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CS/CS/HB 741, Engrossed 1

2022 Legislature

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 2 An act relating to net metering; amending s. 366.91,
 3 F.S.; providing the terms for public utility net
 4 metering programs after a specified date; providing a
 5 schedule of reductions to net metering rate designs
 6 that apply to customers with net metering applications
 7 that are approved after specified dates; authorizing
 8 certain customers who own or lease renewable
 9 generation to remain under the net metering rules that
 10 initially applied to those customers for a specified
 11 time; authorizing public utilities to petition for
 12 approval of certain fixed charges designed to meet
 13 specified purposes; providing conditions under which
 14 rules must be initiated if the penetration rate of
 15 customer-owned or leased renewable generation meets a
 16 specified threshold; authorizing public utilities to
 17 recover specified lost revenues upon meeting certain
 18 requirements; providing applicability; providing an
 19 effective date.

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

22
 23 Section 1. Subsection (5) of section 366.91, Florida
 24 Statutes, is amended to read:
 25 366.91 Renewable energy.—

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26 (5) (a) ~~On or before January 1, 2009,~~ Each public utility
27 shall develop a standardized interconnection agreement and net
28 metering program for customer-owned or leased renewable
29 generation. The commission shall establish requirements relating
30 to the expedited interconnection and net metering of customer-
31 owned or leased renewable generation by public utilities and
32 shall ~~may~~ adopt new rules to administer this section.

33 (b) Effective January 1, 2024, public utility net metering
34 programs for customer-owned or leased renewable generation must
35 provide that:

36 1. Electricity used by the customer in excess of the
37 generation supplied by customer-owned or leased renewable
38 generation is billed by the public utility in accordance with
39 normal billing practices; and

40 2. Excess customer-owned or leased renewable generation
41 delivered to the public utility's electric grid during the
42 customer's regular billing cycle is credited to the customer's
43 energy consumption for the next month's billing cycle as
44 follows:

45 a. For energy credits produced from customer-owned or
46 leased renewable generation for which a net metering application
47 is approved between January 1, 2024, and December 31, 2025, the
48 customer's energy usage is offset by 75 percent of the amount
49 credited;

50 b. For energy credits produced from customer-owned or

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51 leased renewable generation for which a net metering application
52 is approved between January 1, 2026, and December 31, 2026, the
53 customer's energy usage is offset by 60 percent of the amount
54 credited; and

55 c. For energy credits produced from customer-owned or
56 leased renewable generation for which a net metering application
57 is approved between January 1, 2027, and December 31, 2028, the
58 customer's energy usage is offset by 50 percent of the amount
59 credited.

60 (c) A public utility customer who owns or leases renewable
61 generation for which a net metering application is approved
62 before January 1, 2029, pursuant to a standard interconnection
63 agreement offered by a public utility, is granted 20 years to
64 continue to use the net metering rate design and rates that
65 applied at the time the net metering application was approved.
66 This paragraph applies to customers who purchase or lease real
67 property upon which customer-owned or leased renewable
68 generation is installed for all or part of that 20-year period.

69 (d) On or after the effective date of the net metering
70 programs described in paragraph (b), a public utility may
71 petition the commission for approval to impose any combination
72 of fixed charges, which may include base facilities charges,
73 electric grid access fees, and monthly minimum bills, to ensure
74 that the public utility recovers the fixed costs of serving
75 customers that own or lease renewable generation and that the

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76 general body of public utility ratepayers do not subsidize
 77 customer-owned or leased generation. Within 180 days after a
 78 petition is filed by a public utility pursuant to this
 79 paragraph, the commission must issue a final order on the
 80 petition.

81 (e) The commission must adopt new rules to become
 82 effective January 1, 2029, that establish a new program design
 83 for customer-owned or leased renewable generation for which a
 84 net metering application is approved on or after January 1,
 85 2029. The new program design must comply with the following
 86 criteria:

87 1. Each public utility customer who owns or leases
 88 renewable generation must pay the full cost of electric service
 89 and may not be subsidized by the public utility's general body
 90 of ratepayers.

