

AMENDMENTS TO LB 579

Introduced by Louden, 49.

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. The Legislature finds that it is in the
4 interest of the state to:

5 (1) Facilitate investment in customer-owned renewable
6 energy resources;

7 (2) Stimulate the economic growth of the state;

8 (3) Enhance the continued diversification of the energy
9 resources used in this state as long as diversification does not
10 shift fixed costs to other distribution system customers; and

11 (4) Ensure that electric consumers throughout the state
12 are treated equitably when providing incentives for renewable
13 energy development that benefits the state.

14 Sec. 2. For purposes of sections 1 to 6 of this act:

15 (1) Customer-generator means the end-use customer that is
16 the owner or operator of a qualified generation unit;

17 (2) Facility charges means the local distribution
18 system's costs associated with providing electric service for the
19 customer-generator that are not avoidable by the local distribution
20 utility as a result of the operation of a qualified generation unit
21 rated above ten kilowatts;

22 (3) Local distribution system means any system utilized
23 for the distribution of electric energy to the end-use consumer.

1 Transmission facilities rated higher than sixty-nine kilovolts
2 shall not be considered a component of the local distribution
3 system;

4 (4) Local distribution utility means a public power
5 district, public power and irrigation district, individual
6 municipality, or nonprofit electric cooperative corporation which
7 is the owner or operator of the local distribution system to which
8 the customer-generator is interconnected;

9 (5) Qualified generation unit means a facility for the
10 generation of electricity which:

11 (a) Uses as its energy source solar, wind, biomass, or
12 hydropower resources;

13 (b) Is located on premises that are owned, operated,
14 leased, or otherwise controlled by the customer-generator;

15 (c) Operates parallel with the local distribution system;

16 (d) Is intended primarily to offset part of or all of the
17 customer-generator's requirements for electric energy at the same
18 location;

19 (e) Is not intended to offset or provide credits for
20 electric consumption at another location owned, operated, leased,
21 or otherwise controlled by the customer-generator or for any other
22 customer; and

23 (f) Meets all applicable safety, performance, and
24 reliability standards established by the National Electrical Code
25 filed with the Secretary of State and adopted by the State
26 Electrical Board under subdivision (5) of section 81-2104, the
27 National Electrical Safety Code, the Institute of Electrical and

1 Electronics Engineers, Underwriters Laboratories, Inc., and the
2 American National Standards Institute and meets the interconnection
3 standards adopted by the local distribution utility;

4 (6) Customer-generator rate class means a rate class for
5 customers that interconnect qualified generation units rated above
6 ten kilowatts to the local distribution system;

7 (7) Excess generation means the energy generated which
8 exceeds the customer-generator's requirements for electric energy
9 at the same location; and

10 (8) Net metering means billing the customer-generator
11 according to the difference between the amount of electricity
12 supplied by the local distribution utility in a billing period and
13 the amount of electricity generated from the customer side of the
14 meter using a qualified generation unit.

15 Sec. 3. (1) A local distribution utility
16 shall interconnect the qualified generation unit of any
17 customer-generator that the local distribution utility serves if
18 the customer-generator pays for any costs incurred by a local
19 distribution utility for equipment or services required for safety
20 or performance necessary to meet the standards referred to in
21 sections 1 to 6 of this act.

22 (2) A local distribution utility shall provide at
23 no additional cost to any customer-generator with a qualified
24 generation unit a meter that is capable of measuring the flow of
25 electricity in both directions at the same rate. Such measurement
26 for a qualified generation unit rated ten kilowatts or less may
27 be accomplished through use of a single, bidirectional electric

1 revenue meter that has only a single register for billing purposes.

2 (3) A local distribution utility may, at its own expense,
3 install additional monitoring equipment to separately monitor the
4 flow of electricity in each direction.

5 (4) A local distribution utility may create a
6 customer-generator rate class or classes for qualified generation
7 units rated above ten kilowatts. Rate classes shall be based on a
8 cost of service study, may be designated according to the size of
9 a qualified generation unit, shall be nondiscriminatory, and may
10 allow for facility charges to cover the use of the distribution
11 system. In addition, rates shall be developed for purchases or
12 deliveries of electricity by the customer-generator for qualified
13 generation units rated above ten kilowatts. Such rates shall
14 not be less than the wholesale power supply costs of the local
15 distribution utility and shall provide monetary credits to the
16 customer-generator for its excess generation deliveries. Monetary
17 credits shall be applied to monthly bills of the customer-generator
18 for the preceding monthly period and shall offset the cost of
19 energy owed by the customer-generator. If the energy portion of
20 the customer-generator's bill is less than zero in any month,
21 monetary credits shall be carried over to future bills of the
22 customer-generator until the balance is zero. At the end of the
23 calendar year, any excess monetary credits shall be paid out to
24 coincide with the final bill of each calendar year.

