
SENATE BILL No. 420

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-40.

Synopsis: Distributed generation. Provides that a net metering tariff of an electric utility other than a municipally owned utility or a rural electric membership corporation (electricity supplier) must remain available to the electricity supplier's customers until: (1) the aggregate amount of net metering facility nameplate capacity under the tariff equals at least 5% (rather than 1.5% under current law) of the electricity supplier's most recent summer peak load; or (2) July 1, 2027 (rather than July 1, 2022, under current law); whichever occurs earlier. Provides that an electricity supplier may not offer a net metering tariff to the electricity supplier's customers after June 30, 2027 (rather than June 30, 2022, under current law). Provides for net metering tariffs to be phased out by July 1, 2052, and provides that an electricity supplier may not change the terms and conditions of the electricity supplier's net metering tariff during the phase out period. Requires the Indiana utility regulatory commission (IURC) to amend the IURC's rules to allow participation in a net metering tariff by a net metering facility with a nameplate capacity of five megawatts or less. (Under current law, IURC rules allow participation in a net metering tariff by a net metering facility with a nameplate capacity of one megawatt or less.) Allows a customer to apply the output measured at up to five of the customer's electric meters for purposes of determining the difference between: (1) the amount of electricity supplied to the customer by an electricity supplier; and (2) the amount of electricity that is supplied back to the electricity supplier by the customer; for purposes of determining the kilowatt difference for which the customer is billed or credited. Requires the IURC to: (1) engage an independent consultant
(Continued next page)

Effective: Upon passage.

Yoder

January 14, 2021, read first time and referred to Committee on Utilities.



to conduct a study regarding the value of distributed energy resources to Indiana; (2) conduct a formal investigation and one or more stakeholder meetings regarding the results of the study; and (3) based on the IURC's findings and conclusions, adopt rules not later than December 31, 2023: (A) establishing one or more distributed energy resource tariffs; and (B) requiring an electricity supplier to, not later than January 31, 2024, offer a distributed energy resource tariff to the electricity supplier's existing and new customers. Provides that, notwithstanding the statutory phase out of net metering tariffs, if an electricity supplier offers a net metering tariff to the electricity supplier's customers, the electricity supplier must continue to offer the net metering tariff until the electricity supplier adopts a distributed energy resource tariff. Stays the implementation of a rate for procurement of excess distributed generation for which an electricity supplier has applied for or received approval by the IURC under current law.



Introduced

First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in *this style type*, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

SENATE BILL No. 420

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 8-1-40-3, AS ADDED BY P.L.264-2017,
2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) As used in this chapter, "distributed
4 **generation" energy resource**" means **electricity produced** by a
5 generator or other device that is:
6 (1) located on the customer's premises;
7 (2) **leased or** owned by the customer;
8 (3) sized at a nameplate capacity of the lesser of:
9 (A) not more than ~~one (1) megawatt~~; **five (5) megawatts**; or
10 (B) the customer's average annual consumption of electricity
11 on the premises; and
12 (4) interconnected and operated in parallel with the electricity
13 supplier's facilities in accordance with the commission's approved
14 interconnection standards.
15 (b) The term does not include ~~electricity produced by the following:~~



1 (†) an electric generator used exclusively for emergency purposes.

2 (2) ~~A net metering facility (as defined in 170 IAC 4-4.2-1(k))~~
 3 ~~operating under a net metering tariff.~~

4 SECTION 2. IC 8-1-40-3.1 IS ADDED TO THE INDIANA CODE
 5 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: **Sec. 3.1. (a) As used in this chapter, "distributed**
 7 **generation" means electricity produced by a distributed energy**
 8 **resource.**

9 **(b) The term does not include electricity produced by a net**
 10 **metering facility (as defined in 170 IAC 4-4.2-1(k)) operating under**
 11 **a net metering tariff.**

12 SECTION 3. IC 8-1-40-10, AS ADDED BY P.L.264-2017,
 13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: **Sec. 10. (a) Subject to sections 13, and 14, and 24**
 15 **of this chapter, a net metering tariff of an electricity supplier must**
 16 **remain available to the electricity supplier's customers until the earlier**
 17 **of the following:**

18 (1) January 1 of the first calendar year after the calendar year in
 19 which the aggregate amount of net metering facility nameplate
 20 capacity under the electricity supplier's net metering tariff equals
 21 at least ~~one and one-half percent (1.5%)~~ **five percent (5%)** of the
 22 most recent summer peak load of the electricity supplier.

23 (2) July 1, ~~2022~~ **2027**.

