

REFERENCE TITLE: net-metering; renewable energy source.

State of Arizona  
Senate  
Fifty-first Legislature  
First Regular Session  
2013

# SB 1016

Introduced by  
Senator Ableser

AN ACT

AMENDING TITLE 30, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 2; RELATING TO NET-METERING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 30, Arizona Revised Statutes, is amended by adding  
3 chapter 2, to read:

4 CHAPTER 2

5 NET-METERING

6 ARTICLE 1. GENERAL PROVISIONS

7 30-301. Definitions

8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "ELIGIBLE CUSTOMER-GENERATOR" MEANS A RETAIL CUSTOMER THAT OWNS AND  
10 OPERATES OR LEASES AND OPERATES A BIOMASS, SOLAR OR WIND ELECTRIC GENERATING  
11 FACILITY AND THAT MEETS THE QUALIFICATIONS SET FORTH IN SECTION 30-302.

12 2. "NET-METERING" MEANS ELECTRIC ENERGY THAT IS GENERATED BY AN  
13 ELECTRIC UTILITY CUSTOMER FROM A NET-METERING FACILITY, THAT IS DELIVERED TO  
14 THE UTILITY'S LOCAL DISTRIBUTION FACILITIES AND THAT IS USED TO OFFSET  
15 ELECTRIC ENERGY PROVIDED BY THE ELECTRIC UTILITY TO THE ELECTRIC UTILITY  
16 CUSTOMER DURING THE APPLICABLE BILLING PERIOD.

17 3. "PUBLIC POWER ENTITY" MEANS ANY MUNICIPAL CORPORATION, CITY, TOWN  
18 OR OTHER POLITICAL SUBDIVISION THAT IS ORGANIZED UNDER LAW, THAT DISTRIBUTES  
19 OR OTHERWISE PROVIDES ELECTRICITY TO RETAIL CUSTOMERS IN THIS STATE AND THAT  
20 IS NOT A PUBLIC SERVICE CORPORATION.

21 30-302. Applicability; eligibility

22 A. ALL PUBLIC POWER ENTITIES SERVING AN ANNUAL RETAIL LOAD OF THREE  
23 HUNDRED THOUSAND MEGAWATT HOURS OR GREATER SHALL OFFER NET-METERING TO  
24 ELIGIBLE CUSTOMER-GENERATORS. EACH PUBLIC POWER ENTITY SHALL MAKE  
25 NET-METERING AVAILABLE TO ELIGIBLE CUSTOMER-GENERATORS IN A TIMELY MANNER AND  
26 ON A FIRST COME, FIRST SERVED BASIS UP TO FIVE PER CENT OF THE PUBLIC POWER  
27 ENTITY'S MOST RECENTLY MEASURED ANNUAL PEAK LOAD.

28 B. A CUSTOMER-GENERATOR IS ELIGIBLE TO RECEIVE NET-METERING UNDER THIS  
29 CHAPTER IF ALL OF THE FOLLOWING APPLY:

30 1. THE CUSTOMER'S BIOMASS, SOLAR OR WIND ELECTRIC GENERATING FACILITY  
31 IS:

32 (a) LOCATED ON THE CUSTOMER'S PREMISES.

33 (b) INTERCONNECTED AND OPERATED IN PARALLEL WITH AN ELECTRIC UTILITY  
34 COMPANY'S TRANSMISSION AND DISTRIBUTION FACILITIES.

35 (c) INTENDED PRIMARILY TO OFFSET ALL OR PART OF THE CUSTOMER'S OWN  
36 ELECTRICITY REQUIREMENTS.

37 2. THE GENERATING CAPACITY OF THE CUSTOMER-GENERATOR'S FACILITY MEETS  
38 BOTH OF THE FOLLOWING REQUIREMENTS:

39 (a) THE RATED CAPACITY OF THE GENERATOR DOES NOT EXCEED ONE HUNDRED  
40 TWENTY-FIVE PER CENT OF TOTAL CONNECTED LOAD.

