

By Senator Justice

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1 A bill to be entitled

2 An act relating to interconnection of customer-owned  
3 renewable energy generation and net metering; creating s.  
4 366.925, F.S.; providing purpose and application;  
5 providing definitions; requiring electric utilities to  
6 develop and file standard interconnection agreements for  
7 Public Service Commission approval; specifying criteria  
8 for such agreements; specifying qualifications and fees  
9 for customer-owned renewable energy generation; specifying  
10 contractual contents of standard interconnection  
11 agreements; providing administrative requirements for  
12 customer applications and written notice related to  
13 standard interconnection agreements; authorizing electric  
14 utilities to disconnect customer-owned renewable energy  
15 generation under certain circumstances; requiring electric  
16 utilities to provide net metering; specifying net metering  
17 requirements; requiring electric utilities to provide an  
18 annual report to the commission; providing report  
19 requirements; requiring the commission to resolve disputes  
20 relating to customer-owned renewable energy generation and  
21 net metering; providing an effective date.

22  
23 Be It Enacted by the Legislature of the State of Florida:

24  
25 Section 1. Section 366.925, Florida Statutes, is created to  
26 read:

27 366.925 Interconnection of customer-owned renewable energy  
28 generation and net metering.--

29 (1) PURPOSE AND Application.--The purpose of this section

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30 is to promote the development of small customer-owned renewable  
31 energy generation, particularly through photovoltaic and wind  
32 systems; diversify the types of fuel used to generate electricity  
33 in the state; lessen the state's dependence on fossil fuels for  
34 the production of electricity; minimize the volatility of fuel  
35 costs; encourage investment in the state; improve environmental  
36 conditions; and, at the same time, minimize costs of power supply  
37 to electric utilities and their customers. This section applies  
38 to all electric utilities as defined in s. 366.02(2).

39 (2) Definitions.--As used in this section, the term:

40 (a) "Commission" means the Public Service Commission.

41 (b) "Customer-owned renewable energy generation" means an  
42 electric generating system located on a customer's premises that  
43 is primarily intended to offset part or all of the customer's  
44 electricity requirements with renewable energy.

45 (c) "Gross power rating" means the total maximum generating  
46 capacity of onsite customer-owned renewable energy generation  
47 interconnected to the electric utility's distribution facilities.

48 (d) "Net metering" means a metering and billing methodology  
49 whereby customer-owned renewable energy generation is allowed to  
50 offset the customer's electricity consumption on site, net  
51 customer usage is billed under the electric utility's otherwise  
52 applicable rate schedule, and excess customer-owned renewable  
53 energy generation delivered to the electric utility is  
54 accumulated and paid for at the end of each calendar year at a  
55 rate equal to the full retail rate.

56 (e) "Renewable energy" means electrical, mechanical, or  
57 thermal energy produced from a method that uses one or more of  
58 the following fuels or energy sources: hydrogen, biomass, solar

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59 energy, geothermal energy, wind energy, ocean energy, waste heat,  
60 or hydroelectric power.

61 (3) Standard interconnection agreements.--Each electric  
62 utility shall, within 30 days after the effective date of this  
63 act, file for commission approval a standard interconnection  
64 agreement for expedited interconnection of customer-owned  
65 renewable energy generation up to 1 megawatt that complies with  
66 the following:

67 (a) Each customer-owned renewable energy generation  
68 facility and interconnection shall comply with the following  
69 standards, as applicable:

70 1. IEEE 1547 (2003), Standard for Interconnecting  
71 Distributed Resources with Electric Power Systems.

72 2. UL 1741 (2001), Standard for Inverters, Converters,  
73 Controllers and Interconnection System Equipment for Use With  
74 Distributed Energy Resources.

75 (b) Customer-owned renewable energy generation shall be  
76 considered certified for interconnected operation if it has been  
77 submitted by a manufacturer to a nationally recognized testing  
78 and certification laboratory and has been tested and listed by  
79 the laboratory for continuous interactive operation with an  
80 electric distribution system in compliance with the applicable  
81 codes and standards listed in paragraph (a).

82 (c) If the equipment package has been tested and listed in  
83 accordance with this subsection as an integrated package, which  
84 includes a generator or other electric source, the equipment  
85 package shall be deemed certified, and the electric utility shall  
86 not require further design review, testing, or additional  
87 equipment other than that provided for in subsection (5).