24 **(b) Before August 1, 2021, each electricity supplier shall petition**
 25 **the commission for approval of an amended or a new net metering**
 26 **tariff that:**

27 **(1) complies with this section and section 12(b) of this chapter;**
 28 **and**

29 **(2) does not include any other substantive changes to the**
 30 **terms and conditions of the existing net metering tariff being**
 31 **amended or replaced.**

32 **(c) Not later than thirty (30) days after receipt of a petition**
 33 **under subsection (b), the commission shall review the petition and:**

34 **(1) shall approve the new or amended net metering tariff if**
 35 **the new or amended net metering tariff complies with**
 36 **subsection (b)(1) and (b)(2); or**

37 **(2) if the commission determines that the new or amended net**
 38 **metering tariff does not comply with subsection (b)(1) and**
 39 **(b)(2), shall:**

40 **(A) notify the electricity supplier of the defect; and**

41 **(B) require the electricity supplier to:**

42 **(i) amend the petition to correct the defect; and**



1 (ii) submit the amended petition to the commission not
2 later than the date set forth by the commission in the
3 notice.

4 (d) Before July 1, ~~2022~~, **2027**, if an electricity supplier reasonably
5 anticipates, at any point in a calendar year, that the aggregate amount
6 of net metering facility nameplate capacity under the electricity
7 supplier's net metering tariff will equal at least ~~one and one-half~~
8 **percent (1.5%) five percent (5%)** of the most recent summer peak load
9 of the electricity supplier, the electricity supplier shall, in accordance
10 with section 16 of this chapter, petition the commission for approval of
11 a rate for the procurement of excess distributed generation.

12 SECTION 4. IC 8-1-40-11, AS ADDED BY P.L.264-2017,
13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 11. (a) Except as provided in sections ~~12~~
15 **10(b)** and 21(b) of this chapter, before July 1, ~~2047~~: **2052**:

- 16 (1) an electricity supplier may not seek to change the terms and
17 conditions of the electricity supplier's net metering tariff; and
18 (2) the commission may not approve changes to an electricity
19 supplier's net metering tariff.

20 (b) Except as provided in sections 13, ~~and~~ 14, ~~and~~ **24** of this
21 chapter, after June 30, ~~2022~~: **2027**:

- 22 (1) an electricity supplier may not make a net metering tariff
23 available to customers; and
24 (2) the terms and conditions of a net metering tariff offered by an
25 electricity supplier before July 1, ~~2022~~, **2027**, expire and are
26 unenforceable.

27 SECTION 5. IC 8-1-40-12, AS ADDED BY P.L.264-2017,
28 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 UPON PASSAGE]: Sec. 12. (a) Before January 1, 2018, the
30 commission shall amend 170 IAC 4-4.2-4, and an electricity supplier
31 shall amend the electricity supplier's net metering tariff, to do the
32 following:

- 33 (1) Increase the allowed limit on the aggregate amount of net
34 metering facility nameplate capacity under the net metering tariff
35 to one and one-half percent (1.5%) of the most recent summer
36 peak load of the electricity supplier.
37 (2) Modify the required reservation of capacity under the limit
38 described in subdivision (1) to require the reservation of:
39 (A) forty percent (40%) of the capacity for participation by
40 residential customers; and
41 (B) fifteen percent (15%) of the capacity for participation by
42 customers that install a net metering facility that uses a



renewable energy resource described in IC 8-1-37-4(a)(5).

(b) Before July 1, 2022, the commission shall amend 170 IAC 4-4.2 to do the following:

(1) Allow participation in a net metering tariff by a customer that operates a distributed energy resource with a nameplate capacity of five (5) megawatts or less.

(2) Increase the allowed limit on the aggregate amount of net metering facility nameplate capacity under the net metering tariff to five percent (5%) of the most recent summer peak load of the electricity supplier.

(3) Allow a customer that operates a distributed energy resource within an electricity supplier's service area, and that is billed by the electricity supplier for electricity measured at more than one (1) meter, to choose to be billed or credited under 170 IAC 4-4.2-7 for the difference between:

(A) the kilowatt hours delivered by the electricity supplier as measured by any one (1) or more of up to five (5) of the customer's meters specified by the customer; and

(B) the kilowatt hours:

(i) generated; and

(ii) delivered to the electricity supplier;

by the distributed energy resource.

~~(b)~~ (c) In amending 170 IAC 4-4.2-4, as required by subsection (a), **this section**, the commission may adopt emergency rules in the manner provided by IC 4-22-2-37.1. Notwithstanding IC 4-22-2-37.1(g), an emergency rule adopted by the commission under this section and in the manner provided by IC 4-22-2-37.1 expires on the date on which a rule that supersedes the emergency rule is adopted by the commission under IC 4-22-2-24 through IC 4-22-2-36.