41 (b) THE RATED CAPACITY OF THE GENERATOR DOES NOT EXCEED THE CUSTOMER'S  
42 SERVICE ENTRANCE CAPACITY.

1           30-303. Net-metering; requirements; calculation

2           A. THE PUBLIC POWER ENTITY SHALL DEVELOP A NET-METERING TARIFF THAT  
3 PROVIDES FOR ELIGIBLE CUSTOMER-GENERATORS TO BE CREDITED IN KILOWATT HOURS AT  
4 A RATIO OF ONE-TO-ONE FOR ANY EXCESS PRODUCTION OF THE CUSTOMER'S GENERATING  
5 FACILITY THAT EXCEED THE CUSTOMER-GENERATOR'S ON-SITE CONSUMPTION OF KILOWATT  
6 HOURS IN THE BILLING PERIOD FOLLOWING THE BILLING PERIOD OF EXCESS  
7 PRODUCTION. ANY EXCESS KILOWATT HOUR CREDITS SHALL NOT REDUCE ANY FIXED  
8 MONTHLY CUSTOMER CHARGES IMPOSED BY THE PUBLIC POWER ENTITY.

9           B. THE PUBLIC POWER ENTITY SHALL CARRY FORWARD ANY EXCESS KILOWATT  
10 HOUR CREDITS EARNED UNDER SUBSECTION A AND APPLY THOSE CREDITS TO SUBSEQUENT  
11 BILLING PERIODS TO OFFSET ANY ELIGIBLE CUSTOMER-GENERATOR CONSUMPTION IN  
12 THOSE BILLING PERIODS UNTIL ALL CREDITS ARE USED OR UNTIL THE END OF THE  
13 CALENDAR YEAR. A PUBLIC POWER ENTITY THAT USES CYCLE BILLS SHALL USE THE  
14 DECEMBER BILLING MONTH AS THE END OF THE CALENDAR YEAR.

15           C. AT THE END OF EACH CALENDAR YEAR THE PUBLIC POWER ENTITY SHALL  
16 EITHER CARRY FORWARD ANY EXCESS KILOWATT CREDITS FOR USE AGAINST CONSUMPTION  
17 IN FUTURE MONTHS OR SHALL COMPENSATE THE ELIGIBLE CUSTOMER-GENERATOR FOR ANY  
18 EXCESS KILOWATT HOUR CREDITS AT THE PUBLIC POWER ENTITY'S AVERAGE HOURLY  
19 INCREMENTAL COST OF ELECTRICITY SUPPLY OVER THE SAME CALENDAR-YEAR PERIOD.

20           30-304. Equipment

21           A. A CUSTOMER-GENERATOR FACILITY USED FOR NET-METERING SHALL BE  
22 EQUIPPED WITH METERING EQUIPMENT THAT CAN MEASURE THE FLOW OF ELECTRICITY IN  
23 BOTH DIRECTIONS AT THE SAME RATE. FOR CUSTOMER-GENERATOR FACILITIES LESS  
24 THAN TEN KILOWATTS IN RATED CAPACITY, THIS SHALL BE ACCOMPLISHED THROUGH THE  
25 USE OF A SINGLE, BIDIRECTIONAL ELECTRIC REVENUE METER THAT HAS A SINGLE  
26 REGISTER FOR BILLING PURPOSES.

27           B. AN ELIGIBLE CUSTOMER-GENERATOR MAY CHOOSE TO USE AN EXISTING  
28 ELECTRIC REVENUE METER IF THE METER IS BOTH:

29           1. CAPABLE OF MEASURING THE FLOW OF ELECTRICITY BOTH INTO AND OUT OF  
30 THE ELIGIBLE CUSTOMER-GENERATOR'S FACILITY AT THE SAME RATE AND RATIO.

31           2. ACCURATE TO WITHIN PLUS OR MINUS FIVE PER CENT WHEN MEASURING  
32 ELECTRICITY FLOWING FROM THE CUSTOMER-GENERATOR FACILITY TO THE ELECTRIC  
33 DISTRIBUTION SYSTEM.

