H.134

Introduced by Representative McCormack of Burlington

Referred to Committee on

Date:

Subject: Energy; public service; net metering systems; excess generation

Statement of purpose of bill as introduced: This bill proposes to require utilities to pay net metering customers for excess generation that reverts to the utility.

An act relating to payment for excess generation by net metering customers

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 30 V.S.A. § 219a(e) is amended to read:

(e) Consistent with the other provisions of this title, electric energy measurement for net metering systems using a single nondemand meter that are not group systems shall be calculated in accordance with subdivisions (1)-(3) of this subsection, and electric energy measurement for net metering systems that use other types of meters shall be calculated in accordance with subdivision (4) of this subsection.

(1) The electric company which serves the net metering customer shall measure the net electricity produced or consumed during the customer's billing period, in accordance with normal metering practices.

(2) If the electricity supplied by the electric company exceeds the electricity generated by the customer and fed back to the electric distribution system during the billing period, the customer shall be billed for the net electricity supplied by the electric company, in accordance with normal metering practices.

(3) If electricity generated by the customer exceeds the electricity supplied by the electric company, each of the following shall apply:

(A) The electric company shall calculate a monetary credit to the customer by multiplying the excess kWh generated during the billing period by the kWh rate paid by the customer for electricity supplied by the company and shall apply the credit to any remaining charges on the customer's bill for that period. If the applicable rate schedule includes inclining block rates:

(i) for a net metering system that does not use solar energy, the rate used for this calculation shall be a blend of those rates determined by adding together all of the revenues to the company during a recent test year from kWh sold under those block rates and dividing the sum by the total kWh sold by the company at those rates during that same year; and

(ii) for a solar net metering system, the rate used for this calculation:

(I) during the ten years immediately following the system's installation shall be the highest of those block rates and, after this ten-year period, shall be the blended rate in accordance with subdivision (i) of this subdivision (A); or

(II) if the electric company's highest block rate exceeds the adder sum described in subdivision (h)(1)(K) of this section, then for the first year immediately following the system's installation, the electric company may use the adder sum to calculate the credit in lieu of the highest block rate, provided that during the following nine years, the electric company shall adjust the system's credit by a percentage equal to the percentage of each change in its highest block rate during the same period, and after the first ten years following the system's installation, the rate used to calculate the credit shall be the blended rate in accordance with subdivision (i) of this subdivision (A).

(B) If application to such charges does not use the entire balance of the credit, the remaining balance of the credit shall appear on the customer's bill for the following billing period.

(C) Any accumulated credits shall be used within 12 months, or shall revert to the electric company~~, without any compensation to the customer~~. ~~Power reverting to the electric company under this subdivision (3) shall be considered SPEED resources under section 8005 of this title~~. <u>The electric company shall treat any power reverting to the company under this subdivision (3) as electricity received from a qualifying small power production facility</u>

under 16 U.S.C. § 796(17)(c) and 18 C.F.R. part 292 and shall compensate the customer at its avoided cost for available energy as of the date of reversion.

(4) For a net metering system serving a customer on a demand or time-of-use rate schedule, the manner of measurement and the application of bill credits for the electric energy produced or consumed shall be substantially similar to that specified in this subsection for use with a single nondemand meter. However, if such a net metering system is interconnected directly to the electric company through a separate meter whose primary purpose is to measure the energy generated by the system:

(A) The bill credits shall apply to all kWh generated by the net metering system and shall be calculated as if the customer were charged the kWh rate component of the interconnecting company's general residential rate schedule that consists of two rate components: a service charge and a kWh rate, excluding time-of-use rates and demand rates.

(B) If a company's general residential rate schedule includes inclining block rates, the residential rate used for this calculation shall be a rate calculated in the same manner as under subdivision (3)(A) of this subsection (e).

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2015.