SECTION 6. IC 8-1-40-13, AS ADDED BY P.L.264-2017, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to a customer that installs a net metering facility (as defined in 170 IAC 4-4.2-1(k)) on the customer's premises:

(1) after December 31, 2017; and

(2) before the date on which the net metering tariff of the customer's electricity supplier terminates under section ~~10(1)~~ **10(a)(1)** or ~~10(2)~~ **10(a)(2)** of this chapter.

(b) **Subject to section 24 of this chapter**, a customer that is participating in an electricity supplier's net metering tariff on the date on which the electricity supplier's net metering tariff terminates under section ~~10(1)~~ **10(a)(1)** or ~~10(2)~~ **10(a)(2)** of this chapter shall continue



1 to be served under the terms and conditions of the net metering tariff
2 until:

3 (1) the customer removes from the customer's premises or
4 replaces the net metering facility (as defined in 170
5 IAC 4-4.2-1(k)); or

6 (2) July 1, ~~2032~~; **2037**;

7 whichever occurs earlier.

8 (c) **Subject to section 24 of this chapter**, a successor in interest to
9 a customer's premises on which a net metering facility (as defined in
10 170 IAC 4-4.2-1(k)) that was installed during the period described in
11 subsection (a) is located may, if the successor in interest chooses, be
12 served under the terms and conditions of the net metering tariff of the
13 electricity supplier that provides retail electric service at the premises
14 until:

15 (1) the net metering facility (as defined in 170 IAC 4-4.2-1(k)) is
16 removed from the premises or is replaced; or

17 (2) July 1, ~~2032~~; **2037**;

18 whichever occurs earlier.

19 SECTION 7. IC 8-1-40-14, AS ADDED BY P.L.264-2017,
20 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
21 UPON PASSAGE]: Sec. 14. (a) This section applies to a customer that
22 installs a net metering facility (as defined in 170 IAC 4-4.2-1(k)) on the
23 customer's premises before January 1, 2018.

24 (b) **Subject to section 24 of this chapter**, a customer that is
25 participating in an electricity supplier's net metering tariff on December
26 31, 2017, shall continue to be served under the terms and conditions of
27 the net metering tariff until:

28 (1) the customer removes from the customer's premises or
29 replaces the net metering facility (as defined in 170
30 IAC 4-4.2-1(k)); or

31 (2) July 1, ~~2047~~; **2052**;

32 whichever occurs earlier.

33 (c) **Subject to section 24 of this chapter**, a successor in interest to
34 a customer's premises on which is located a net metering facility (as
35 defined in 170 IAC 4-4.2-1(k)) that was installed before January 1,
36 2018, may, if the successor in interest chooses, be served under the
37 terms and conditions of the net metering tariff of the electricity supplier
38 that provides retail electric service at the premises until:

39 (1) the net metering facility (as defined in 170 IAC 4-4.2-1(k)) is
40 removed from the premises or is replaced; or

41 (2) July 1, ~~2047~~; **2052**;

42 whichever occurs earlier.



1 SECTION 8. IC 8-1-40-16, AS ADDED BY P.L.264-2017,
 2 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 UPON PASSAGE]: Sec. 16. Not later than March 1, ~~2021~~, **2026**, an
 4 electricity supplier shall file with the commission a petition requesting
 5 a rate for the procurement of excess distributed generation by the
 6 electricity supplier. After an electricity supplier's initial rate for excess
 7 distributed generation is approved by the commission under section 17
 8 of this chapter, the electricity supplier shall submit on an annual basis,
 9 not later than March 1 of each year, an updated rate for excess
 10 distributed generation in accordance with the methodology set forth in
 11 section 17 of this chapter.

12 SECTION 9. IC 8-1-40-21, AS ADDED BY P.L.264-2017,
 13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 UPON PASSAGE]: Sec. 21. (a) Subject to subsection (b) and sections
 15 10 and 11 of this chapter, after June 30, 2017, the commission's rules
 16 and standards set forth in:

17 (1) 170 IAC 4-4.2 (concerning net metering); and

18 (2) 170 IAC 4-4.3 (concerning interconnection);

19 remain in effect and apply to net metering under an electricity
 20 supplier's net metering tariff and to distributed generation under this
 21 chapter.

