

State Corporation Commission 2019 Fiscal Impact Statement

1. **Bill Number:** SB1769

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Sturtevant

3. **Committee:** Commerce and Labor

4. **Title:** Electric utilities; net energy metering.

5. **Summary:** Establishes requirements for net energy metering by electric cooperatives effective upon the earlier of July 1, 2019, or the effective date of implementing regulations by the State Corporation Commission. Instances where the new net energy metering program's requirements differ from those of the existing program include (i) the cap on the capacity of generating facilities, which will initially be two percent of system peak for residential customers, two percent of system peak for not-for-profit and nonjurisdictional customers, and one percent of system peak for other nonresidential customers; (ii) authorizing an electric cooperative to raise these caps up to a cumulative total of seven percent of its system peak; (iii) legalizing third-party partial requirements power purchase agreements for those retail customers and nonjurisdictional customers of an electric cooperative that are exempt from federal income taxation; and (iv) establishing registration requirements for third-party partial requirements power purchase agreements, including a self-certification system under which a provider is required to certify to the Division, under oath and subject to penalty of revocation of registration, certain information. The measure authorizes the board of directors of an electric cooperative to adjust its rates, terms, conditions, and rate schedules governing net energy metering and prohibits a cooperative after the date of such an adjustment from collecting stand-by charges. The measure authorizes an electric cooperative to adopt a new rate schedule or rider containing demand charges based upon a net energy metering customer's noncoincident peak demand and provides for alternative caps on its net energy metering program. The measure authorizes a cooperative's fixed monthly charge covering the fixed costs of owning and operating its electric distribution system as an alternative to volumetric charges associated with demand; currently, the monthly charge may be assessed as an alternative to volumetric charges for electricity usage. The measure also authorizes an investor-owned utility participating in the pilot program for community solar development to petition the Commission to make its pilot program permanent.

6. **Budget Amendment Necessary:** None.

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7. Fiscal Impact Estimates: Would likely require additional staffing. The exact levels and cost estimates are not known at this time.

8. Fiscal Implications: Would likely require additional staffing. The exact levels and cost estimates are not known at this time.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.

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