

AN ACT to amend the public service law and the public authorities law, in relation to net energy metering for wind electric generating systems

Became a law September 14, 2004, with the approval of the Governor.
Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The public service law is amended by adding a new section 66-1 to read as follows:

§ 66-1. Net energy metering for residential and farm service wind electric generating systems. 1. Definitions. As used in this section, the following terms shall have the following meanings:

(a) "Customer-generator" means a residential customer and/or farm service customer of an electric corporation, who owns or operates wind electric generating equipment located and used at his or her primary residence.

(b) "Farm service customer" means customer land used in agricultural production as defined in subdivision four of section three hundred one of the agriculture and markets law.

(c) "Net energy meter" means a meter that measures the reverse flow of electricity to register the difference between the electricity supplied by an electric corporation to the customer-generator and the electricity provided to the corporation by that customer-generator.

(d) "Net energy metering" means the use of a net energy meter to measure, during the billing period applicable to a customer-generator, the net amount of electricity supplied by an electric corporation and provided to the corporation by a customer-generator.

(e) "Wind electric generating equipment" means a wind generator or generators with a combined rated capacity of not more than twenty-five kilowatts for residential customer-generation and not more than one hundred twenty-five kilowatts for farm service customer-generation, that is manufactured, installed, and operated in accordance with applicable government and industry standards, that is connected to the electric system and operated in conjunction with an electric corporation's transmission and distribution facilities, and that is operated in compliance with any standards and requirements established under this section.

2. Interconnection and net energy metering. An electric corporation shall provide for the interconnection of residential and farm service wind electric generating equipment owned or operated by a customer-generator and for net energy metering, provided that the customer-generator enters into a net energy metering contract with the corporation or complies with the corporation's net energy metering schedule and complies with standards and requirements established under this section. The customer-generator shall be responsible for payment of one-half of the expense of such interconnection on wind-electric generating equipment with a rated capacity of more than ten kilowatts.

EXPLANATION--Matter in *italics* is new; matter in brackets [-] is old law to be omitted.

3. Conditions of service. (a) On or before three months after the effective date of this section, each electric corporation shall develop a model contract and file a schedule that establishes consistent and reasonable rates, terms and conditions for net energy metering to customer-generators, according to the requirements of this section. The commission shall render a decision within three months from the date on which the schedule is filed. Each electric corporation shall make such contract and schedule available to customer-generators on a first come, first served basis, until the total rated generating capacity for residential and farm service wind electric generating equipment owned or operated by customer-generators in the corporation's service area is equivalent to two-tenths percent of the corporation's electric demand for the year two thousand three, as determined by the department.

(b) Nothing in this subdivision shall prohibit a corporation from providing net energy metering to additional customer-generators. The commission shall have the authority, after January first, two thousand six, to increase the percent limits if it determines that additional net energy metering is in the public interest.

(c) In the event that the electric corporation determines that it is necessary to install a dedicated transformer or transformers to protect the safety and adequacy of electric service provided to other customers, a customer-generator shall pay the electric corporation's actual costs of installing the transformer or transformers:

(i) in the case of a customer-generator who owns and operates wind electric generating equipment located and used at his or her residence with a combined rated capacity of not more than twenty-five kilowatts, up to a maximum amount of seven hundred fifty dollars; and

(ii) in the case of a customer-generator who owns and operates wind electric generating equipment located and used at his or her residence with a combined rated capacity of not more than one hundred twenty-five kilowatts, up to a maximum of one thousand dollars.

(d) An electric corporation shall impose no other charge or fee, including, but not limited to, back up, stand by or demand charges, for the provision of net metering to a customer-generator.

4. Rates. An electric corporation shall use net energy metering to measure and charge for the net electricity supplied by the corporation and provided to the corporation by a customer-generator, according to the following requirements:

(a) In the event that the amount of electricity supplied by the corporation during the billing period exceeds the amount of electricity provided by a customer-generator, the corporation shall charge the customer-generator for the net electricity supplied at the same rate per kilowatt hour applicable to service provided to other customers in the same service class which do not generate electricity onsite.