22 (b) **Except as provided in section 12 of this chapter**, after June 30,
 23 2017, the commission may adopt changes under IC 4-22-2, including
 24 emergency rules in the manner provided by IC 4-22-2-37.1, to the rules
 25 and standards described in subsection (a) only as necessary to:

26 (1) update fees or charges;

27 (2) adopt revisions necessitated by new technologies; or

28 (3) reflect changes in safety, performance, or reliability standards.

29 Notwithstanding IC 4-22-2-37.1(g), an emergency rule adopted by the
 30 commission under this subsection and in the manner provided by
 31 IC 4-22-2-37.1 expires on the date on which a rule that supersedes the
 32 emergency rule is adopted by the commission under IC 4-22-2-24
 33 through IC 4-22-2-36.

34 SECTION 10. IC 8-1-40-24 IS ADDED TO THE INDIANA CODE
 35 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE
 36 UPON PASSAGE]: **Sec. 24. (a) The commission shall engage an**
 37 **independent consultant to conduct a study regarding the value of**
 38 **distributed energy resources to Indiana. The study conducted**
 39 **under this subsection must be completed not later than December**
 40 **31, 2022.**

41 (b) **Following the completion of the study under subsection (a),**
 42 **the commission shall conduct a formal investigation regarding the**



1 results of the study. For purposes of the investigation, the
2 commission:

- 3 (1) shall hold one (1) or more meetings with stakeholders; and
4 (2) may consider any information or testimony the
5 commission considers relevant to consideration of the value of
6 distributed energy resources to Indiana.

7 (c) Not later than December 31, 2023, the commission shall:

8 (1) issue the commission's:

9 (A) findings resulting from the investigation under
10 subsection (b); and

11 (B) conclusions regarding the value of distributed energy
12 resources to Indiana; and

13 (2) based on the commission's findings and conclusions under
14 subdivision (1), adopt rules under IC 4-22-2:

15 (A) establishing one (1) or more distributed energy
16 resource tariffs; and

17 (B) requiring an electricity supplier to, not later than
18 January 31, 2024, file a petition with the commission for
19 approval to offer a distributed energy resource tariff
20 established under clause (A).

21 (d) An electricity supplier that offers a net metering tariff to the
22 electricity supplier's customers on January 1, 2021, shall continue
23 to offer the net metering tariff to the electricity supplier's
24 customers until the commission approves the electricity supplier's
25 petition to offer a distributed energy resource tariff under
26 subsection (c).

27 SECTION 11. [EFFECTIVE UPON PASSAGE] (a) The definitions
28 in IC 8-1-40, as amended by this act, apply throughout this
29 SECTION.

30 (b) Notwithstanding IC 8-1-40, before its amendment by this act,
31 an electricity supplier shall make a net metering tariff available to
32 the electricity supplier's customers under IC 8-1-40, as amended by
33 this act, regardless of whether, as of the effective date of this act:

34 (1) the aggregate amount of net metering facility nameplate
35 capacity under the electricity supplier's net metering tariff
36 equals one and one-half percent (1.5%) or more of the most
37 recent summer peak load of the electricity supplier;

38 (2) the electricity supplier has filed a petition with the
39 commission under IC 8-1-40-16, before its amendment by this
40 act; or

41 (3) the commission has approved a rate for the electricity
42 supplier under IC 8-1-40-17.



1 (c) If, before the effective date of this act, an electricity supplier
2 has filed a petition with the commission under IC 8-1-40-16, before
3 its amendment by this act, and the commission, as of the effective
4 date of this act, has not approved a rate for the electricity supplier
5 under IC 8-1-40-17, the commission:

6 (1) shall stay review of the petition until the conditions under
7 IC 8-1-40-10, as amended by this act, apply to the electricity
8 supplier; and

9 (2) may allow or require the electricity supplier to file an
10 amended petition under IC 8-1-40-16, as amended by this act,
11 when the conditions under IC 8-1-40-10, as amended by this
12 act, apply to the electricity supplier.

13 (d) If, before the effective date of this act, the commission
14 approved a rate for an electricity supplier under IC 8-1-40-17, the
15 electricity supplier may not procure excess distributed generation
16 produced by a customer at the rate unless:

17 (1) the conditions under IC 8-1-40-10, as amended by this act,
18 apply to the electricity supplier;

19 (2) the electricity supplier files a petition with the commission
20 requesting approval for the electricity supplier to procure
21 excess distributed generation produced by a customer at the
22 rate; and

23 (3) the commission approves the electricity supplier's petition
24 filed under subdivision (2).

25 (e) This SECTION expires January 1, 2028.

26 SECTION 12. An emergency is declared for this act.