34           C. IF THE ELIGIBLE CUSTOMER-GENERATOR'S EXISTING ELECTRIC REVENUE  
35 METER DOES NOT MEET THE REQUIREMENTS OF SUBSECTION B, THE PUBLIC POWER ENTITY  
36 SHALL INSTALL AND MAINTAIN A NEW REVENUE METER FOR THE CUSTOMER-GENERATOR AT  
37 THE PUBLIC POWER ENTITY'S EXPENSE. ANY SUBSEQUENT REVENUE METER CHANGE  
38 NECESSITATED BY THE ELIGIBLE CUSTOMER-GENERATOR SHALL BE PAID FOR BY THE  
39 CUSTOMER-GENERATOR.

40           D. THE PUBLIC POWER ENTITY SHALL NOT REQUIRE MORE THAN ONE METER PER  
41 ELIGIBLE CUSTOMER-GENERATOR. AN ADDITIONAL METER MAY BE INSTALLED UNDER  
42 EITHER OF THE FOLLOWING CIRCUMSTANCES:

43           1. THE PUBLIC POWER ENTITY MAY INSTALL AN ADDITIONAL METER AT ITS OWN  
44 EXPENSE WITH THE CONSENT OF THE ELIGIBLE CUSTOMER-GENERATOR.

1           2. THE ELIGIBLE CUSTOMER-GENERATOR MAY REQUEST THAT THE PUBLIC POWER  
2 ENTITY INSTALL A METER, IN ADDITION TO THE REVENUE METER SPECIFIED IN  
3 SUBSECTION B OR C, AT THE CUSTOMER-GENERATOR'S EXPENSE. THE PUBLIC POWER  
4 ENTITY SHALL CHARGE THE CUSTOMER-GENERATOR NO MORE THAN THE ACTUAL COST OF  
5 THE METER AND THE INSTALLATION.

6           30-305. Charges

7           A. A PUBLIC POWER ENTITY SHALL PROVIDE NET-METERED ELIGIBLE  
8 CUSTOMER-GENERATORS ELECTRIC SERVICE AT NONDISCRIMINATORY RATES THAT ARE  
9 IDENTICAL, WITH RESPECT TO RATE STRUCTURE, RETAIL RATE COMPONENTS AND ANY  
10 MONTHLY CHARGES, TO THE RATES THAT CUSTOMER-GENERATORS WOULD BE CHARGED IF  
11 THEY WERE NOT CUSTOMER-GENERATORS.

12           B. A PUBLIC POWER ENTITY SHALL NOT CHARGE AN ELIGIBLE  
13 CUSTOMER-GENERATOR ANY FEE OR CHARGE OR IMPOSE ANY REQUIREMENT THAT IS NOT  
14 SPECIFICALLY AUTHORIZED BY THIS CHAPTER, UNLESS THE FEE, CHARGE OR OTHER  
15 REQUIREMENT WOULD APPLY TO OTHER SIMILARLY SITUATED CUSTOMERS WHO ARE NOT  
16 CUSTOMER-GENERATORS.

17           30-306. Right to inspect

18           A PUBLIC POWER ENTITY SHALL HAVE THE RIGHT TO INSPECT AN ELIGIBLE  
19 CUSTOMER-GENERATOR'S FACILITY DURING REASONABLE HOURS AND WITH REASONABLE  
20 PRIOR NOTICE TO THE CUSTOMER-GENERATOR. IF THE PUBLIC POWER ENTITY FINDS  
21 THAT THE CUSTOMER-GENERATOR'S FACILITY IS NOT IN COMPLIANCE WITH THE  
22 REQUIREMENTS OF THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS 1547  
23 STANDARD AND NONCOMPLIANCE ADVERSELY AFFECTS THE SAFETY OR RELIABILITY OF THE  
24 PUBLIC POWER ENTITY'S FACILITIES OR OTHER CUSTOMER'S FACILITIES, THE PUBLIC  
25 POWER ENTITY MAY REQUIRE THE ELIGIBLE CUSTOMER-GENERATOR TO DISCONNECT THE  
26 FACILITY UNTIL COMPLIANCE IS ACHIEVED.