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88       (4) Customer qualifications and fees.--

89       (a) Regardless of customer load, to qualify for expedited  
90 interconnection under this section, customer-owned renewable  
91 energy generation must have a gross power rating that falls  
92 within one of the following ranges:

93       1. Tier 1: 25 kilowatts or less.

94       2. Tier 2: greater than 25 kilowatts and less than or equal  
95 to 100 kilowatts.

96       3. Tier 3: greater than 100 kilowatts and less than or  
97 equal to 1 megawatt.

98       (b) Tier 1 customers who request interconnection of  
99 customer-owned renewable energy generation shall not be charged  
100 fees in addition to those charged to other retail customers  
101 without self-generation, including application fees.

102       (c) Along with the standard interconnection agreement filed  
103 pursuant to subsection (3), each electric utility may propose for  
104 commission approval a standard application fee for Tiers 2 and 3,  
105 including an itemized accounting of each cost contained within  
106 the fee.

107       (d) The electric utility may also propose for commission  
108 approval an interconnection study charge for Tier 3.

109       (e) The electric utility shall show that its fees and  
110 charges are cost-based and reasonable. No fees or charges shall  
111 be assessed for interconnecting customer-owned renewable energy  
112 generation without prior commission approval.

113       (5) Contents of standard interconnection agreement.--

114       (a) Each electric utility's standard interconnection  
115 agreement for customer-owned renewable energy generation shall,  
116 at a minimum, contain the following:

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117       1. A requirement that customer-owned renewable energy  
118 generation must be inspected and approved by local code officials  
119 prior to its operation in parallel with an electric utility to  
120 ensure compliance with applicable local codes.

121       2. Provisions that permit the electric utility to inspect  
122 customer-owned renewable energy generation and its component  
123 equipment and the documents necessary to ensure compliance with  
124 subsections (2), (3), and (4). The electric utility shall have  
125 the right to have personnel present at the initial testing of  
126 customer equipment and protective apparatus.

127       3. A provision that the customer who operates customer-  
128 owned renewable energy generation is responsible for protecting  
129 its generating equipment, inverters, protective devices, and  
130 other system components from damage from the normal and abnormal  
131 conditions and operations that occur on the electric utility  
132 system in delivering and restoring power and is responsible for  
133 ensuring that customer-owned renewable energy generation  
134 equipment is inspected, maintained, and tested in accordance with  
135 the manufacturer's instructions to ensure that it is operating  
136 correctly and safely.

137       4. A requirement for general liability insurance for  
138 personal and property damage in the amount of no more than  
139 \$100,000 for Tiers 1 and 2 and no more than \$1 million for Tier  
140 3.

141       5. Identification of any fees or charges approved pursuant  
142 to subsection (4).

143       (b) Each electric utility's standard interconnection  
144 agreement for customer-owned renewable energy generation may  
145 require the customer to:

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146       1. Install, at the electric utility's expense for Tier 1  
147 systems and at the customer's expense for Tier 2 and Tier 3  
148 systems, a manual disconnect switch of the visible load break  
149 type to provide a separation point between the AC power output of  
150 the customer-owned renewable energy generation and any customer  
151 wiring connected to the electric utility's system. The manual  
152 disconnect switch shall be mounted separately from the meter  
153 socket and shall be readily accessible to the electric utility  
154 and capable of being locked in the open position with an electric  
155 utility padlock. The electric utility may open the switch,  
156 isolating the customer-owned renewable energy generation, without  
157 prior notice to the customer. To the extent practicable, however,  
158 prior notice shall be given.

159       2. Provide a written agreement to hold harmless and  
160 indemnify the electric utility from all loss resulting from the  
161 operation of the customer-owned renewable energy generation,  
162 except when loss occurs due to the negligent actions of the  
163 electric utility.

164       (6) Administrative requirements.--Upon a customer's  
165 request, the electric utility shall provide, within 5 business  
166 days, an application for interconnection detailing the  
167 information necessary to execute the standard interconnection  
168 agreement. Within 10 business days after receipt of the  
169 customer's application, the electric utility shall provide  
170 written notice that it has received all documents required by the  
171 standard interconnection agreement. The written notice shall also  
172 include dates for any physical inspection of the customer-owned  
173 renewable energy generation necessary for the electric utility to  
174 confirm compliance with subsections (2), (3), (4), and (5). The

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175 standard interconnection agreement shall be executed by the  
176 electric utility within 30 calendar days after receipt of a  
177 completed application for Tiers 1 and 2, and within 60 calendar  
178 days for Tier 3 if an interconnection study is necessary. The  
179 customer must execute the standard interconnection agreement and  
180 return it to the electric utility at least 5 business days prior  
181 to beginning parallel operations.