91 2. All energy delivered by the public utility must be
 92 purchased at the public utility's applicable retail rate and all
 93 energy delivered by the customer-owned or leased renewable
 94 generation to the public utility must be credited to the
 95 customer at the public utility's full avoided costs.

96 (f)1. If at any time the penetration rate of customer-
 97 owned or leased renewable generation in a public utility's
 98 service territory is reasonably expected to exceed 6.5 percent
 99 within the succeeding 12 months, the commission, upon petition
 100 or on its own motion, must initiate rulemaking to adopt a new

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101 program design that complies with subparagraphs (e)1. and 2. A
102 new program design adopted pursuant to this subparagraph becomes
103 effective 60 days after rule adoption or 60 days after the date
104 the commission determines that the actual penetration rate has
105 reached 6.5 percent, whichever is later, and shall apply to
106 customer-owned or leased renewable generation for which a net
107 metering application is approved after that effective date.

108 2. For purposes of this paragraph, the penetration rate
109 shall be calculated by dividing the aggregate gross power rating
110 (alternating current) of all in-service customer-owned or leased
111 renewable generation in the public utility's service territory
112 by the total summer peak demand of the public utility.

113 (g) This subsection establishes the minimum requirements
114 for each public utility net metering program. A public utility
115 may petition the commission at any time for approval to offer a
116 net metering program on terms that are not less favorable to
117 customers who own or lease renewable generation than the terms
118 specified in this subsection or in commission rules adopted
119 pursuant to this subsection.

120 (h)1. A public utility may recover, through its fuel and
121 purchased power cost recovery charge, its lost revenues
122 resulting from the incremental addition of residential customer-
123 owned or leased solar photovoltaic generation within the public
124 utility's service territory between July 1, 2022, and December
125 31, 2023, above the level that such generation, for purposes of

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126 setting base rates in the public utility's most recent base rate
 127 proceeding, was estimated to be installed within the public
 128 utility's service territory during the same period.

129 2. A public utility seeking recovery of lost revenues
 130 under this paragraph must file with the commission a petition
 131 that:

132 a. Identifies the total capacity of residential customer-
 133 owned or leased solar photovoltaic generation that, for purposes
 134 of setting base rates in the public utility's most recent base
 135 rate proceeding, was estimated to be installed in the public
 136 utility's service territory between July 1, 2022, and December
 137 31, 2023;

138 b. Identifies the total capacity of residential customer-
 139 owned or leased solar photovoltaic generation that was installed
 140 in the public utility's service territory between July 1, 2022,
 141 and December 31, 2023;

142 c. Demonstrates the difference in revenues collected by
 143 the public utility as a direct result of the incremental
 144 difference in the estimated and actual capacity additions
 145 identified in sub-subparagraphs a. and b. and identifies the
 146 specific amount that the utility seeks to recover;

147 d. Demonstrates that the relief requested does not cause
 148 the public utility to exceed the rate of return on equity
 149 authorized by the commission in the public utility's most recent
 150 base rate proceeding; and

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151 e. Includes such other reasonably related information as
152 the commission may require by rule.

153 3. Upon receipt of a petition that meets the requirements
154 of subparagraph 2., the commission must determine the amount, if
155 any, that the utility is entitled to recover under this
156 paragraph.

157 4. A petition filed under this subsection may not be filed
158 before December 31, 2023, or after March 31, 2024.

159 5. The Legislature provides the limited, extraordinary
160 relief set forth in this paragraph to address the potential
161 impact on a public utility of a previously unanticipated surge,
162 unaccounted for in the utility's last rate case, in the
163 installation of customer-owned or leased renewable generation
164 over the period specified in this subsection. The Legislature
165 makes no findings as to whether the recovery of lost revenues by
166 a public utility is appropriate for any other purpose.

167 Section 2. This act shall take effect July 1, 2022.