generation facility from the distribution system when necessary. This is a critical feature that provides for the safety of utility line workers. The equipment needs to be approved by the utility and needs to be accessible by the utility at all times.
2. Shall request an inspection from the State Electrical Division.
3. Provide 60 day notification prior to interconnection of a qualified generation unit to a distribution utility. Pay for all costs associated with the qualified generation unit including modifications to the distribution system that may be required for safety and reliability.

Section 5 Provides that no local distribution utility may require a customer-generator whose qualified generation unit meets the standards of this act to comply with additional safety, performance, or reliability standards or to perform or pay for additional tests.

Section 6 Provide for an exemption for qualified generation units from Power Review Board approval under section 70-1012.

Section 7 Repealer

Explanation of amendments, if any:

None

Senator LeRoy Loudon, Chairperson