

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 21-0250.01 Duane Gall x4335

SENATE BILL 21-261

SENATE SPONSORSHIP

Fenberg,

HOUSE SPONSORSHIP

(None),

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING MEASURES TO INCREASE THE DEPLOYMENT OF
102 RENEWABLE ENERGY GENERATION FACILITIES TO MEET
103 COLORADO'S ENERGY NEEDS, AND, IN CONNECTION THEREWITH,
104 RAISING THE ALLOWABLE CAPACITY OF CUSTOMER-SITED
105 RENEWABLE ENERGY GENERATION FACILITIES AND GIVING
106 CUSTOMERS ADDITIONAL OPTIONS FOR INCREASING THE SCALE
107 AND FLEXIBILITY OF NEW INSTALLATIONS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

Section 1 of the bill declares that customer-sited renewable energy generation facilities (distributed generation) such as rooftop solar panels, together with increased storage capacity and enhanced master meter operations, can make important contributions toward meeting Colorado's declared goal of reducing greenhouse gas emissions while providing a reliable, adaptable supply of electricity for homes, businesses, and the rapidly increasing numbers of electric vehicles.

Sections 3 and 5 remove most of the existing limitations on the size of distributed generation facilities, which currently cannot exceed 120% of a customer's historical annual usage, to qualify for renewable energy credits. Section 3 also expands an existing exemption from regulation as a public utility to include persons who sell excess power from distributed generation located anywhere on their property or on property owned or leased by others in a master meter operation, e.g., an apartment building or mobile home park. **Section 4** grants master meter operators (MMOs) that sell power from distributed generation a limited exemption from the general requirement not to charge their end users any amount above what they are billed for electricity supplied by the serving electric utility. MMOs may retain refunds, rebates, rate reductions, net metering credits, and similar reductions offered by the serving utility in its net metering program but may not charge end users at a rate higher than the serving utility's otherwise applicable rate for that class of utility customer.

Section 5 requires a qualifying retail utility to allow, and to adopt standards for the approval of, customer-owned meter collar adapters in residential installations. The public utilities commission (PUC) retains authority to resolve any disputes concerning the standards or their application in specific cases. **Section 2** defines a meter collar adapter as a device installed between the electric meter and the meter socket box that allows the customer to interconnect power from on-site sources.

Section 5 also:

- Requires qualifying retail utilities, under the standard offer to purchase renewable energy credits, to purchase energy produced from any renewable energy resources rather than exclusively solar energy resources;
- Doubles the allowable size of on-site renewable energy installations under the standard offer, from 500 kilowatts to one megawatt;
- Narrows the requirements for small hydroelectric facilities that qualify as renewable energy resources to exclude those that require the construction of new dams or reservoirs;
- Adds renewable energy storage as an eligible energy resource under the renewable energy standard and defines "renewable energy storage" as a facility that stores energy that is derived only from renewable energy resources;

- Allows a customer to carry forward monthly bill credits from distributed generation indefinitely, at any service address within a qualifying retail utility's service territory, unless the customer chooses to be reimbursed annually; and
- Directs the PUC to adopt rules to accommodate the aggregation and interconnection of retail distributed generation, including the pooling of renewable energy resources under a master meter or similar arrangement and the allocation of credits among customers on different rate schedules.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds, determines, and declares that:

4 (a) The state of Colorado has established the goal of cutting
5 greenhouse gas emissions by at least twenty-six percent by 2025, fifty
6 percent by 2030, and ninety percent by 2050;

7 (b) In order to meet these goals, much of Colorado's heating,
8 electrical generation, and transportation systems will be increasingly
9 reliant on renewable energy;

10 (c) Although large-scale renewable energy generation resources
11 will make up most of Colorado's overall electric energy supply in the
12 future, distributed generation plays a significant and increasingly
13 important role because:

14 (I) Distributed generation reduces the need for investment in
15 expensive, long-term projects to develop transmission facilities, which are
16 required to bring energy from centralized power sources to the end user;

17 (II) When a producer exports excess electricity from distributed
18 generation onto the state's power grid, the electricity is quickly consumed
19 by nearby users, reducing the losses incurred in long-distance
20 transmission over power lines;

1 (III) Distributed generation and storage has the potential to be
2 used in advanced demand-response programs to create a more efficient
3 and resilient grid as well as reduce the need for investments in expensive,
4 yet rarely used, peaker plants;

