



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB0255

Introduced 2/4/2009, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-107.5

Amends the Public Utilities Act. Provides that notwithstanding the definition of "eligible customer" in a specified provision, each electricity provider shall allow meter aggregation for the purposes of net metering eligible renewable electrical generating facilities owned or operated by school districts, community college districts, or units of local government pursuant to an intergovernmental agreement. Provides that electricity providers shall provide net metering to all parties to the intergovernmental agreement so that all energy produced by the eligible renewable electrical generating facilities is applied as a 1:1 kilowatt hour credit for each party to the intergovernmental agreement. Provides that electricity providers shall carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generated consumption until all credits are used or until the end of the annualized period. Provides that the electricity provider shall not discontinue meter aggregation as long as the intergovernmental agreement described in specified provisions is in effect. Effective immediately.

LRB096 06136 MJR 16218 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 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, anaerobic digestion of livestock or food
2 processing waste, fuel cells or microturbines powered by
3 renewable fuels, or hydroelectric energy; and (iv) "net
4 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.

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

1 kilowatts and up to 2,000 kilowatts capacity, the costs of
2 installing such equipment shall be paid for by the customer.
3 Any subsequent revenue meter change necessitated by any
4 eligible customer shall be paid for by the customer.

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

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

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

26 (3) At the end of the year or annualized over the

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

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

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

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

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

21 (3) For all eligible net metering customers taking
22 service from an electricity provider under contracts or
23 tariffs employing time of use rates, any monthly
24 consumption of electricity shall be calculated according
25 to the terms of the contract or tariff to which the same
26 customer would be assigned to or be eligible for if the

1 customer was not a net metering customer. When those same
2 customer-generators are net generators during any discrete
3 time of use period, the net kilowatt-hours produced shall
4 be valued at the same price per kilowatt-hour as the
5 electric service provider would charge for retail
6 kilowatt-hour sales during that same time of use period.

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

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

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

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

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

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

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

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

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

25 (1-5) Notwithstanding the definition of "eligible
26 customer" in item (i) of subsection (b) of this Section, each

1 electricity provider shall allow meter aggregation for the
2 purposes of net metering eligible renewable electrical
3 generating facilities owned or operated by school districts,
4 community college districts, or units of local government
5 pursuant to an intergovernmental agreement. Electricity
6 providers shall provide net metering to all parties to the
7 intergovernmental agreement so that all energy produced by the
8 eligible renewable electrical generating facilities is applied
9 as a 1:1 kilowatt hour credit for each party to the
10 intergovernmental agreement. Electricity providers shall carry
11 over any excess kilowatt-hour credits earned and apply those
12 credits to subsequent billing periods to offset any
13 customer-generated consumption until all credits are used or
14 until the end of the annualized period. The electricity
15 provider shall not discontinue meter aggregation as long as the
16 intergovernmental agreement described in this subsection (1-5)
17 is in effect.

18 For the purposes of this subsection (1-5), "meter
19 aggregation" means the combination of reading and billing on a
20 pro rata basis for the types of eligible customers described in
21 this Section.

22 (m) Nothing in this Section shall affect the right of an
23 electricity provider to continue to provide, or the right of a
24 retail customer to continue to receive service pursuant to a
25 contract for electric service between the electricity provider
26 and the retail customer in accordance with the prices, terms,

1 and conditions provided for in that contract. Either the
2 electricity provider or the customer may require compliance
3 with the prices, terms, and conditions of the contract.

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

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.