

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 818**

Introduced by Haar, 21; Brasch, 16; Dubas, 34; Kolowski, 31.  
Read first time January 10, 2014  
Committee: Natural Resources

A BILL

1 FOR AN ACT relating to electricity; to amend sections 70-2002 and  
2 70-2003, Reissue Revised Statutes of Nebraska; to  
3 redefine a term; to change provisions relating to net  
4 metering; to harmonize provisions; and to repeal the  
5 original sections.  
6 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, and  
10 reliability requirements relating to the installation and operation  
11 of a qualified facility in accordance with the standards prescribed  
12 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 end-  
15 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 a  
20 customer-generator's total electricity requirements during a billing  
21 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 retail  
25 rate for each kilowatt-hour produced by a qualified facility during a

1 billing period up to the total of the customer-generator's  
2 electricity requirements during that billing period. A customer-  
3 generator may be charged a minimum monthly fee that is the same as  
4 other noncustomer-generators in the same rate class but shall not be  
5 charged any additional standby, capacity, demand, interconnection, or  
6 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 of  
11 the customer-generator for the preceding billing period and shall  
12 offset the cost of energy owed by the customer-generator. If the  
13 energy portion of the customer-generator's bill is less than zero in  
14 any month, monetary credits shall be carried over to future bills of  
15 the customer-generator until the balance is zero. At the end of each  
16 annualized period, any excess monetary credits shall be paid out to  
17 coincide with the final bill of that period; and

18 (7) Qualified facility means a facility for the  
19 production of electrical energy that:

20 (a) Uses as its energy source either methane, wind, solar  
21 resources, biomass, hydropower resources, or geothermal resources;

22 (b) Is controlled by the customer-generator and is  
23 located on premises owned, leased, or otherwise controlled by the  
24 customer-generator;

25 (c) Interconnects and operates in parallel with the local

1 distribution system;

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

4 (e) Is not intended to offset or provide credits for  
5 electricity consumption at another location owned, operated, leased,  
6 or otherwise controlled by the customer-generator or for any other  
7 customer;

8 (f) Has a rated capacity at or below ~~twenty-five~~one  
9 hundred twenty-five kilowatts;

10 (g) Meets all applicable safety, performance,  
11 interconnection, and reliability standards established by the  
12 National Electrical Code filed with the Secretary of State and  
13 adopted by the State Electrical Board under subdivision (5) of  
14 section 81-2104, the National Electrical Safety Code, the Institute  
15 of Electrical and Electronics Engineers, and the Underwriters  
16 Laboratories, Inc.; and

17 (h) Is equipped to automatically isolate the qualified  
18 facility from the electrical system in the event of an electrical  
19 power outage or other conditions where the line is de-energized.

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

22 70-2003 (1) A local distribution utility shall  
23 interconnect the qualified facility of any customer-generator that  
24 enters into an interconnection agreement with the local distribution  
25 utility, satisfies the requirements for a qualified facility and all

1 other requirements of sections 70-2001 to 70-2005, and pays for costs  
2 incurred by the local distribution utility for equipment or services  
3 required for interconnection that would not be necessary if the  
4 qualified facility were not interconnected to the local distribution  
5 system, except as provided in subsection (2) of this section and as  
6 may be provided for in the utility's aid in construction policy.

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

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

18           (4) Subject to the requirements of sections 70-2001 to  
19 70-2005 and the interconnection agreement, a local distribution  
20 utility shall provide net metering to any customer-generator with a  
21 qualified facility. The local distribution utility shall allow a  
22 customer-generator's retail electricity consumption to be offset by a  
23 qualified facility that is interconnected with the local distribution  
24 system. A qualified facility's net excess generation during a billing  
25 period, if any, shall be determined by the local distribution utility

1 ~~in accordance with section 70-2002 and shall be credited to the~~  
2 customer-generator at a rate equal to the local distribution  
3 utility's avoided cost of electricity supply during the billing  
4 period, and the monetary credits shall be carried forward from  
5 billing period to billing period and credited against the customer-  
6 generator's retail electric bills in subsequent billing periods. Any  
7 excess monetary credits shall be paid out to coincide with the final  
8 bill at the end of each annualized period or within sixty days after  
9 the date the customer-generator terminates its retail service.

10 (5) A local distribution utility shall not be required to  
11 provide net metering to additional customer-generators, regardless of  
12 the output of the proposed generation unit, after the date during a  
13 calendar year on which the total generating capacity of all customer-  
14 generators using net metering served by such local distribution  
15 utility is equal to or exceeds one percent of the capacity necessary  
16 to meet the local distribution utility's average aggregate customer  
17 monthly peak demand forecast for that calendar year.

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

21 (a) Comply with additional safety or performance  
22 standards or pay additional charges for equipment or services for  
23 interconnection that are additional to those necessary to meet the  
24 standards established under sections 70-2001 to 70-2005;

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

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

3                   (7) Nothing in sections 70-2001 to 70-2005 prevents a  
4 local distribution utility from entering into other arrangements with  
5 customers desiring to install electric generating equipment or from  
6 providing net metering to customer-generators having renewable  
7 generation units with a rated capacity above ~~twenty-five one hundred~~  
8 twenty-five kilowatts.

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