

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 960**

Introduced by Stuthman, 22.

Read first time January 14, 2010

Committee: Natural Resources

A BILL

1 FOR AN ACT relating to energy; to amend sections 70-2002 and  
2 70-2003, Reissue Revised Statutes of Nebraska; to change  
3 provisions relating to net metering; and to repeal the  
4 original sections.

5 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 70-2002, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           70-2002 For purposes of sections 70-2001 to 70-2005:

4           (1) Customer-generator means an end-use electricity  
5 customer that generates electricity on the customer's side of the  
6 meter from a qualified facility;

7           (2) Interconnection agreement means an agreement between  
8 a local distribution utility and a customer-generator that  
9 establishes the financial, interconnection, safety, performance,  
10 and reliability requirements relating to the installation and  
11 operation of a qualified facility in accordance with the standards  
12 prescribed in sections 70-2001 to 70-2005;

13           (3) Local distribution system means the equipment and  
14 facilities used for the distribution of electric energy to the  
15 end-use electricity customer;

16           (4) Local distribution utility means the owner or  
17 operator of the local distribution system;

18           (5) Net excess generation means the net amount of energy,  
19 if any, by which the output of a qualified facility exceeds  
20 a customer-generator's total electricity requirements during a  
21 billing period;

22           (6) Net metering means a system of metering electricity  
23 in which a local distribution utility:

24           (a) Credits a customer-generator at the applicable  
25 retail rate for each kilowatt-hour produced by a qualified

1 facility during a billing period up to the total of the  
 2 customer-generator's electricity requirements during that billing  
 3 period. A customer-generator may be charged a minimum monthly fee  
 4 that is the same as other noncustomer-generators in the same rate  
 5 class but shall not be charged any additional standby, capacity,  
 6 demand, interconnection, or other fee or charge; and

7 (b) Compensates the customer-generator for net excess  
 8 generation during the billing period at a rate equal to the local  
 9 distribution utility's avoided cost of electric supply over the  
 10 billing period. The monetary credits shall be applied to the bills  
 11 of the customer-generator for the preceding billing period and  
 12 shall offset the cost of energy owed by the customer-generator. If  
 13 the energy portion of the customer-generator's bill is less than  
 14 zero in any month, monetary credits shall be carried over to future  
 15 bills of the customer-generator until the balance is zero. At the  
 16 end of each annualized period, any excess monetary credits shall be  
 17 paid out to coincide with the final bill of that period; and

18 (7) Nonresidential customer-generator means a  
 19 customer-generator that is not located in an area zoned  
 20 for residential use, including areas zoned for agricultural,  
 21 commercial, or industrial uses, areas with no zoning, and  
 22 residential uses within such areas;

23 ~~(7)~~ (8) Qualified facility means a facility for the  
 24 production of electrical energy that:

25 (a) Uses as its energy source either methane, wind, solar

1 resources, biomass, hydropower resources, or geothermal resources;

2 (b) Is controlled by the customer-generator and is  
3 located on premises owned, leased, or otherwise controlled by  
4 the customer-generator;

5 (c) Interconnects and operates in parallel with the local  
6 distribution system;

7 (d) Is intended to meet or offset the  
8 customer-generator's requirements for electricity;

9 (e) Is not intended to offset or provide credits  
10 for electricity consumption at another location owned, operated,  
11 leased, or otherwise controlled by the customer-generator or for  
12 any other customer;

13 (f) Has a rated capacity at or below twenty-five  
14 kilowatts for residential customer-generators or a rated capacity  
15 at or below one hundred twenty-five kilowatts for a nonresidential  
16 customer-generator;

17 (g) Meets all applicable safety, performance,  
18 interconnection, and reliability standards established by  
19 the National Electrical Code filed with the Secretary of State and  
20 adopted by the State Electrical Board under subdivision (5) of  
21 section 81-2104, the National Electrical Safety Code, the Institute  
22 of Electrical and Electronics Engineers, and the Underwriters  
23 Laboratories, Inc.; and

24 (h) Is equipped to automatically isolate the qualified  
25 facility from the electrical system in the event of an electrical

1 power outage or other conditions where the line is de-energized;  
2 and-

3 (9) Residential customer-generator means a  
4 customer-generator that is located in an area zoned for residential  
5 use.