5 (IV) Distributed generation, especially when paired with energy
6 storage, creates a reliable energy source that is less vulnerable to natural
7 disasters and grid failures; and

8 (V) Consumers and local governments increasingly want to have
9 more local control over their energy decisions for both environmental and
10 economic reasons, making local distributed generation investments an
11 appealing option;

12 (d) Consumers and businesses are increasingly relying on electric
13 vehicles for transportation, therefore enhancing the importance of
14 abundant, locally produced power for recharging;

15 (e) Beneficial electrification policies and technological
16 advancements will result in consumers switching their existing space
17 heating and water heating systems to efficient electric heat pumps and
18 water heaters, which will increase the electricity demands of homes and
19 businesses;

20 (f) Colorado law currently limits the capacity of customer-sited
21 photovoltaic solar generating facilities to only twenty percent over a
22 customer's previous annual energy usage, an artificial and increasingly
23 unrealistic barrier to Coloradans' ability to address their future electricity
24 and energy storage needs;

25 (g) Due to economies of scale, it is more cost-effective for
26 consumers to install a larger photovoltaic system based on projected
27 electricity needs rather than needing to supplement their system later

1 when their electric load increases;

2 (h) Measuring and enforcing such a limitation on the size of
3 customer-sited distributed generation creates unnecessary and costly
4 administrative burdens on both consumers and utilities; and

5 (i) It is in the public interest, and would serve Colorado's stated
6 policy goal of decarbonizing our electric power supply system, to remove
7 this arbitrary limit on customer-sited solar generation facilities as well as
8 to reform other outdated regulations that hinder the efficient development
9 of clean energy resources.

10 **SECTION 2.** In Colorado Revised Statutes, 40-1-102, **add** (8.5)
11 as follows:

12 **40-1-102. Definitions.** As used in articles 1 to 7 of this title 40,
13 unless the context otherwise requires:

14 (8.5) "METER COLLAR ADAPTER" MEANS A DEVICE THAT IS
15 INSTALLED BETWEEN THE ELECTRIC METER AND THE METER SOCKET BOX
16 ON A UTILITY CUSTOMER'S PREMISES AND THAT HAS ELECTRICAL
17 CONNECTION POINTS BOTH ELECTRICALLY UPSTREAM AND ELECTRICALLY
18 DOWNSTREAM OF THE METER.

19 **SECTION 3.** In Colorado Revised Statutes, 40-1-103, **amend**
20 (2)(c) as follows:

21 **40-1-103. Public utility defined.** (2) (c) The supply of electricity
22 or heat to a consumer of the electricity or heat from ~~solar generating~~
23 ~~equipment located on the site of the consumer's property, which~~
24 ~~equipment is~~ RENEWABLE ENERGY GENERATION FACILITIES owned or
25 operated by an entity other than the consumer, ~~shall~~ INCLUDING A MASTER
26 METER OPERATOR, AS DESCRIBED IN SECTION 40-1-103.5, DOES not subject
27 the owner or operator of the ~~on-site solar generating equipment~~

1 RENEWABLE ENERGY GENERATION FACILITIES to regulation as a public
2 utility by the commission if the solar generating equipment is sized to
3 supply no more than one hundred twenty percent of the average annual
4 consumption of electricity by the consumer at that site. For purposes of
5 this paragraph (c), the consumer's site shall include all contiguous
6 RENEWABLE ENERGY GENERATION FACILITIES ARE LOCATED ON property
7 owned or leased by EITHER:

8 (I) The consumer; ~~without regard to interruptions in contiguity~~
9 ~~caused by easements, public thoroughfares, transportation rights-of-way,~~
10 ~~or utility rights-of-way.~~ OR

11 (II) A MASTER METER OPERATOR OR ANOTHER CONSUMER SERVED
12 BY THE MASTER METER OPERATOR.

