



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 1065

Chairperson: LeRoy Louden
Committee: Natural Resources
Date of Hearing: February 1, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1065 provides a process for the interconnection of qualified renewable electric generation facilities by distribution utility customers (customer generators). For systems larger than ten kilowatts the legislation allows for the recovery of unavoidable costs by the distribution utility, provides for fair compensation to customer generators for excess energy produced and ensures that safety and reliability features are in place. For systems smaller than ten kilowatts the legislation provides for net metering.

The Act will require local electric distribution utilities to interconnect qualified renewable energy generation facilities to the local distribution system. A qualified facility uses solar, wind, biomass or hydropower as its energy source, is on property owned or controlled by the customer, operates in parallel with the distribution system, is intended to offset all or a portion of the energy consumed on site and not for another location and meets applicable safety and reliability standards.

For qualified generation larger than ten kilowatts local distribution utilities may create a customer generator rate class or classes and may establish a facilities charge to collect the costs for use of the distribution system that are not avoided by the distribution system. This charge is intended to prohibit a shift of distribution costs from customer generators to the other customers of the local distribution utility. The facilities charge shall be based on a cost of service study and shall be non-discriminatory. Energy rates for the purchase or delivery of energy will not be less than the wholesale power supply rate.

For qualified generation ten kilowatts and smaller the local distribution utility shall employ net metering. No special rate class is created and a facilities charge is not applied. The energy will be exchanged at a 1:1 ratio until the meter reads zero, excess generation is compensated at a monetary credit not less than the average wholesale energy cost for the month of generation. Energy used from the distribution utility is billed at the retail rate for their rate class. Utilities may allow for net-metering of larger qualified generation units and may compensate at a higher rate if they so chose. Meter is provided by the distribution utility. No facilities charge is applied and the fixed costs not paid for by the customer-generator will be shifted to other customers on the distribution system.

An exemption from Power Review Board approval is given for all sizes of qualified customer generators.

Principal Introducer: _____
Senator LeRoy J. Louden