6 Sec. 2. Section 70-2003, Reissue Revised Statutes of  
7 Nebraska, is amended to read:

8 70-2003 (1) A local distribution utility shall  
9 interconnect the qualified facility of any customer-generator  
10 that enters into an interconnection agreement with the local  
11 distribution utility, satisfies the requirements for a qualified  
12 facility and all other requirements of sections 70-2001 to 70-2005,  
13 and pays for costs incurred by the local distribution utility for  
14 equipment or services required for interconnection that would not  
15 be necessary if the qualified facility were not interconnected to  
16 the local distribution system, except as provided in subsection (2)  
17 of this section and as may be provided for in the utility's aid  
18 in construction policy.

19 (2) A local distribution utility shall provide at no  
20 additional cost to any customer-generator with a qualified facility  
21 a metering system that is capable of measuring the flow of  
22 electricity in both directions and may be accomplished through use  
23 of a single, bidirectional electric revenue meter that has only  
24 a single register for billing purposes, a smart metering system,  
25 or another meter configuration that can easily be read by the

1 customer-generator.

2 (3) A local distribution utility may, at its own expense,  
3 install additional monitoring equipment to separately monitor  
4 the flow of electricity in each direction as may be necessary  
5 to accomplish the reporting requirements of sections 70-2001 to  
6 70-2005.

7 (4) Subject to the requirements of sections 70-2001 to  
8 70-2005 and the interconnection agreement, a local distribution  
9 utility shall provide net metering to any customer-generator with  
10 a qualified facility. The local distribution utility shall allow  
11 a customer-generator's retail electricity consumption to be offset  
12 by a qualified facility that is interconnected with the local  
13 distribution system. A qualified facility's net excess generation  
14 during a billing period, if any, shall be determined by the  
15 local distribution utility in accordance with section 70-2002  
16 and shall be credited to the customer-generator at a rate equal  
17 to the local distribution utility's avoided cost of electricity  
18 supply during the billing period, and the monetary credits shall  
19 be carried forward from billing period to billing period and  
20 credited against the customer-generator's retail electric bills  
21 in subsequent billing periods. Any excess monetary credits shall  
22 be paid out to coincide with the final bill at the end of  
23 each annualized period or within sixty days after the date the  
24 customer-generator terminates its retail service.

25 (5) A local distribution utility shall not be required to

1 provide net metering to additional customer-generators, regardless  
2 of the output of the proposed generation unit, after the date  
3 during a calendar year on which the total generating capacity of  
4 all customer-generators using net metering served by such local  
5 distribution utility is equal to or exceeds one percent of the  
6 capacity necessary to meet the local distribution utility's average  
7 aggregate customer monthly peak demand forecast for that calendar  
8 year.

9 (6) No local distribution utility may require a  
10 customer-generator whose qualified facility meets the standards  
11 established under sections 70-2001 to 70-2005 to:

12 (a) Comply with additional safety or performance  
13 standards or pay additional charges for equipment or services for  
14 interconnection that are additional to those necessary to meet the  
15 standards established under sections 70-2001 to 70-2005;

16 (b) Perform or pay for additional tests; or

17 (c) Purchase additional liability insurance if all safety  
18 and interconnection requirements are met.

19 (7) Nothing in sections 70-2001 to 70-2005 prevents a  
20 local distribution utility from entering into other arrangements  
21 with customers desiring to install electric generating equipment  
22 or from providing net metering to customer-generators having  
23 renewable generation units with a rated capacity above twenty-five  
24 kilowatts for residential customer-generators or above one hundred  
25 twenty-five kilowatts for nonresidential customer-generators.

LB 960

LB 960

1                   Sec. 3. Original sections 70-2002 and 70-2003, Reissue  
2 Revised Statutes of Nebraska, are repealed.