

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 723**

Introduced by Wayne, 13.

Read first time January 03, 2018

Committee: Natural Resources

- 1 A BILL FOR AN ACT relating to net metering; to amend sections 70-2002 and
- 2 70-2003, Reissue Revised Statutes of Nebraska; to redefine a term;
- 3 to increase the rated capacity limit as prescribed; and to repeal
- 4 the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 70-2002, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 70-2002 For purposes of sections 70-2001 to 70-2005:

4 (1) Customer-generator means an end-use electricity customer that  
5 generates electricity on the customer's side of the meter from a  
6 qualified facility;

7 (2) Interconnection agreement means an agreement between a local  
8 distribution utility and a customer-generator that establishes the  
9 financial, interconnection, safety, performance, and reliability  
10 requirements relating to the installation and operation of a qualified  
11 facility in accordance with the standards prescribed in sections 70-2001  
12 to 70-2005;

13 (3) Local distribution system means the equipment and facilities  
14 used for the distribution of electric energy to the end-use electricity  
15 customer;

16 (4) Local distribution utility means the owner or operator of the  
17 local distribution system;

18 (5) Net excess generation means the net amount of energy, if any, by  
19 which the output of a qualified facility exceeds a customer-generator's  
20 total electricity requirements during a billing period;

21 (6) Net metering means a system of metering electricity in which a  
22 local distribution utility:

23 (a) Credits a customer-generator at the applicable retail rate for  
24 each kilowatt-hour produced by a qualified facility during a billing  
25 period up to the total of the customer-generator's electricity  
26 requirements during that billing period. A customer-generator may be  
27 charged a minimum monthly fee that is the same as other noncustomer-  
28 generators in the same rate class but shall not be charged any additional  
29 standby, capacity, demand, interconnection, or other fee or charge; and

30 (b) Compensates the customer-generator for net excess generation  
31 during the billing period at a rate equal to the local distribution

1 utility's avoided cost of electric supply over the billing period. The  
2 monetary credits shall be applied to the bills of the customer-generator  
3 for the preceding billing period and shall offset the cost of energy owed  
4 by the customer-generator. If the energy portion of the customer-  
5 generator's bill is less than zero in any month, monetary credits shall  
6 be carried over to future bills of the customer-generator until the  
7 balance is zero. At the end of each annualized period, any excess  
8 monetary credits shall be paid out to coincide with the final bill of  
9 that period; and

10 (7) Qualified facility means a facility for the production of  
11 electrical energy that:

12 (a) Uses as its energy source either methane, wind, solar resources,  
13 biomass, hydropower resources, or geothermal resources;

14 (b) Is controlled by the customer-generator and is located on  
15 premises owned, leased, or otherwise controlled by the customer-  
16 generator;

17 (c) Interconnects and operates in parallel with the local  
18 distribution system;

19 (d) Is intended to meet or offset the customer-generator's  
20 requirements for electricity;

21 (e) Is not intended to offset or provide credits for electricity  
22 consumption at another location owned, operated, leased, or otherwise  
23 controlled by the customer-generator or for any other customer;

24 (f) Has a rated capacity at or below one hundred ~~twenty-five~~  
25 kilowatts;

26 (g) Meets all applicable safety, performance, interconnection, and  
27 reliability standards established by the National Electrical Code filed  
28 with the Secretary of State and adopted by the State Electrical Board  
29 under subdivision (5) of section 81-2104, the National Electrical Safety  
30 Code, the Institute of Electrical and Electronics Engineers, and the  
31 Underwriters Laboratories, Inc.; and

1 (h) Is equipped to automatically isolate the qualified facility from  
2 the electrical system in the event of an electrical power outage or other  
3 conditions where the line is de-energized.

4 Sec. 2. Section 70-2003, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 70-2003 (1) A local distribution utility shall interconnect the  
7 qualified facility of any customer-generator that enters into an  
8 interconnection agreement with the local distribution utility, satisfies  
9 the requirements for a qualified facility and all other requirements of  
10 sections 70-2001 to 70-2005, and pays for costs incurred by the local  
11 distribution utility for equipment or services required for  
12 interconnection that would not be necessary if the qualified facility  
13 were not interconnected to the local distribution system, except as  
14 provided in subsection (2) of this section and as may be provided for in  
15 the utility's aid in construction policy.

16 (2) A local distribution utility shall provide at no additional cost  
17 to any customer-generator with a qualified facility a metering system  
18 that is capable of measuring the flow of electricity in both directions  
19 and may be accomplished through use of a single, bidirectional electric  
20 revenue meter that has only a single register for billing purposes, a  
21 smart metering system, or another meter configuration that can easily be  
22 read by the customer-generator.

23 (3) A local distribution utility may, at its own expense, install  
24 additional monitoring equipment to separately monitor the flow of  
25 electricity in each direction as may be necessary to accomplish the  
26 reporting requirements of sections 70-2001 to 70-2005.

27 (4) Subject to the requirements of sections 70-2001 to 70-2005 and  
28 the interconnection agreement, a local distribution utility shall provide  
29 net metering to any customer-generator with a qualified facility. The  
30 local distribution utility shall allow a customer-generator's retail  
31 electricity consumption to be offset by a qualified facility that is

1 interconnected with the local distribution system. A qualified facility's  
2 net excess generation during a billing period, if any, shall be  
3 determined by the local distribution utility in accordance with section  
4 70-2002 and shall be credited to the customer-generator at a rate equal  
5 to the local distribution utility's avoided cost of electricity supply  
6 during the billing period, and the monetary credits shall be carried  
7 forward from billing period to billing period and credited against the  
8 customer-generator's retail electric bills in subsequent billing periods.  
9 Any excess monetary credits shall be paid out to coincide with the final  
10 bill at the end of each annualized period or within sixty days after the  
11 date the customer-generator terminates its retail service.

12 (5) A local distribution utility shall not be required to provide  
13 net metering to additional customer-generators, regardless of the output  
14 of the proposed generation unit, after the date during a calendar year on  
15 which the total generating capacity of all customer-generators using net  
16 metering served by such local distribution utility is equal to or exceeds  
17 one percent of the capacity necessary to meet the local distribution  
18 utility's average aggregate customer monthly peak demand forecast for  
19 that calendar year.

20 (6) No local distribution utility may require a customer-generator  
21 whose qualified facility meets the standards established under sections  
22 70-2001 to 70-2005 to:

23 (a) Comply with additional safety or performance standards or pay  
24 additional charges for equipment or services for interconnection that are  
25 additional to those necessary to meet the standards established under  
26 sections 70-2001 to 70-2005;

27 (b) Perform or pay for additional tests; or

28 (c) Purchase additional liability insurance if all safety and  
29 interconnection requirements are met.

30 (7) Nothing in sections 70-2001 to 70-2005 prevents a local  
31 distribution utility from entering into other arrangements with customers

1 desiring to install electric generating equipment or from providing net  
2 metering to customer-generators having renewable generation units with a  
3 rated capacity above one hundred ~~twenty-five~~ kilowatts.

4       Sec. 3. Original sections 70-2002 and 70-2003, Reissue Revised  
5 Statutes of Nebraska, are repealed.