

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB436

Hearing Date: Wednesday February 11, 2009
Committee On: Natural Resources
Introducer: Haar
One Liner: Provide for net metering of electricity

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Carlson, Cook, Dubas, Fischer, Haar, Langemeier, McCoy, Schilz

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Ken Haar
Ken Winston
Robert Byrnes

LaVern Raabe
LaVerne Thraen
Stonie Cooper
Aaron Price
Eduardo Toribio
Jay Schmidt
Rita Corell
Bert McIntosh
Jon Dixon
Paul Vonderfecht
Michael Shonka
Danny Kluthe
Randy Schantell
Rich Lomneth
John Hansen
Steve Eveans
Carol Smith
John O'Keefe

Representing:

Introducer
Nebraska Sierra Club
Nebraska Renewable Energy Association, Nebraska Renewable Energy System
Self
Self
Self
Gracie Creek Ranch
Self
Nebraskans for Peace
Self
Self
Self
Energy Smart Company
Solar Heat and Electric Company
Self
SWT Energy Inc.
Self
Nebraska Farmers Union
Self
Self
Self

Opponents:

Kristen Gottschalk

Randy Anderson

Representing:

Nebraska Rural Electric Association, Nebraska Power Association
Nebraska State Electrical Board

Neutral:

Representing:

Summary of purpose and/or changes:

LB 436 would allow net metering of electricity.

Section 1 contains new language stating legislative findings/intent regarding renewable energy.

Section 2 contains new language stating definitions applicable to the bill.

Section 3 contains new language allowing electric suppliers to offset a customer-generator's retail electricity consumption by means of an interconnected qualified facility. If customer generated electricity exceeds his or her consumption, the excess kilowatt hours are to be carried forward, on a monthly basis, credited at a 1:1 ratio against the customer's retail consumptions in subsequent months. The electric supplier is to compensate the customer for accrued excess kilowatt hour credits at the best negotiated rate. Requires electric suppliers to deal fairly with customers with fees and rates, and states that an electric supplier would not be required to provide local distribution service when the customer generation meets or exceeds two percent of the capacity needed to meet the average forecast aggregate customer peak demand for that year.

Section 4 contains new language that requires the supplier to "offer to make available" metering equipment that can measure the flow of electricity in both directions and has a register that displays a net reading. If the customer does not have a compliant meter, the supplier is to install one at their own expense. The supplier may not require more than one meter per customer.

Section 5 contains new language requiring qualified facilities to meet the applicable safety and performance standards established in this bill. Those standards include: interconnection safety standards for the physical connection between distribution and qualified facilities; safety and reliability standards for equipment and local distribution systems, recognizing national codes and allowing for power outage and other interruption procedures; facility operation standards stating a supplier may not require additional safety or performance standards, require additional tests, or require additional liability insurance.

Section 6 contains new language clarifying that a net metering customer-generator owns the renewable and environmental attributes of the electricity it generates, unless a contract provides otherwise.

Section 7 contains new language requiring a supplier to make an annual net metering report available on its website, beginning March 1, 2010, that tells the number of qualified facilities, total estimated rated generating capacity of those facilities, total estimated rated generating capacity, total estimated net kilowatt-hours from customers, and total estimated amount of customer-produced energy.

Section 8 amends Section 70-1012, relating to electric generation facilities, by adding reference to this bill's new language.

Section 9 contains a severability clause.

Section 10 repeals the original Section 70-1012.

Explanation of amendments:

AM 708 replaces the bill and does the following:

Section 1 contains new language stating legislative findings/intent regarding renewable energy.

Section 2 contains new language stating definitions applicable to the bill. (customer-generator, interconnection agreement, local distribution system, local distribution utility, net excess generation, net metering, qualified facility.)

Section 3 contains new language requiring a local distribution utility to interconnect a customer-generator's qualified facility if the customer has entered into an interconnection agreement with the distribution utility and meets the requirements of this act. The customer-generator is to pay for costs of equipment and services incurred by the utility for the interconnection service.

Requires the distribution utility to provide a free metering system to the customer-generator that can measure the flow of electricity in both directions and can be done by using a single, bidirectional electric revenue meter with a single register for billing purposes, a smart metering system, or another meter configuration that a customer-generator can easily read.

Allows a distribution utility to install additional monitoring equipment at its own expense to monitor the flow of electricity in each direction, as necessary for the reporting requirements in this act.

Requires the distribution utility to provide net metering service to a customer-generator with a qualified facility. The utility is to allow a customer-generator's retail electricity consumption to be offset with its interconnected facility. Allows the utility to determine the qualified facility's net excess generation during a billing period and to credit the customer-generator at a rate equal to the utility's avoided cost of electricity supply. Requires monetary credits to be carried forward from billing period to billing period and credited against the customer's electric bills. Excess monetary credits are to be paid out to the customer on an annual basis.

Allows the utility to not provide net metering when total generating capacity of all customers using net metering is equal to or exceeds one percent of the capacity necessary to meet the local utility's average aggregate customer monthly peak demand forecast for that calendar year.

Does not allow a utility to require a customer-generator using net metering to require additional standards or payments.

Allows the utility to contract with customer-generators with renewable generation units above 25 kilowatts.

Section 4 requires a customer-generator to: request an electrical inspection and provide documentation on the completed inspection to the utility before interconnection; notify the utility of intent to install a qualified facility at least 60 days before installation and be responsible for its costs. The utility is not required to interconnect with a generation unit that fails to meet the utility's requirements for safety, reliability, and interconnection.

Confirms that the customer-generator owns the renewable energy credits of the electricity it generates.

Section 5 requires the utility to produce and provide to the Nebraska Power Review Board, by March 1st each year, an annual net metering report that contains: total number of qualified facilities, total estimated rated generating capacity of qualified facilities, total estimated net kilowatt hours from customer-generators, and total estimated amount of energy produced by customer-generators.

Section 6 amends section 70-1012, relating to electric generation facilities, by adding reference to this bill's new language.

Section 7 contains a severability clause.

Section 8 repeals the original section 70-1012.

Chris Langemeier, Chairperson