

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1132

Introduced by Wayne, 13.

Read first time January 22, 2020

Committee: Natural Resources

1 A BILL FOR AN ACT relating to net metering; to amend sections 70-2001,
2 70-2002, and 70-2003, Reissue Revised Statutes of Nebraska; to state
3 legislative declarations; to redefine net metering and qualified
4 facility; to change and provide powers for a local distribution
5 utility; to harmonize provisions; and to repeal the original
6 sections.

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

1 Section 1. Section 70-2001, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 70-2001 (1) The Legislature finds that it is in the public interest
4 to (a) encourage ; ~~(1) Encourage~~ customer-owned renewable energy
5 resources, (b) stimulate ; ~~(2) Stimulate~~ the economic growth of this
6 state, (c) encourage ; ~~(3) Encourage~~ diversification of the energy
7 resources used in this state, ~~;~~ and (d) maintain ~~(4) Maintain~~ low-cost,
8 reliable electric service.

9 (2) The Legislature declares that consumers of electricity have a
10 right to install, interconnect, and use electricity generation systems on
11 their property and a right to substantial use of net metering. Net
12 metering enhances the efficiency and reliability of the electric grid,
13 saves money, and reduces the need for additional electric generation
14 facilities.

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

17 70-2002 For purposes of sections 70-2001 to 70-2005:

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

21 (2) Interconnection agreement means an agreement between a local
22 distribution utility and a customer-generator that establishes the
23 financial, interconnection, safety, performance, and reliability
24 requirements relating to the installation and operation of a qualified
25 facility in accordance with the standards prescribed in sections 70-2001
26 to 70-2005;

27 (3) Local distribution system means the equipment and facilities
28 used for the distribution of electric energy to the end-use electricity
29 customer;

30 (4) Local distribution utility means the owner or operator of the
31 local distribution system;

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

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

6 (a) Credits a customer-generator at the applicable retail rate for
7 each kilowatt-hour produced by a qualified facility during a billing
8 period up to the total of the customer-generator's electricity
9 requirements during that billing period. A customer-generator that
10 generates more than five kilowatts may be charged a separate net-metering
11 monthly administrative fee based on the cost for reading the energy
12 generated by the customer-generator. Each local distribution utility
13 shall have authority to set the administrative fee. Such rate shall be
14 implemented as a fixed rate not to exceed more than the actual costs of
15 calculating the net metering credits plus ten percent. No other fee shall
16 be charged to a net-metering customer including, but not limited to,
17 ~~minimum monthly fee that is the same as other noncustomer generators in~~
18 ~~the same rate class but shall not be charged any additional~~ standby,
19 capacity, demand, interconnection, or other fee or charge; and

20 (b) Compensates the customer-generator for net excess generation
21 during the billing period at a rate equal to the local distribution
22 utility's avoided cost of electric supply over the billing period. The
23 monetary credits shall be applied to the bills of the customer-generator
24 for the preceding billing period and shall offset the cost of energy owed
25 by the customer-generator. If the energy portion of the customer-
26 generator's bill is less than zero in any month, monetary credits shall
27 be carried over to future bills of the customer-generator until the
28 balance is zero. At the end of each annualized period, any excess
29 monetary credits shall be paid out to coincide with the final bill of
30 that period; and

31 (7) Qualified facility means a facility for the production of

1 electrical energy that:

2 (a) Uses any form of technology as its energy source such as
3 geothermal, solar thermal, solar photovoltaids, wind, biomass,
4 hydroelectric, municipal solid waste, combined heat and power, fuel cells
5 using nonrenewable fuels, anaerobic digestion, fuel cells using renewable
6 fuels, gas-powered generators and combustion turbines, and microturbines
7 ~~either methane, wind, solar resources, biomass, hydropower resources, or~~
8 ~~geothermal resources;~~

9 (b) Is controlled by the customer-generator and is located on
10 premises owned, leased, or otherwise controlled by the customer-
11 generator;

12 (c) Interconnects and operates in parallel with the local
13 distribution system;

14 (d) Is intended to meet or offset the customer-generator's
15 requirements for electricity based on the average monthly usage in
16 kilowatt hours for the previous calendar year;

