

1 AN ACT relating to net metering.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 278.465 is amended to read as follows:

4 As used in KRS 278.465 to 278.468:

5 (1) "Eligible customer-generator" means a customer of a retail electric supplier who  
6 owns and operates an electric generating facility that is located on the customer's  
7 premises, for the primary purpose of supplying all or part of the customer's own  
8 electricity requirements.

9 (2) "Eligible electric generating facility" means an electric generating facility that:

10 (a) Is connected in parallel with the electric distribution system;

11 (b) Generates electricity using:

12 1. Solar energy;

13 2. Wind energy;

14 3. Biomass or biogas energy; or

15 4. Hydro energy; and

16 (c) Has a rated capacity of not greater than thirty (30) kilowatts.

17 (3) "Kilowatt hour" means a measure of electricity defined as a unit of work of energy,  
18 measured as one (1) kilowatt of power expended for one (1) hour.

19 (4) "Net metering" means~~[measuring]~~ the difference between the:

20 **(a) Dollar value of all**~~[electricity supplied by the electric grid and the]~~ electricity  
21 generated by an eligible customer-generator that is fed back to the electric grid  
22 **during**~~[over]~~ a billing period **and priced as prescribed in Section 2 of this**  
23 **Act; and**

24 **(b) Dollar value of all electricity consumed by the eligible customer-generator**  
25 **during the same billing period and priced using the applicable tariff of the**  
26 **retail electric supplier.**

27 ➔Section 2. KRS 278.466 is amended to read as follows:

- 1 (1) Each retail electric supplier shall make net metering available to any eligible  
2 customer-generator that the supplier currently serves or solicits for service. If the  
3 cumulative generating capacity of net metering systems reaches one percent (1%) of  
4 a supplier's single hour peak load during the previous year, the obligation of the  
5 supplier to offer net metering to a new customer-generator may be limited by the  
6 commission.
- 7 (2) Each retail electric supplier serving a customer with eligible electric generating  
8 facilities shall use a standard kilowatt-hour meter capable of registering the flow of  
9 electricity in two (2) directions. Any additional meter, meters, or distribution  
10 upgrades needed to monitor the flow in each direction shall be installed at the  
11 customer-generator's expense. If additional meters are installed, the net metering  
12 calculation shall yield the same result as when a single meter is used.
- 13 (3) *A retail electric supplier serving an eligible customer-generator shall compensate*  
14 *that customer for all electricity produced by the customer's eligible electric*  
15 *generating facility that flows to the retail electric supplier, as measured by the*  
16 *standard kilowatt-hour metering prescribed in subsection (2) of this section. The*  
17 *rate to be used for such compensation is the rate most recently approved by the*  
18 *commission for the retail electric supplier for purchasing electricity on an as-*  
19 *available basis, and non-time-differentiated basis if set forth in the applicable*  
20 *tariff, from qualifying facilities with design capacities of one hundred (100)*  
21 *kilowatts or less. If the serving retail electric supplier no longer has a purchase*  
22 *obligation regarding qualifying facilities, the rate for compensating the eligible*  
23 *customer-generator shall be determined under the then-applicable administrative*  
24 *regulations promulgated by the commission for purchasing electricity on an as-*  
25 *available basis from qualifying facilities with design capacities of one hundred*  
26 *(100) kilowatts or less.*
- 27 (4) *Each billing period, compensation provided to an eligible customer-generator*

1 shall be in the form of a dollar-denominated bill credit. If an eligible customer-  
 2 generator's bill credit exceeds the amount to be billed to the customer in a billing  
 3 period, the amount of the credit in excess of the customer's bill shall, at the retail  
 4 electric supplier's sole discretion in each billing period, either carry forward to  
 5 the customer's next bill or be paid in cash, check, or an equivalent.

6 (5) (a) For each eligible customer-generator who was taking net metering service  
 7 from the customer's retail electric supplier on July 15, 2018, that eligible  
 8 customer-generator's~~[The amount of electricity billed to the eligible~~  
 9 ~~customer-generator using net metering shall be calculated by taking the~~  
 10 ~~difference between the electricity supplied by the retail electric supplier to the~~  
 11 ~~customer and the electricity generated and fed back by the customer. If time-~~  
 12 ~~of-day or time-of-use metering is used, the electricity fed back to the electric~~  
 13 ~~grid by the eligible customer-generator shall be net metered and accounted for~~  
 14 ~~at the specific time it is fed back to the electric grid in accordance with the~~  
 15 ~~time-of-day or time-of-use billing agreement currently in place.~~

16 ~~(4) Each~~ net metering contract or tariff shall be identical, with respect to energy rates,  
 17 rate structure, and monthly charges, to the contract or tariff to which the same  
 18 customer would be assigned if the customer were not an eligible customer-  
 19 generator, as such energy rates, rate structure, and monthly charges may  
 20 change from time to time in accordance with the ratemaking processes set  
 21 out in this chapter, but only until either:

- 22 1. The date on which the eligible customer-generator ceases to take net  
 23 metering service at the premises at which the eligible customer-  
 24 generator took net metering service on July 15, 2018; or
- 25 2. July 14, 2043;  
 26 whichever comes first.

27 (b) This subsection applies only to each eligible customer-generator taking net

1 metering service on July 15, 2018, and not to:

2 1. Any lessees, successors, or assigns of such an eligible customer-  
3 generator; or

4 2. Any subsequent owner of the same premises, even if the same eligible  
5 electric generating facility continues in service at that premises}.

6 (5) ~~The following rules shall apply to the billing of net electricity:~~

7 (a) ~~The net electricity produced or consumed during a billing period shall be read,~~  
8 ~~recorded, and measured in accordance with metering practices prescribed by~~  
9 ~~the commission;~~

10 (b) ~~If the electricity supplied by the retail electric supplier exceeds the electricity~~  
11 ~~generated and fed back to the supplier during the billing period, the customer-~~  
12 ~~generator shall be billed for the net electricity supplied in accordance with~~  
13 ~~subsections (3) and (4) of this section;~~

14 (c) ~~If the electricity fed back to the retail electric supplier by the customer-~~  
15 ~~generator exceeds the electricity supplied by the supplier during a billing~~  
16 ~~period, the customer-generator shall be credited for the excess kilowatt hours~~  
17 ~~in accordance with subsections (3) and (4) of this section. This electricity~~  
18 ~~credit shall appear on the customer-generator's next bill. Credits shall carry~~  
19 ~~forward for the life of the customer-generator's account;~~

20 (d) ~~If a customer-generator closes his account, no cash refund for residual~~  
21 ~~generation-related credits shall be paid; and~~

22 (e) ~~Excess electricity credits are not transferable between customers or locations}.~~

23 (6) Electric generating systems and interconnecting equipment used by eligible  
24 customer-generators shall meet all applicable safety and power quality standards  
25 established by the National Electrical Code (NEC), Institute of Electrical and  
26 Electronics Engineers (IEEE), and accredited testing laboratories such as  
27 Underwriters Laboratories.

- 1 (7) An eligible customer-generator installation is transferable to other persons or  
2 service locations upon notification to the retail electric supplier and verification that  
3 the installation is in compliance with the applicable safety and power quality  
4 standards in KRS 278.467 and in subsection (6) of this section.
- 5 (8) Any upgrade of the interconnection between the retail electric supplier and the  
6 customer-generator that is required by commission-approved tariffs for the purpose  
7 of allowing net metering shall be made at the expense of the customer-generator.