

AMENDMENTS TO LB 436

Introduced by Natural Resources.

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

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

- 5           (1) Encourage customer-owned renewable energy resources;  
6           (2) Stimulate the economic growth of this state;  
7           (3) Encourage diversification of the energy resources  
8 used in this state; and

9           (4) Maintain low-cost, reliable electric service.

10          Sec. 2. For purposes of sections 1 to 5 of this act:

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

14          (2) Interconnection agreement means an agreement between  
15 a local distribution utility and a customer-generator that  
16 establishes the financial, interconnection, safety, performance,  
17 and reliability requirements relating to the installation and  
18 operation of a qualified generation unit in accordance with the  
19 standards prescribed in sections 1 to 5 of this act;

20          (3) Local distribution system means the equipment and  
21 facilities used for the distribution of electric energy to the  
22 end-use customer;

23          (4) Local distribution utility means the owner or

1 operator of the local distribution system;

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

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

8 (a) Credits a customer-generator at the applicable  
9 retail rate for each kilowatt-hour produced by a qualified  
10 generation unit during a billing period up to the total of the  
11 customer-generator's electricity requirements during that billing  
12 period. A customer-generator may be charged a minimum monthly fee  
13 that is the same as other noncustomer-generators in the same rate  
14 class but shall not be charged any additional standby, capacity,  
15 demand, interconnection, or other fee or charge; and

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

27 (7) Qualified facility means a facility for the

1 production of electrical energy that:

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

4 (b) Is controlled by the customer-generator and is  
5 located on premises owned, leased, or otherwise controlled by  
6 the customer-generator;

7 (c) Interconnects and operates in parallel with the local  
8 distribution system;

9 (d) Is intended to meet or offset the  
10 customer-generator's requirements for electricity;

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

15 (f) Has a rated capacity at or below twenty-five  
16 kilowatts;

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

24 (h) Is equipped to automatically isolate the qualified  
25 generation unit from the electrical system in the event of an  
26 electrical power outage or other conditions where the line is  
27 de-energized.

1           Sec. 3. (1) A local distribution utility shall  
2 interconnect the qualified facility of any customer-generator  
3 that enters into an interconnection agreement with the local  
4 distribution utility, satisfies the requirements for a qualified  
5 facility and all other requirements of sections 1 to 5 of this act,  
6 and pays for costs incurred by the local distribution utility for  
7 equipment or services required for interconnection that would not  
8 be necessary if the qualified facility were not interconnected to  
9 the local distribution system, except as provided in subsection (2)  
10 of this section and as may be provided for in the utility's aid  
11 in construction policy.

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

20           (3) A local distribution utility may, at its own expense,  
21 install additional monitoring equipment to separately monitor the  
22 flow of electricity in each direction as may be necessary to  
23 accomplish the reporting requirements of sections 1 to 5 of this  
24 act.

25           (4) Subject to the requirements of sections 1 to  
26 5 of this act and the interconnection agreement, a local  
27 distribution utility shall provide net metering service to

1 any customer-generator with a qualified facility. The local  
2 distribution utility shall allow a customer generator's retail  
3 electricity consumption to be offset by a qualified facility that  
4 is interconnected with the local distribution system. A qualified  
5 facility's net excess generation during a billing period, if  
6 any, shall be determined by the local distribution utility in  
7 accordance with section 2 of this act and shall be credited to  
8 the customer-generator at a rate equal to the local distribution  
9 utility's avoided cost of electricity supply during the billing  
10 period, and the monetary credits shall be carried forward  
11 from billing period to billing period and credited against the  
12 customer-generator's retail electric bills in subsequent billing  
13 periods. At the end of each annualized period, any excess monetary  
14 credits shall be paid out to coincide with the final bill of that  
15 period or within sixty days after the date the customer-generator  
16 terminates its retail service.

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

26 (6) No local distribution utility may require a  
27 customer-generator whose qualified facility meets the standards

1 established under this section to:

2 (a) Comply with additional safety or performance  
3 standards or pay additional charges for equipment or services for  
4 interconnection that are additional to those necessary to meet the  
5 standards established under this section;

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

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

9 (7) Nothing in this section prevents a local distribution  
10 utility from entering into other arrangements with customers  
11 desiring to install electric generating equipment or from providing  
12 net metering services to customer-generators having renewable  
13 generation units above twenty-five kilowatts.

14 Sec. 4. (1) A customer-generator shall request an  
15 inspection from the State Electrical Division pursuant to  
16 subsection (1) of section 81-2124 or subsection (1) of section  
17 81-2125 and shall provide documentation of the completed inspection  
18 to the local distribution utility prior to interconnection with the  
19 local distribution system.

20 (2) A customer-generator is responsible for notifying the  
21 local distribution utility of its intent to install a qualified  
22 facility at least sixty days prior to its installation and is  
23 responsible for all costs associated with the qualified facility.

24 (3) A local distribution utility shall not be required to  
25 interconnect with a qualified generation unit that fails to meet or  
26 maintain the local distribution utility's requirements for safety,  
27 reliability, and interconnection.

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

3           Sec. 5. Beginning March 1, 2010, and on each March  
4 1 thereafter, each local distribution utility shall produce and  
5 publish on its web site, or if no web site is available, in  
6 its main office, and provide to the Nebraska Power Review Board  
7 an annual net metering report that shall include the following  
8 information:

9           (1) The total number of qualified facilities;

10           (2) The total estimated rated generating capacity of  
11 qualified facilities;

12           (3) The total estimated net kilowatt-hours received from  
13 customer-generators; and

14           (4) The total estimated amount of energy produced by the  
15 customer-generators.

16           Sec. 6. Section 70-1012, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           70-1012 Before any electric generation facilities or any  
19 transmission lines or related facilities carrying more than seven  
20 hundred volts are constructed or acquired by any supplier, an  
21 application, filed with the board and containing such information  
22 as the board shall prescribe, shall be approved by the board,  
23 except that such approval shall not be required (1) for the  
24 construction or acquisition of a transmission line extension or  
25 related facilities within a supplier's own service area or for the  
26 construction or acquisition of a line not exceeding one-half mile  
27 outside its own service area when all owners of electric lines

1 located within one-half mile of the extension consent thereto in  
2 writing and such consents are filed with the board, (2) for any  
3 generation facility when the board finds that: (a) Such facility is  
4 being constructed or acquired to replace a generating plant owned  
5 by an individual municipality or registered group of municipalities  
6 with a capacity not greater than that of the plant being replaced,  
7 (b) such facility will generate less than twenty-five thousand  
8 kilowatts of electric energy at rated capacity, and (c) the  
9 applicant will not use the plant or transmission capacity to supply  
10 wholesale power to customers outside the applicant's existing  
11 retail service area or chartered territory, ~~or~~ (3) for acquisition  
12 of transmission lines or related facilities, within the state,  
13 carrying one hundred fifteen thousand volts or less, if the current  
14 owner of the transmission lines or related facilities notifies the  
15 board of the lines or facilities involved in the transaction and  
16 the parties to the transaction, or (4) for the construction of a  
17 qualified facility as defined in section 2 of this act.

18           Sec. 7. If any section in this act or any part of any  
19 section is declared invalid or unconstitutional, the declaration  
20 shall not affect the validity or constitutionality of the remaining  
21 portions.

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