(b) In the event that the amount of electricity produced by a customer-generator during the billing period exceeds the amount of electricity used by the customer-generator, (i) for a customer-generator with wind electric generating equipment of not more than ten kilowatts, the corporation shall apply a credit to the next bill for service to the customer-generator for the net electricity provided at the same rate per kilowatt hour applicable to service provided to other customers in the same service class which do not generate electricity onsite; (ii) for a customer-generator with wind electric generating equipment of more than ten kilowatts, the corporation shall record the net amount of electricity provided to it by the customer-generator as a credit at the corporation's avoided cost rate. The credit provided to the customer-genera-

tor shall be equal to the cost otherwise avoided by the electric corporation in not having to purchase such energy in the competitive market or generate the same through facilities it owns or controls.

(c) At the end of the year or annualized over the period that service is supplied by means of net energy metering, the corporation shall promptly issue payment at its avoided cost to the customer-generator for the value of any remaining credit for the excess electricity produced during the year or over the annualized period by the customer-generator.

5. Safety standards. (a) On or before three months after the effective date of this section, each electric corporation shall establish standards that are necessary for net energy metering and the interconnection of residential and farm service wind electric generating equipment to its system and that the commission shall determine are necessary for safe and adequate service and further the public policy set forth in this section. Such standards may include, but shall not be limited to:

(i) equipment necessary to isolate automatically the residential and farm service generating system from the utility system for voltage and frequency deviations; and

(ii) a manual lockable disconnect switch provided by the customer-generator which shall be located on the outside of the customer's premises and externally accessible for the purpose of isolating the residential and farm service electric generating equipment.

(b) Upon its own motion or upon a complaint, the commission, or its designated representative, may investigate and make a determination as to the reasonableness and necessity of the standards or responsibility for compliance with the standards.

(i) An electric corporation may not require a customer-generator to comply with additional safety or performance standards, or perform or pay for additional tests, or purchase additional liability insurance, provided that:

A. the electric generating equipment meets the safety standards established pursuant to this paragraph; and

B. the total rated generating capacity (measured in kW) of residential or farm service electric generating equipment that provides electricity to the electric corporation through the same local feeder line, does not exceed twenty percent of the rated capacity of that local feeder line.

(ii) In the event that the total rated generating capacity of residential or farm service electric generating equipment that provides electricity to the electric corporation through the same local feeder line exceeds twenty percent of the rated capacity of the local feeder line, the electric corporation may require the customer-generator to comply with reasonable measures to ensure safety of that local feeder line.

6. Electric restructuring. Notwithstanding the provisions of this section, including, but not limited to paragraph (c) of subdivision three of this section, a customer-generator shall comply with any applicable determinations of the commission relating to restructuring of the electric industry.

7. Severability of provisions. The provisions of this section shall be severable and if the application of any clause, sentence, paragraph, subdivision, section, or part thereof to any person or circumstance shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not necessarily affect, impair, or invalidate the application of any such clause, sentence, paragraph, subdivision, section, part or remainder thereof, as the case may be, to any other person or circumstance, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof

directly involved in the controversy in which such judgment shall be rendered.

§ 2. Subdivision (h) of section 1020-g of the public authorities law, as amended by chapter 515 of the laws of 2002, is amended to read as follows:

(h) To implement programs and policies designed to provide for the interconnection of: (i) solar electric generating equipment owned or operated by residential customers; ~~and~~ (ii) farm waste electric generating equipment owned or operated by customer-generators and for net energy metering consistent with section sixty-six-j of the public service law, to increase the efficiency of energy end use, to shift demand from periods of high demand to periods of low demand and to facilitate the development of cogeneration; **and (iii) wind electric generating equipment owned or operated by customer-generators and for net energy metering consistent with section sixty-six-l of the public service law.**

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.

The Legislature of the STATE OF NEW YORK **ss:**

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
Temporary President of the Senate

SHELDON SILVER
Speaker of the Assembly
