



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB5759

by Rep. Dave Winters

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-107.5

Amends the Public Utilities Act. Adds language providing that an "eligible customer" includes a retail customer that owns or operates a cogeneration facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements. Defines "cogeneration facility" to mean equipment used to produce electric energy and forms of useful thermal energy, such as heat or steam, used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy.

LRB095 17784 MJR 43863 b

1 AN ACT concerning regulation.

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 or
17 cogeneration facility with a rated capacity of not more than
18 2,000 kilowatts that is located on the customer's premises and
19 is intended primarily to offset the customer's own electrical
20 requirements; (ii) "electricity provider" means an electric
21 utility or alternative retail electric supplier; (iii)
22 "eligible renewable electrical generating facility" means a
23 generator powered by solar electric energy, wind, dedicated

1 crops grown for electricity generation, anaerobic digestion of
2 livestock or food processing waste, fuel cells or microturbines
3 powered by renewable fuels, or hydroelectric energy; ~~and~~ (iv)
4 "net electricity metering" (or "net metering") means the
5 measurement, during the billing period applicable to an
6 eligible customer, of the net amount of electricity supplied by
7 an electricity provider to the customer's premises or provided
8 to the electricity provider by the customer; and (v)
9 "cogeneration facility" means equipment used to produce
10 electric energy and forms of useful thermal energy, such as
11 heat or steam, used for industrial, commercial, heating, or
12 cooling purposes, through the sequential use of energy.

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

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

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

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

18 (2) If the amount of electricity produced by a customer
19 during the billing period exceeds the amount of electricity
20 used by the customer during that billing period, the
21 electricity provider supplying that customer shall apply a
22 1:1 kilowatt-hour credit to a subsequent bill for service
23 to the customer for the net electricity supplied to the
24 electricity provider. The electricity provider shall
25 continue to carry over any excess kilowatt-hour credits
26 earned and apply those credits to subsequent billing

1 periods to offset any customer-generator consumption in
2 those billing periods until all credits are used or until
3 the end of the annualized period.

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

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

1 different prices, terms, and conditions for the provision of
2 net metering service, including, but not limited to, the
3 provision of the appropriate metering equipment for
4 non-residential customers.

5 (f) Notwithstanding the requirements of subsections (c)
6 through (e) of this Section, an electricity provider must
7 require dual-channel metering for non-residential customers
8 operating eligible renewable electrical generating facilities
9 with a nameplate rating over 40 kilowatts and up to 2,000
10 kilowatts. In such cases, electricity charges and credits shall
11 be determined as follows:

12 (1) The electricity provider shall assess and the
13 customer remains responsible for all taxes, fees, and
14 utility delivery charges that would otherwise be
15 applicable to the gross amount of kilowatt-hours supplied
16 to the eligible customer by the electricity provider.

17 (2) Each month that service is supplied by means of
18 dual-channel metering, the electricity provider shall
19 compensate the eligible customer for any excess
20 kilowatt-hour credits at the electricity provider's
21 avoided cost of electricity supply over the monthly period
22 or as otherwise specified by the terms of a power-purchase
23 agreement negotiated between the customer and electricity
24 provider.

25 (3) For all eligible net metering customers taking
26 service from an electricity provider under contracts or

1 tariffs employing time of use rates, any monthly
2 consumption of electricity shall be calculated according
3 to the terms of the contract or tariff to which the same
4 customer would be assigned to or be eligible for if the
5 customer was not a net metering customer. When those same
6 customer-generators are net generators during any discrete
7 time of use period, the net kilowatt-hours produced shall
8 be valued at the same price per kilowatt-hour as the
9 electric service provider would charge for retail
10 kilowatt-hour sales during that same time of use period.

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

23 (h) Within 120 days after the effective date of this
24 amendatory Act of the 95th General Assembly, the Commission
25 shall establish standards for net metering and, if the
26 Commission has not already acted on its own initiative,

1 standards for the interconnection of eligible renewable
2 generating equipment to the utility system. The
3 interconnection standards shall address any procedural
4 barriers, delays, and administrative costs associated with the
5 interconnection of customer-generation while ensuring the
6 safety and reliability of the units and the electric utility
7 system. The Commission shall consider the Institute of
8 Electrical and Electronics Engineers (IEEE) Standard 1547 and
9 the issues of (i) reasonable and fair fees and costs, (ii)
10 clear timelines for major milestones in the interconnection
11 process, (iii) nondiscriminatory terms of agreement, and (iv)
12 any best practices for interconnection of distributed
13 generation.

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

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

26 (k) Each electricity provider shall maintain records and

1 report annually to the Commission the total number of net
2 metering customers served by the provider, as well as the type,
3 capacity, and energy sources of the generating systems used by
4 the net metering customers. Nothing in this Section shall limit
5 the ability of an electricity provider to request the redaction
6 of information deemed by the Commission to be confidential
7 business information. Each electricity provider shall notify
8 the Commission when the total generating capacity of its net
9 metering customers is equal to or in excess of the 1% cap
10 specified in subsection (j) of this Section.

11 (1) Notwithstanding the definition of "eligible customer"
12 in item (i) of subsection (b) of this Section, each electricity
13 provider shall consider whether to allow meter aggregation for
14 the purposes of net metering on:

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

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

25 For the purposes of this subsection (1), "meter
26 aggregation" means the combination of reading and billing on a

1 pro rata basis for the types of eligible customers described in
2 this Section.

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

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