

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.

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

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 25 Section 1. Section 366.925, Florida Statutes, is created
 26 to 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
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
33 electricity in the state; lessen the state's dependence on
34 fossil fuels for the production of electricity; minimize the
35 volatility of fuel costs; encourage investment in the state;
36 improve environmental conditions; and, at the same time,
37 minimize costs of power supply to electric utilities and their
38 customers. This section applies to all electric utilities as
39 defined in s. 366.02(2).

40 (2) DEFINITIONS.--As used in this section, the term:

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

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

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

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

57 each calendar year at a rate equal to the full retail rate.

58 (e) "Renewable energy" means electrical, mechanical, or
 59 thermal energy produced from a method that uses one or more of
 60 the following fuels or energy sources: hydrogen, biomass, solar
 61 energy, geothermal energy, wind energy, ocean energy, waste
 62 heat, or hydroelectric power.

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

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

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

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

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

84 (c) If the equipment package has been tested and listed in

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

90 (4) CUSTOMER QUALIFICATIONS AND FEES.--

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

95 1. Tier 1: 25 kilowatts or less.

96 2. Tier 2: greater than 25 kilowatts and less than or
97 equal to 100 kilowatts.

98 3. Tier 3: greater than 100 kilowatts and less than or
99 equal to 1 megawatt.

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

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

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

111 (e) The electric utility shall show that its fees and
112 charges are cost-based and reasonable. No fees or charges shall

113 be assessed for interconnecting customer-owned renewable energy
114 generation without prior commission approval.

115 (5) CONTENTS OF STANDARD INTERCONNECTION AGREEMENT.--

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

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

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

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

139 4. A requirement for general liability insurance for
140 personal and property damage in the amount of no more than

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141 \$100,000 for Tiers 1 and 2 and no more than \$1 million for Tier
142 3.

143 5. Identification of any fees or charges approved pursuant
144 to subsection (4).

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

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

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

166 (6) ADMINISTRATIVE REQUIREMENTS.--Upon a customer's
167 request, the electric utility shall provide, within 5 business
168 days, an application for interconnection detailing the

169 information necessary to execute the standard interconnection
170 agreement. Within 10 business days after receipt of the
171 customer's application, the electric utility shall provide
172 written notice that it has received all documents required by
173 the standard interconnection agreement. The written notice shall
174 also include dates for any physical inspection of the customer-
175 owned renewable energy generation necessary for the electric
176 utility to confirm compliance with subsections (2), (3), (4),
177 and (5). The standard interconnection agreement shall be
178 executed by the electric utility within 30 calendar days after
179 receipt of a completed application for Tiers 1 and 2, and within
180 60 calendar days for Tier 3 if an interconnection study is
181 necessary. The customer must execute the standard
182 interconnection agreement and return it to the electric utility
183 at least 5 business days prior to beginning parallel operations.

184 (7) CONDITIONS FOR DISCONNECT.--Any of the following
185 conditions shall be cause for the electric utility to disconnect
186 customer-owned renewable energy generation from its system:

187 (a) Electric utility system emergencies or maintenance
188 requirements.

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

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

196 (d) Failure of the customer to maintain the required

197 insurance coverage.

198 (8) NET METERING.--

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

203 (b) Each electric utility shall install, at no additional
204 cost to the customer, metering equipment at the point of
205 delivery capable of measuring the difference between the
206 electricity supplied to the customer from the electric utility
207 and the electricity generated by customer-owned renewable energy
208 generation, including excess electric energy delivered to the
209 electric utility's electrical grid.

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

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

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

220 (f) Energy credits produced pursuant to paragraph (e)
221 shall accumulate and be used to offset the customer's energy
222 usage in subsequent months for a period of not more than 12
223 months. At the end of each calendar year, the electric utility
224 shall pay the customer for any unused energy credits at a rate

225 equal to the full retail rate under the otherwise applicable
 226 rate schedule. Payment for accumulated year-end energy credits
 227 shall not include any portion of the applicable customer charge
 228 or demand charge.

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

233 (9) REPORTING REQUIREMENTS.--Each electric utility shall
 234 report the following to the commission by April 1 of each year:

235 (a) Total number of customer-owned renewable energy
 236 generation interconnections.

237 (b) Total kilowatt capacity of customer-owned renewable
 238 energy generation interconnected.

239 (c) Total kilowatt hours received by interconnected
 240 customers from the electric utility, by month and by year for
 241 the previous calendar year.

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

245 (e) Total energy payments made to interconnected customers
 246 for customer-owned renewable energy generation delivered to the
 247 electric utility.

248 (f) For each individual customer-owned renewable energy
 249 generation interconnection:

- 250 1. Renewable technology utilized.
- 251 2. Gross power rating.
- 252 3. Geographic location by county.

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253 4. Date interconnected.

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

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