GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2001

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SENATE BILL 971

Short Title:	Net Metering/Utilities.	(Public)
Sponsors:	Senators Kinnaird; Bingham, Carter, Clodfelter, Horton, Lee, and Lucas.	
Referred to:	Commerce.	

April 5, 2001

A BILL TO BE ENTITLED

AN ACT REQUIRING NORTH CAROLINA UTILITIES SELLING ELECTRIC POWER TO OFFER NET METERING TO CUSTOMERS HAVING THEIR OWN ON-SITE, SMALL-SCALE, RENEWABLE-FUELED ELECTRIC GENERATING FACILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 62 of the General Statutes is amended by adding a new Article to read:

"Article 17.

"Net Metering.

"**§ 62-340. Purpose.**

The General Assembly recognizes that it is in the public interest to provide for small-scale and diversified sources of supplemental electrical power to lessen North Carolina's dependence upon other sources that may, from time to time, be uncertain. It is also in the public's interest to encourage and support diversified electrical production that uses indigenous and renewable fuels and has beneficial impacts on the environment and public health. The General Assembly finds that net energy metering for eligible customer-generators may be one way to provide a reasonable opportunity for customers to choose interconnected self-generation, encourage private investment in renewable energy resources, stimulate in-State commercialization of innovative and beneficial new technology, enhance the future diversification of the State's energy resource mix, and reduce interconnection and administrative costs for all parties.

"**§ 62-341. Definitions:**

The following definitions apply in this Article:

(1) Commission. – The North Carolina Utilities Commission.

(2) Customer-generator. – A nonutility owner of an electric generation facility.

(3) Electric utility. – Any of the following entities that deliver electricity to customers:
a. A public utility.
b. A municipally owned and operated utility.
c. An electric cooperative.
(4) Net metering. – Measuring the difference between the electricity supplied by an electric utility and the electricity generated by a customer-generator that is fed back to the electric utility over the applicable billing period.
(5) Net metering facility. – A facility for the production of electricity that consists of all of the following:
a. Uses solar, wind, biomass, biogas, or hydroelectric energy to generate electricity.
b. A residential facility that has a generating capacity of not more than 10 kilowatts.
c. A nonresidential facility that has a generating capacity of not more than 100 kilowatts.
d. Is located on the customer-generator's premises.
e. Has the ability to be operated in parallel with the electric utility's existing transmission and distribution facilities.
f. Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

"**§ 62-342. Requirements for net metering.**

(a) Every electric utility that offers residential and commercial service:
(1) Shall offer to make net metering available to eligible customer-generators, as described in this section.
(2) Shall allow net metering systems to be interconnected using a standard kilowatt-hour meter capable of registering the flow of electricity in two directions.
(3) May, at its own expense and with the consent of the customer-generator, install additional metering equipment to separately monitor the flow of electricity in each direction provided that the net effect on billing is exactly the same as would be the case if a single standard kilowatt-hour meter were installed.
(4) Is not obligated to provide net metering to additional customer-generators in its service territory when the combined total peak generation capacity of all customer-generators reaches one percent (1%) of the aggregate customer peak demand in its service territory.
(5) Shall charge the customer-generator a minimum monthly fee, if applicable, that is the same as other customers of the electric utility in the same rate class. However, the electric utility shall not charge the customer-generator any additional standby, capacity, interconnection, or other fee or charge.

(b) Consistent with the other provisions of this Article, the net energy measurement shall be calculated in the following manner:

(1) The electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

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

(3) If electricity generated by the customer-generator exceeds the electricity supplied by the electric utility, the customer-generator:

a. Shall be billed for the appropriate customer charges for that month, if any, in accordance with the requirements of this section.

b. Shall be credited for the excess kilowatt-hours generated during the month, with this kilowatt-hour credit appearing on the bill for the following month.

c. For the billing cycle ending in December of each year, any remaining unused kilowatt-hour credit accumulated during the previous year shall be granted to the electric utility for distribution to customers enrolled in the utility's low-income assistance programs, without any compensation to the customer-generator.

(c) Each net metering facility shall be designed and installed so that it meets all applicable safety and performance standards established by the National Electrical Code and local electrical codes, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

(d) The Commission, in the case of a public utility, or the appropriate governing body, in the case of other electric utilities, and after appropriate notice and opportunity for comment, may adopt, by regulation, additional control and testing requirements for customer-generators that the Commission or appropriate governing body determines are necessary to protect public safety and system reliability.

(e) An electric utility may not require a customer-generator whose net metering facility meets the standards of subsections (c) and (d) of this section to:

(1) Comply with additional safety or performance standards.

(2) Perform or pay for additional tests.

(3) Purchase additional liability insurance.

(f) The Commission, in the case of a public utility, or the appropriate governing body, in the case of other electric utilities, after appropriate notice and opportunity for comment, shall develop a standard, simplified application for use by eligible customer-generators who wish to net meter. This application shall:

(1) Include relevant contact information for the customer-generator.

(2) Include name and license number for the electrical contractor who installs the system.

(3) Include a statement that the system meets applicable safety and performance standards established by the National Electric Code and local electrical codes, the Institute of Electrical and Electronic Engineers, and Underwriters Laboratories.

(4) Be completely filled out by the customer-generator.

(g) Upon receipt of the application by the customer's utility, that utility shall have 10 business days to respond in writing with any questions, modifications, or notices to the customer-generator. If no response is made to the customer-generator in 10 business days, and the customer-generator's application has been filled out completely, then the customer-generator may interconnect with the utility grid. If the utility wishes to inspect the system in accordance with subdivision (b)(3) of this section, then the utility shall provide notice within 10 business days of receipt of application, and the inspection shall be completed within 20 business days of receipt of the application. If the utility wishes to install additional meters in accordance with subdivision (a)(3) of this section, then the utility shall provide notice within 10 business days of receipt of the application, and the meter shall be installed within 20 business days of receipt of the application.

"**§ 62-343. Rule-making authority.**

The Commission shall adopt rules implementing this Article."

SECTION 2. The Commission shall have four months from the date this act becomes effective to complete rules implementing this act.

SECTION 3. This act becomes effective July 1, 2001.