25 (5) A local distribution utility shall provide net
26 metering service to any customer-generator with a qualified
27 generation unit rated at ten kilowatts or less. Excess generation

1 shall be compensated as a monetary credit not less than the
2 average wholesale cost per kilowatt hour for the distribution
3 utility for the month of generation. Monetary credits shall
4 be applied to monthly bills of the customer-generator for the
5 preceding monthly period and shall offset the cost of energy
6 owed by the customer-generator. If the energy portion of the
7 customer-generator's bill is less than zero in any month,
8 monetary credits shall be carried over to future bills of the
9 customer-generator until the balance is zero. At the end of the
10 calendar year, any excess monetary credits shall be paid out to
11 coincide with the final bill of each calendar year. Facilities
12 charges shall not be applied to customer-generators having
13 qualified generation units less than ten kilowatts. Nothing in this
14 section shall prevent a local distribution utility from providing
15 net metering services to customer-generators having qualified
16 generation units at or above ten kilowatts with the approval of
17 the governing board.

18 (6) A local distribution utility shall not be required
19 to provide net metering service to additional customer-generators
20 regardless of size after the date during a calendar year on which
21 the total generating capacity of all customer-generators using net
22 metering served by such local distribution utility is equal to
23 or in excess of one percent of the capacity necessary to meet
24 the local distribution utility's average aggregate customer monthly
25 peak demand forecast for that calendar year.

26 (7) A local distribution utility shall not be liable
27 directly or indirectly for permitting the interconnection of

1 a qualified generation unit or for acts or omissions of the
2 customer-generator that cause property damage or injury, including
3 death, to any third party, to the local distribution utility, or to
4 the customer-generator. The distribution utility may require proof
5 of liability insurance coverage.

6 Sec. 4. (1) A customer-generator shall, at its own
7 expense, provide lockable switching equipment capable of isolating
8 the qualified generation unit from the local distribution system.
9 The equipment shall be approved by the local distribution utility
10 and shall be accessible by the local distribution utility at all
11 times.

12 (2) A customer-generator shall request an inspection
13 from the State Electrical Division pursuant to subsection (1)
14 of section 81-2124 or subsection (1) of section 81-2125 and
15 shall provide documentation of the completed inspection to the
16 local distribution utility prior to interconnection with the local
17 distribution system.

18 (3) A customer-generator is responsible for notifying the
19 local distribution utility of its intent to install a qualified
20 generation unit at least sixty days prior to its installation
21 and is responsible for all costs associated with the qualified
22 generation unit, including all costs related to any modifications
23 to the qualified generation unit or the local distribution system
24 that may be required for the purpose of safety and reliability.

25 (4) A customer-generator owns the renewable energy
26 credits of the electricity it generates.

27 Sec. 5. No local distribution utility may require a

1 customer-generator whose qualified generation unit meets the
2 standards of sections 1 to 6 of this act to comply with additional
3 safety, performance, or reliability standards or to perform or pay
4 for additional tests.

5 Sec. 6. Sections 3 to 5 of this act do not apply
6 to any local distribution utility that, prior to the effective
7 date of this act, has properly adopted a net metering standard
8 utilizing the public process set forth in the federal Public
9 Utility Regulatory Policies Act of 1978, 16 U.S.C. 2601 et seq., as
10 such act existed on the effective date of this act.

11 Sec. 7. Section 70-1012, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 70-1012 Before any electric generation facilities or any
14 transmission lines or related facilities carrying more than seven
15 hundred volts are constructed or acquired by any supplier, an
16 application, filed with the board and containing such information
17 as the board shall prescribe, shall be approved by the board,
18 except that such approval shall not be required (1) for the
19 construction or acquisition of a transmission line extension or
20 related facilities within a supplier's own service area or for the
21 construction or acquisition of a line not exceeding one-half mile
22 outside its own service area when all owners of electric lines
23 located within one-half mile of the extension consent thereto in
24 writing and such consents are filed with the board, (2) for any
25 generation facility when the board finds that: (a) Such facility is
26 being constructed or acquired to replace a generating plant owned
27 by an individual municipality or registered group of municipalities

1 with a capacity not greater than that of the plant being replaced,
2 (b) such facility will generate less than twenty-five thousand
3 kilowatts of electric energy at rated capacity, and (c) the
4 applicant will not use the plant or transmission capacity to supply
5 wholesale power to customers outside the applicant's existing
6 retail service area or chartered territory, ~~or~~ (3) for acquisition
7 of transmission lines or related facilities, within the state,
8 carrying one hundred fifteen thousand volts or less, if the current
9 owner of the transmission lines or related facilities notifies the
10 board of the lines or facilities involved in the transaction and
11 the parties to the transaction, or (4) for the construction of a
12 new, or the interconnection of an existing, qualified generation
13 unit as defined in section 2 of this act.

14 Sec. 8. Original section 70-1012, Reissue Revised
15 Statutes of Nebraska, is repealed.