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

20 (f) Has a rated capacity of up to one hundred ten percent of the
21 customer-generator's average annual usage. The local distribution utility
22 has authority to modify the generator size down to seventy-five percent
23 of the customer-generator's average monthly usage if the customer-
24 generator or developer proposes a generator size in excess of the
25 customer-generator's average monthly usage if the local distribution
26 utility can show a risk to its local distribution system or grid
27 reliability. For purposes of this subdivision, developer means a person
28 or entity who develops or constructs a qualified facility at or below
29 ~~twenty-five kilowatts;~~

30 (g) Meets all applicable safety, performance, interconnection, and
31 reliability standards established by the National Electrical Code filed

1 with the Secretary of State and adopted by the State Electrical Board
2 under subdivision (5) of section 81-2104, the National Electrical Safety
3 Code, the Institute of Electrical and Electronics Engineers, and the
4 Underwriters Laboratories, Inc.; and

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

8 A customer-generator must provide an accessible external disconnect
9 switch or access to a disconnect switch through a lock box system. The
10 customer-generator must pay the cost for such disconnect switch.

11 Sec. 3. Section 70-2003, Reissue Revised Statutes of Nebraska, is
12 amended to read:

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

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

30 (3) A local distribution utility may, at its own expense, install
31 additional monitoring equipment to separately monitor the flow of

1 electricity in each direction as may be necessary to accomplish the
2 reporting requirements of sections 70-2001 to 70-2005.

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

19 (5) A local distribution utility shall not be required to provide
20 net metering to additional customer-generators, regardless of the output
21 of the proposed generation unit, after the date during a calendar year on
22 which the total generating capacity of all customer-generators using net
23 metering served by such local distribution utility is equal to or exceeds
24 five ~~one~~ percent of the capacity necessary to meet the local distribution
25 utility's average aggregate customer monthly peak demand forecast for
26 that calendar year.

27 (6) No local distribution utility may require a customer-generator
28 whose qualified facility meets the standards established under sections
29 70-2001 to 70-2005 to:

30 (a) Comply with additional safety or performance standards or pay
31 additional charges for equipment or services for interconnection that are

1 additional to those necessary to meet the standards established under
2 sections 70-2001 to 70-2005; or

3 (b) Perform or pay for additional tests. ~~;~~ ~~or~~

4 ~~(c) Purchase additional liability insurance if all safety and~~
5 ~~interconnection requirements are met.~~

6 (7) Nothing in sections 70-2001 to 70-2005 prevents a local
7 distribution utility from entering into other arrangements with customers
8 desiring to install electric generating equipment or from providing net
9 metering to customer-generators having renewable generation units with a
10 rated capacity above the limitations described in subdivision (7)(f) of
11 section 70-2002 twenty-five kilowatts.

12 (8) A local distribution utility shall designate one or more contact
13 persons from whom a customer-generator may obtain relevant information
14 regarding a qualified facility project. A list of such contact persons
15 shall be available on the utility's web site. Disputes may be resolved
16 through complaint procedures developed by the utility.

17 (9) A local distribution utility may require insurance amounts of
18 the customer-generator as follows:

19 (a) Three hundred thousand dollars for one hundred kilowatts or less
20 of generation;

21 (b) One million dollars for more than one hundred kilowatts of
22 generation up to one megawatt of generation; and

23 (c) Two million dollars for more than one megawatt of generation.

24 (10) A local distribution utility shall adopt standards governing
25 installation, interconnection, and other net metering requirements. Such
26 standards shall include provisions for four levels of interconnection for
27 customer-generators generating up to five megawatts in capacity as
28 follows:

29 (a) Level one interconnection applies to certified, inverter-based
30 systems up to ten kilowatts in capacity with an application fee of one
31 hundred dollars;

1 (b) Level two interconnection applies to certified, inverter-based
2 systems up to two megawatts in capacity that do not qualify or were not
3 approved for level one interconnection with an application fee of two
4 hundred fifty dollars plus one dollar per kilowatt of nameplate capacity;

5 (c) Level three interconnection applies to systems up to five
6 megawatts in capacity that do not qualify or were not approved for level
7 one or level two interconnection with an application fee of three hundred
8 fifty dollars plus two dollars per kilowatt of nameplate capacity; and

9 (d) Level four interconnection applies to systems that do not
10 qualify or were not approved for level one, level two, or level three
11 interconnection, and that do not export power to the grid with an
12 application fee of three hundred fifty dollars plus two dollars per
13 kilowatt of nameplate capacity.

14 Sec. 4. Original sections 70-2001, 70-2002, and 70-2003, Reissue
15 Revised Statutes of Nebraska, are repealed.