



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 581

Chairperson: LeRoy Louden
Committee: Natural Resources
Date of Hearing: February 15, 2007

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

All of the sections in LB 581 have been replaced by Amendment 53 which becomes the bill. The purpose of LB 581 as amended is to establish standards for Nebraska utilities in net-metering programs with customer-generators. Net-metering is a system of metering electricity generated by a customer-generator from an installed wind, solar, biomass or hydropower qualified facility to meet the customer-generator's own electrical energy needs. Any excess energy not used by the customer-generator is sent into the grid to be used by the utility; if the customer-generator does not generate enough energy to meet his or her needs, the customer-generator takes power off the grid. A single bi-directional meter (which runs backwards and forwards) is used to measure the energy generated, energy used, and any excess energy.

LB 581 as amended requires excess kilowatt-hours generated to be carried over from month to month and credited by the electric supplier at a rate of 1:1 against the customer-generator's retail kilowatt-hour consumption in subsequent months. A customer-generator may be charged a minimum monthly fee that is the same fee charged to non-customer-generators in the same rate class. A customer-generator may not be charged any fee or charge for additional standby, capacity, demand, or interconnection.

Each qualified facility installed by a customer-generator is required to meet interconnection safety and performance standards as established in LB 581. The bill specifies that these standards:

- (1) shall be established by each electric supplier within 90 days of the effective date of the act;
- (2) shall not be unreasonably burdensome;
- (3) shall be designed to encourage the use of qualified facilities;
- (4) shall be designed to ensure the safety and reliability of the qualified facilities and local distribution systems interconnected with such facilities;
- (5) shall ensure that qualified facilities will automatically isolate themselves from the electrical system in the event of an electrical power outage; and
- (6) permit the local distribution system to interrupt or reduce deliveries of available energy from the qualified facilities when necessary (under a variety of circumstances enumerated in the bill)

A customer-generator whose qualified facility meets these standards cannot be required to comply with additional safety or performance standards; pay additional charges for equipment or perform or pay for addition tests; or purchase additional liability insurance. Customer-generators own the "green tags" from the electricity they generate and may assign them to the electric supplier, but may not be required to assign them to the supplier in order to interconnect under net-metering. No Power Review Board approval is necessary to construct a qualified facility that meets the requirements under this act.

Net-metering encourages private investment in renewable energy, enhances the diversification of energy resources, and allows participating customers to control their energy costs. Net-metering legislation has been adopted in 40 states.

Principal Introducer:

Senator Don Preister