13 **SECTION 4.** In Colorado Revised Statutes, 40-1-103.5, **amend**
14 (1) as follows:

15 **40-1-103.5. Limited exemption of master meter operators -**
16 **conditions - rules - definition.** (1) Upon its own motion or upon
17 application by any person who purchases gas or electric service from a
18 regulated public utility for the purpose of delivery of such service to end
19 users whose aggregate usage is to be measured by a master meter or other
20 composite measurement device, the commission may exempt such person
21 from regulation of rates under the "Public Utilities Law", articles 1 to 7
22 of this ~~title~~ TITLE 40, as the commission deems appropriate, so long as all
23 of the following conditions are met:

24 (a) Such person, referred to in this section as a "master meter
25 operator" or "MMO", does not charge the end users, as part of its billing
26 for utility service, for any costs in addition to the actual cost billed to the
27 MMO by the serving utility, including without limitation costs of

1 construction, maintenance, financing, administration, metering, or billing
2 for the utility distribution system owned by the MMO; EXCEPT THAT THIS
3 SUBSECTION (1)(a) DOES NOT APPLY TO REFUNDS, REBATES, RATE
4 REDUCTIONS, NET METERING CREDITS, OR SIMILAR ADJUSTMENTS
5 ATTRIBUTABLE TO THE USE OF ELECTRICITY GENERATED FROM RETAIL
6 DISTRIBUTED GENERATION THAT IS LOCATED ON PROPERTY OWNED OR
7 LEASED BY THE MMO OR BY A CUSTOMER SERVED BY THE MMO.

8 (b) (I) If the MMO bills the end users separately for service,
9 OTHER THAN ELECTRICITY GENERATED FROM RETAIL DISTRIBUTED
10 GENERATION THAT IS LOCATED ON PROPERTY OWNED OR LEASED BY THE
11 MMO OR BY A CUSTOMER SERVED BY THE MMO, the sum of such billings
12 does not exceed the amount billed to the MMO by the serving utility.

13 (II) IF THE MMO BILLS THE END USERS SEPARATELY FOR
14 ELECTRICITY GENERATED FROM RETAIL DISTRIBUTED GENERATION THAT
15 IS LOCATED ON PROPERTY OWNED OR LEASED BY THE MMO OR BY A
16 CUSTOMER SERVED BY THE MMO, THE AMOUNT BILLED TO AN END USER
17 DOES NOT EXCEED THE AMOUNT THAT THE END USER WOULD OTHERWISE
18 HAVE BEEN BILLED BY THE SERVING UTILITY UNDER THE APPLICABLE RATE
19 SCHEDULE.

20 (c) If the MMO bills the end users separately for service, the
21 MMO passes on to the end users any refunds, rebates, rate reductions, or
22 similar adjustments it receives from the serving utility; EXCEPT THAT THE
23 MMO MAY RETAIN ANY REFUNDS, REBATES, RATE REDUCTIONS, NET
24 METERING CREDITS, OR SIMILAR ADJUSTMENTS ATTRIBUTABLE TO THE USE
25 OF RETAIL DISTRIBUTED GENERATION THAT IS LOCATED ON PROPERTY
26 OWNED OR LEASED BY THE MMO OR BY A CUSTOMER SERVED BY THE
27 MMO.

1 (d) Any other conditions deemed necessary by the commission.

2 **SECTION 5.** In Colorado Revised Statutes, 40-2-124, **amend**
3 (1)(a) introductory portion, (1)(a)(VII), (1)(a)(VIII), (1)(c)(II)(B), (1)(e)
4 introductory portion, (1)(e)(I), (1)(e)(II), (1)(e)(III), and (1.5); and **add**
5 (1)(a)(VII.5), (1)(e)(IV), and (1)(j) as follows:

6 **40-2-124. Renewable energy standards - qualifying retail and**
7 **wholesale utilities - definitions - net metering - legislative declaration.**

8 (1) Each provider of retail electric service in the state of Colorado, other
9 than municipally owned utilities that serve forty thousand customers or
10 fewer, is a qualifying retail utility. Each qualifying retail utility, with the
11 exception of cooperative electric associations that have voted to exempt
12 themselves from commission jurisdiction pursuant to section 40-9.5-104
13 and municipally owned utilities, is subject to the rules established under
14 this article 2 by the commission. No additional regulatory authority is
15 provided to the commission other than that specifically contained in this
16 section. In accordance with article 4 of title 24, the commission shall
17 revise or clarify existing rules to establish the following:

18 (a) Definitions of eligible energy resources that can be used to
19 meet the standards. "Eligible energy resources" means recycled energy,
20 **and** renewable energy resources, AND RENEWABLE ENERGY STORAGE. In
21 addition, resources using coal mine methane and synthetic gas produced
22 by pyrolysis of municipal solid waste are eligible energy resources if the
23 commission determines that the electricity generated by those resources
24 is greenhouse gas neutral. The commission shall determine, following an
25 evidentiary hearing, the extent to which such electric generation
26 technologies utilized in an optional pricing program may be used to
27 comply with this standard. A fuel cell using hydrogen derived from an

