

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 509

Introduced by McCollister, 20.

Read first time January 22, 2019

Committee: Natural Resources

- 1 A BILL FOR AN ACT relating to net metering; to amend sections 70-2002 and
- 2 70-2003, Reissue Revised Statutes of Nebraska; to redefine net
- 3 metering and qualified facility; to change a provision relating to
- 4 powers and duties of a local distribution utility; 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 Nebraska, is
2 amended to read:

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

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

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

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

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

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

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

23 (a) Credits a customer-generator at the applicable retail rate for
24 each kilowatt-hour produced by a qualified facility during a billing
25 period up to the total of the customer-generator's electricity
26 requirements during that billing period. A customer-generator that
27 generates more than five kilowatts may be charged a separate net-metering
28 rate based on the cost for service of the local distribution utility.
29 Each local distribution utility shall have rate-making authority for such
30 net-metering rate class. Such rate shall be implemented as a fixed rate
31 not to exceed more than twenty percent of the local distribution

1 utility's fixed rate for customers in the equivalent rate class to the
2 customer-generator. No other fee shall be charged to a net-metering
3 customer including, but not limited to, minimum monthly fee that is the
4 ~~same as other noncustomer-generators in the same rate class but shall not~~
5 ~~be charged any additional~~ standby, capacity, demand, interconnection, or
6 other fee or charge; and

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

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

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

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

25 (c) Interconnects and operates in parallel with the local
26 distribution system;

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

30 (e) Is not intended to offset or provide credits for electricity
31 consumption at another location owned, operated, leased, or otherwise

1 controlled by the customer-generator or for any other customer;

2 (f) Has a rated capacity of up to one hundred kilowatts, except that
3 after the first twenty-five kilowatts the local distribution utility has
4 authority to modify the generator size down to one hundred ten percent of
5 the customer-generator's average monthly usage if the customer-generator
6 or developer proposes a generator size in excess of the customer-
7 generator's average monthly usage or down to one hundred percent of the
8 customer-generator's average monthly usage if the local distribution
9 utility can show a risk to its local distribution system or grid
10 reliability. For purposes of this subdivision, developer means a person
11 or entity who develops or constructs a qualified facility at or below
12 twenty-five kilowatts;

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

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

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

24 70-2003 (1) A local distribution utility shall interconnect the
25 qualified facility of any customer-generator that enters into an
26 interconnection agreement with the local distribution utility, satisfies
27 the requirements for a qualified facility and all other requirements of
28 sections 70-2001 to 70-2005, and pays for costs incurred by the local
29 distribution utility for equipment or services required for
30 interconnection that would not be necessary if the qualified facility
31 were not interconnected to the local distribution system, except as

1 provided in subsection (2) of this section and as may be provided for in
2 the utility's aid in construction policy.

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

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

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

30 (5) A local distribution utility shall not be required to provide
31 net metering to additional customer-generators, regardless of the output

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

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

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

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

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

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

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