182 (7) Conditions for disconnect.--Any of the following  
183 conditions shall be cause for the electric utility to disconnect  
184 customer-owned renewable energy generation from its system:

185 (a) Electric utility system emergencies or maintenance  
186 requirements.

187 (b) Hazardous conditions existing on the electric utility  
188 system due to the operation of the customer's generating or  
189 protective equipment as determined by the electric utility.

190 (c) Adverse electrical effects, such as power quality  
191 problems, on the electrical equipment of the electric utility's  
192 other electric consumers caused by the customer-owned renewable  
193 energy generation as determined by the electric utility.

194 (d) Failure of the customer to maintain the required  
195 insurance coverage.

196 (8) Net metering.--

197 (a) Each electric utility shall enable each customer-owned  
198 renewable energy generation facility interconnected to the  
199 electric utility's electrical grid pursuant to this section to  
200 net meter.

201 (b) Each electric utility shall install, at no additional  
202 cost to the customer, metering equipment at the point of delivery  
203 capable of measuring the difference between the electricity

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204 supplied to the customer from the electric utility and the  
205 electricity generated by customer-owned renewable energy  
206 generation, including excess electric energy delivered to the  
207 electric utility's electrical grid.

208 (c) Meter readings shall be taken monthly on the same cycle  
209 as required under the otherwise applicable rate schedule.

210 (d) The electric utility shall charge for electricity used  
211 by the customer in excess of the electricity supplied by  
212 customer-owned renewable energy generation in accordance with  
213 normal billing practices.

214 (e) During any billing cycle, excess customer-owned  
215 renewable energy generation delivered to the electric utility's  
216 electrical grid shall be credited to the customer's energy  
217 consumption for the next month's billing cycle.

218 (f) Energy credits produced pursuant to paragraph (e) shall  
219 accumulate and be used to offset the customer's energy usage in  
220 subsequent months for a period of not more than 12 months. At the  
221 end of each calendar year, the electric utility shall pay the  
222 customer for any unused energy credits at a rate equal to the  
223 full retail rate under the otherwise applicable rate schedule.  
224 Payment for accumulated year-end energy credits shall not include  
225 any portion of the applicable customer charge or demand charge.

226 (g) When a customer leaves the system, that customer's  
227 unused credits for excess kilowatt hours generated shall be paid  
228 to the customer at a rate equal to the full retail rate under the  
229 otherwise applicable rate schedule.

230 (9) Reporting requirements.--Each electric utility shall  
231 report the following to the commission by April 1 of each year:

232 (a) Total number of customer-owned renewable energy



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233 generation interconnections.

234 (b) Total kilowatt capacity of customer-owned renewable  
235 energy generation interconnected.

236 (c) Total kilowatt hours received by interconnected  
237 customers from the electric utility, by month and by year for the  
238 previous calendar year.

239 (d) Total kilowatt hours of customer-owned renewable energy  
240 generation delivered to the electric utility, by month and by  
241 year for the previous calendar year.

242 (e) Total energy payments made to interconnected customers  
243 for customer-owned renewable energy generation delivered to the  
244 electric utility.

245 (f) For each individual customer-owned renewable energy  
246 generation interconnection:

247 1. Renewable technology utilized.

248 2. Gross power rating.

249 3. Geographic location by county.

250 4. Date interconnected.

251 (10) Dispute resolution.--When an electric utility refuses  
252 to interconnect with customer-owned renewable energy generation  
253 or provide net metering or attempts to impose unreasonable  
254 standards or conditions, the customer may petition the commission  
255 for relief. The electric utility shall have the burden of  
256 demonstrating to the commission why interconnection with the  
257 customer-owned renewable energy generation should not be  
258 required, why net metering should not be provided, or that the  
259 standards or conditions the electric utility seeks to impose on  
260 the customer-owned renewable energy generation are reasonable.  
261 The commission shall resolve each issue set forth in the petition

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262 | in an expedited manner.

263 | Section 2. This act shall take effect July 1, 2008.