



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3426

Introduced 2/10/2010, by Sen. Michael Bond

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-107.5

Amends the Public Utilities Act. Provides that the term "eligible renewable electrical generating facility" includes a generator powered by agricultural residues, untreated and unadulterated wood waste, landscape trimmings, and livestock manure. Provides that for eligible customers (rather than only residential customers), the measuring of the flow of electricity in both directions at the same rate shall typically be accomplished through use of a single, bi-directional meter. Deletes language with respect to net metering for non-residential customers. Provides that the electricity provider shall continue to carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until service is terminated (instead of or until the end of the annualized period). Deletes language concerning (1) net metering for certain non-residential customers, (2) specified charges, (3) specified customer credits, and (4) the number of eligible customers for net metering. Provides that the meter aggregation shall be subject to the terms and conditions approved by the Illinois Commerce Commission in a proceeding establishing the rules applicable to meter aggregation under specified provisions, which shall commence no less than 180 days after the effective date of the amendatory Act and be completed within 365 days after the effective date of the amendatory Act. Effective immediately.

LRB096 17896 MJR 33264 b

1 AN ACT concerning utilities.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Public Utilities Act is amended by changing
5 Section 16-107.5 as follows:

6 (220 ILCS 5/16-107.5)

7 Sec. 16-107.5. Net electricity metering.

8 (a) The Legislature finds and declares that a program to
9 provide net electricity metering, as defined in this Section,
10 for eligible customers can encourage private investment in
11 renewable energy resources, stimulate economic growth, enhance
12 the continued diversification of Illinois' energy resource
13 mix, and protect the Illinois environment.

14 (b) As used in this Section, (i) "eligible customer" means
15 a retail customer that owns or operates a solar, wind, or other
16 eligible renewable electrical generating facility with a rated
17 capacity of not more than 2,000 kilowatts that is located on
18 the customer's premises and is intended primarily to offset the
19 customer's own electrical requirements; (ii) "electricity
20 provider" means an electric utility or alternative retail
21 electric supplier; (iii) "eligible renewable electrical
22 generating facility" means a generator powered by solar
23 electric energy, wind, dedicated crops grown for electricity

1 generation, agricultural residues, untreated and unadulterated
2 wood waste, landscape trimmings, livestock manure, anaerobic
3 digestion of livestock or food processing waste, fuel cells or
4 microturbines powered by renewable fuels, or hydroelectric
5 energy; and (iv) "net electricity metering" (or "net metering")
6 means the measurement, during the billing period applicable to
7 an eligible customer, of the net amount of electricity supplied
8 by an electricity provider to the customer's premises or
9 provided to the electricity provider by the customer.

10 (c) A net metering facility shall be equipped with metering
11 equipment that can measure the flow of electricity in both
12 directions at the same rate. For eligible ~~residential~~
13 customers, this shall typically be accomplished through use of
14 a single, bi-directional meter. If the eligible customer's
15 existing electric revenue meter does not meet this requirement,
16 the electricity provider shall arrange for the local electric
17 utility or a meter service provider to install and maintain a
18 new revenue meter at the electricity provider's expense. ~~For~~
19 ~~non residential customers, the electricity provider may~~
20 ~~arrange for the local electric utility or a meter service~~
21 ~~provider to install and maintain metering equipment capable of~~
22 ~~measuring the flow of electricity both into and out of the~~
23 ~~customer's facility at the same rate and ratio, typically~~
24 ~~through the use of a dual channel meter. For generators with a~~
25 ~~nameplate rating of 40 kilowatts and below, the costs of~~
26 ~~installing such equipment shall be paid for by the electricity~~

1 ~~provider. For generators with a nameplate rating over 40~~
2 ~~kilowatts and up to 2,000 kilowatts capacity, the costs of~~
3 ~~installing such equipment shall be paid for by the customer.~~
4 ~~Any subsequent revenue meter change necessitated by any~~
5 ~~eligible customer shall be paid for by the customer.~~

6 (d) An electricity provider shall measure and charge or
7 credit for the net electricity supplied to eligible customers
8 or provided by eligible customers in the following manner:

9 (1) If the amount of electricity used by the customer
10 during the billing period exceeds the amount of electricity
11 produced by the customer, the electricity provider shall
12 charge the customer for the net electricity supplied to and
13 used by the customer as provided in subsection (e) of this
14 Section.

