

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H2/26/15

A Bill

HOUSE BILL 1004

5 By: Representative S. Meeks
6

For An Act To Be Entitled

8 AN ACT TO REQUIRE ELECTRIC UTILITIES TO COMPENSATE
9 NET-METERING CUSTOMERS FOR NET EXCESS GENERATION
10 CREDITS IN CERTAIN CIRCUMSTANCES; AND FOR OTHER
11 PURPOSES.
12
13

Subtitle

14 TO REQUIRE ELECTRIC UTILITIES TO
15 COMPENSATE NET-METERING CUSTOMERS FOR NET
16 EXCESS GENERATION CREDITS IN CERTAIN
17 CIRCUMSTANCES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 *SECTION 1. Arkansas Code § 23-18-603(6), concerning a definition used*
24 *under the Arkansas Renewable Energy Development Act of 2001, is amended to*
25 *read as follows:*

26 (6) "Net-metering facility" means a facility for the production
27 of electrical energy that:

28 (A) Uses solar, wind, hydroelectric, geothermal, or
29 biomass resources to generate electricity, including, but not limited to,
30 fuel cells and micro turbines that generate electricity if the fuel source is
31 entirely derived from renewable resources;

32 (B) Has a generating capacity of not more than:

33 (i) The greater of twenty-five kilowatts (25 kW) or
34 one hundred percent (100%) of the net-metering customer's usage for
35 residential use; or three

36 (ii) Three hundred kilowatts (300 kW) for any other



1 use unless otherwise allowed by the Arkansas Public Service Commission;

2 (C) Is located in Arkansas;

3 (D) Can operate in parallel with an electric utility's
4 existing transmission and distribution facilities; and

5 (E) Is intended primarily to offset part or all of the
6 net-metering customer requirements for electricity; and

7
8 SECTION 2. Arkansas Code § 23-18-604(b)(5) and (6), concerning the
9 authority of the Arkansas Public Service Commission, are amended to read as
10 follows:

11 (5) May increase the peak limits for individual net-metering
12 facilities if doing so results in distribution system, environmental, or
13 public policy benefits; ~~and~~

14 (6) Shall provide that:

15 (A)(i) The net excess generation credit remaining in a
16 net-metering customer's account at the close of an annual billing cycle, ~~up~~
17 ~~to an amount equal to four (4) months' average usage during the annual~~
18 ~~billing cycle that is closing, shall be credited to the net-metering~~
19 ~~customer's account for use during the next annual billing cycle; shall not~~
20 expire and shall be carried forward to subsequent billing cycles
21 indefinitely.

22 (ii) However, for net excess generation credits older
23 than twenty-four (24) months, a net-metering customer may elect to have the
24 electric utility purchase the net excess generation credits in the net-
25 metering customer's account at the electric utility's avoided costs of
26 wholesale power at the time of the request if the sum to be paid to the net-
27 metering customer is at least one hundred dollars (\$100).

28 (iii) An electric utility shall purchase at the
29 electric utility's avoided costs of wholesale power any net excess generation
30 credit remaining in a net-metering customer's account when the net-metering
31 customer:

32
33 (a) Ceases to be a customer of the electric
34 utility;

35 (b) Ceases to operate the net-metering
36 facility; or

1 (c) Transfers the net-metering facility to
2 another person; and

3 ~~(B) Except as provided in subdivision (b)(6)(A) of this~~
4 ~~section, any net excess generation credit remaining in a net metering~~
5 ~~customer's account at the close of an annual billing cycle shall expire; and~~

6 ~~(C) Any (B) A renewable energy credit created as the~~
7 ~~result of electricity supplied by a net-metering customer is the property of~~
8 ~~the net-metering customer that generated the renewable energy credit; and~~
9

10 *SECTION 3. Arkansas Code § 23-18-604(b), concerning the authority of*
11 *the Arkansas Public Service Commission, is amended to add an additional*
12 *subdivision to read as follows:*

13 (7) May allow a net-metering facility with a generating capacity
14 that exceeds three hundred kilowatts (300 kW) if:

15 (A) The net-metering facility is not for residential use;
16 and

17 (B) Allowing an increased generating capacity for the net-
18 metering facility would increase the state's ability to attract businesses to
19 Arkansas.

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21 *SECTION 4. Arkansas Code § 23-18-604, concerning the authority of the*
22 *Arkansas Public Service Commission, is amended to add additional subsections*
23 *to read as follows:*

24 (c)(1) As used in this section, "avoided costs" means the same as
25 defined in § 23-3-702.

26 (2) Avoided costs shall be determined under § 23-3-704.

27 (d)(1) Except as provided in subdivision (d)(2) of this section, an
28 electric utility shall separately meter, bill, and credit each net-metering
29 facility even if one (1) or more net-metering facilities are under common
30 ownership.

31 (2) At the net-metering customer's discretion, an electric
32 utility may apply net-metering credits from a net-metering facility to the
33 bill for another meter location if the net-metering facility and the separate
34 meter location are under common ownership.

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36 /s/S. Meeks