15 (2) If the amount of electricity produced by a customer
16 during the billing period exceeds the amount of electricity
17 used by the customer during that billing period, the
18 electricity provider supplying that customer shall apply a
19 1:1 kilowatt-hour credit to a subsequent bill for service
20 to the customer for the net electricity supplied to the
21 electricity provider. The electricity provider shall
22 continue to carry over any excess kilowatt-hour credits
23 earned and apply those credits to subsequent billing
24 periods to offset any customer-generator consumption in
25 those billing periods until all credits are used or until
26 service is terminated ~~or until the end of the annualized~~

1 ~~period.~~

2 (3) ~~In~~ ~~At the end of the year or annualized over the~~
3 ~~period that service is supplied by means of net metering,~~
4 ~~or in~~ the event that the retail customer terminates service
5 with the electricity provider ~~prior to the end of the year~~
6 ~~or the annualized period,~~ any remaining credits in the
7 customer's account shall expire.

8 (e) An electricity provider shall provide to net metering
9 customers electric service at non-discriminatory rates that
10 are identical, with respect to rate structure, retail rate
11 components, and any monthly charges, to the rates that the
12 customer would be charged if not a net metering customer. An
13 electricity provider shall not charge net metering customers
14 any fee or charge or require additional equipment, insurance,
15 or any other requirements not specifically authorized by
16 interconnection standards authorized by the Commission, unless
17 the fee, charge, or other requirement would apply to other
18 similarly situated customers who are not net metering
19 customers. The customer will remain responsible for all taxes,
20 fees, and utility delivery charges that would otherwise be
21 applicable to the net amount of electricity used by the
22 customer. Subsections (c) through (e) of this Section shall not
23 be construed to prevent an arms-length agreement between an
24 electricity provider and an eligible customer that sets forth
25 different prices, terms, and conditions for the provision of
26 net metering service, including, but not limited to, the

1 provision of the appropriate metering equipment for
2 non-residential customers.

3 ~~(f) Notwithstanding the requirements of subsections (c)~~
4 ~~through (e) of this Section, an electricity provider must~~
5 ~~require dual channel metering for non residential customers~~
6 ~~operating eligible renewable electrical generating facilities~~
7 ~~with a nameplate rating over 40 kilowatts and up to 2,000~~
8 ~~kilowatts. In such cases, electricity charges and credits shall~~
9 ~~be determined as follows: (1) The electricity provider shall~~
10 ~~assess and the customer remains responsible for all taxes,~~
11 ~~fees, and utility delivery charges that would otherwise be~~
12 ~~applicable to the gross amount of kilowatt hours supplied to~~
13 ~~the eligible customer by the electricity provider. (2) Each~~
14 ~~month that service is supplied by means of dual channel~~
15 ~~metering, the electricity provider shall compensate the~~
16 ~~eligible customer for any excess kilowatt hour credits at the~~
17 ~~electricity provider's avoided cost of electricity supply over~~
18 ~~the monthly period or as otherwise specified by the terms of a~~
19 ~~power purchase agreement negotiated between the customer and~~
20 ~~electricity provider. (3) For all eligible net metering~~
21 customers taking service from an electricity provider under
22 contracts or tariffs employing time of use rates, any monthly
23 consumption of electricity shall be calculated according to the
24 terms of the contract or tariff to which the same customer
25 would be assigned to or be eligible for if the customer was not
26 a net metering customer. When those same customer-generators

1 are net generators during any discrete time of use period, the
2 net kilowatt-hours produced shall be valued at the same price
3 per kilowatt-hour as the electric service provider would charge
4 for retail kilowatt-hour sales during that same time of use
5 period.

6 (g) For purposes of federal and State laws providing
7 renewable energy credits or greenhouse gas credits, the
8 eligible customer shall be treated as owning and having title
9 to the renewable energy attributes, renewable energy credits,
10 and greenhouse gas emission credits related to any electricity
11 produced by the qualified generating unit. The electricity
12 provider may not condition participation in a net metering
13 program on the signing over of a customer's renewable energy
14 credits; provided, however, this subsection (g) shall not be
15 construed to prevent an arms-length agreement between an
16 electricity provider and an eligible customer that sets forth
17 the ownership or title of the credits.

18 (h) Within 120 days after the effective date of this
19 amendatory Act of the 95th General Assembly, the Commission
20 shall establish standards for net metering and, if the
21 Commission has not already acted on its own initiative,
22 standards for the interconnection of eligible renewable
23 generating equipment to the utility system. The
24 interconnection standards shall address any procedural
25 barriers, delays, and administrative costs associated with the
26 interconnection of customer-generation while ensuring the

1 safety and reliability of the units and the electric utility
2 system. The Commission shall consider the Institute of
3 Electrical and Electronics Engineers (IEEE) Standard 1547 and
4 the issues of (i) reasonable and fair fees and costs, (ii)
5 clear timelines for major milestones in the interconnection
6 process, (iii) nondiscriminatory terms of agreement, and (iv)
7 any best practices for interconnection of distributed
8 generation.

9 (i) All electricity providers shall begin to offer net
10 metering no later than April 1, 2008.

11 (j) An electricity provider shall provide net metering to
12 eligible customers until the load of its net metering customers
13 equals 5% ~~1%~~ of the total peak demand supplied by that
14 electricity provider during the previous year. Electricity
15 providers are authorized to offer net metering beyond the 1%
16 level if they so choose. ~~The number of new eligible customers~~
17 ~~with generators that have a nameplate rating of 40 kilowatts~~
18 ~~and below will be limited to 200 total new billing accounts for~~
19 ~~the utilities (Ameren Companies, ComEd, and MidAmerican) for~~
20 ~~the period of April 1, 2008 through March 31, 2009.~~

21 (k) Each electricity provider shall maintain records and
22 report annually to the Commission the total number of net
23 metering customers served by the provider, as well as the type,
24 capacity, and energy sources of the generating systems used by
25 the net metering customers. Nothing in this Section shall limit
26 the ability of an electricity provider to request the redaction

1 of information deemed by the Commission to be confidential
2 business information. Each electricity provider shall notify
3 the Commission when the total generating capacity of its net
4 metering customers is equal to or in excess of the 1% cap
5 specified in subsection (j) of this Section.

6 (1) Notwithstanding the definition of "eligible customer"
7 in item (i) of subsection (b) of this Section, each electricity
8 provider shall ~~consider whether to~~ allow meter aggregation for
9 the purposes of net metering on:

10 (1) properties owned or leased by multiple customers
11 that contribute to the operation of an eligible renewable
12 electrical generating facility, such as a community-owned
13 wind project, a community-owned biomass project, or a
14 community methane digester processing livestock waste from
15 multiple sources; and

16 (2) individual units, apartments, or properties owned
17 or leased by multiple customers and collectively served by
18 a common eligible renewable electrical generating
19 facility, such as an apartment building served by
20 photovoltaic panels on the roof.

21 For the purposes of this subsection (1), "meter
22 aggregation" means the combination of reading and billing on a
23 pro rata basis for the types of eligible customers described in
24 this Section. The meter aggregation shall be subject to the
25 terms and conditions approved by the Commission in a proceeding
26 establishing the rules applicable to meter aggregation under

1 this subsection (l), which shall commence no less than 180 days
2 after the effective date of this amendatory Act of the 96th
3 General Assembly and be completed within 365 days after the
4 effective date of this amendatory Act of the 96th General
5 Assembly.

6 (m) Nothing in this Section shall affect the right of an
7 electricity provider to continue to provide, or the right of a
8 retail customer to continue to receive service pursuant to a
9 contract for electric service between the electricity provider
10 and the retail customer in accordance with the prices, terms,
11 and conditions provided for in that contract. Either the
12 electricity provider or the customer may require compliance
13 with the prices, terms, and conditions of the contract.

14 (Source: P.A. 95-420, eff. 8-24-07.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.