1 eligible energy resource is also an eligible electric generation technology.
2 Fossil and nuclear fuels and their derivatives are not eligible energy
3 resources. For purposes of this section:

4 (VII) "Renewable energy resources" means solar, wind,
5 geothermal, biomass THAT IS GREENHOUSE GAS NEUTRAL, new
6 hydroelectricity with a nameplate rating of ten megawatts or less, and
7 hydroelectricity in existence on January 1, 2005, with a nameplate rating
8 of thirty megawatts or less AND THAT DOES NOT REQUIRE THE
9 CONSTRUCTION OF ANY NEW DAMS OR RESERVOIRS.

10 (VII.5) "RENEWABLE ENERGY STORAGE" MEANS AN ENERGY
11 STORAGE SYSTEM, AS DEFINED IN SECTION 40-2-130 (2)(a), THAT STORES
12 ENERGY PRODUCED ONLY BY RENEWABLE ENERGY RESOURCES.

13 (VIII) EXCEPT AS PROVIDED IN SUBSECTION (1)(c)(II)(D) OF THIS
14 SECTION WITH RESPECT TO COOPERATIVE ELECTRIC ASSOCIATIONS, "retail
15 distributed generation" means a renewable energy resource that is located
16 ~~on the site of a customer's facilities~~ ANY PROPERTY OWNED OR LEASED BY
17 THE CUSTOMER WITHIN THE SERVICE TERRITORY OF THE QUALIFYING
18 RETAIL UTILITY and is interconnected on the customer's side of the utility
19 meter. ~~In addition, retail distributed generation shall provide electric
20 energy primarily to serve the customer's load and shall be sized to supply
21 no more than one hundred twenty percent of the average annual
22 consumption of electricity by the customer at that site. For purposes of
23 this subparagraph (VIII), the customer's "site" includes all contiguous
24 property owned or leased by the customer without regard to interruptions
25 in contiguity caused by easements, public thoroughfares, transportation
26 rights-of-way, or utility rights-of-way.~~

27 (c) Electric resource standards:

1 (II) (B) ~~Solar generating equipment located on-site at customers'~~
2 ~~facilities shall be sized to supply no more than one hundred twenty~~
3 ~~percent of the average annual consumption of electricity by the consumer~~
4 ~~at that site. For purposes of this sub-subparagraph (B), the consumer's~~
5 ~~"site" shall include all contiguous property owned or leased by the~~
6 ~~consumer, without regard to interruptions in contiguity caused by~~
7 ~~easements, public thoroughfares, transportation rights-of-way, or utility~~
8 ~~rights-of-way~~ A QUALIFYING RETAIL UTILITY THAT IS INVESTOR-OWNED
9 SHALL NOT LIMIT THE SIZING OF ON-SITE RETAIL DISTRIBUTED GENERATION
10 CAPACITY BASED ON PAST CONSUMPTION. COOPERATIVE ELECTRIC
11 ASSOCIATIONS ARE NOT SUBJECT TO THIS SUBSECTION (1)(c)(II)(B).

12 (e) A REQUIREMENT THAT EACH QUALIFYING RETAIL UTILITY,
13 EXCEPT FOR COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPALLY
14 OWNED UTILITIES, MAKE AVAILABLE TO THEIR CUSTOMERS A standard
15 rebate offer ~~program~~ AND NET METERING SERVICE, under which:

16 (I) (A) ~~Each qualifying retail utility, except for cooperative~~
17 ~~electric associations and municipally owned utilities, shall make available~~
18 ~~to its retail electricity customers a standard rebate offer of~~ CUSTOMERS
19 ARE OFFERED a specified amount per watt for the installation of eligible
20 solar electric generation on THE customers' premises, up to a maximum
21 of one hundred kilowatts per installation.

22 (A.5) A QUALIFYING RETAIL UTILITY'S INTERCONNECTION
23 STANDARDS FOR DISTRIBUTED ENERGY RESOURCES MUST ALLOW FOR
24 CUSTOMER OWNERSHIP AND USE OF A METER COLLAR ADAPTER TO PERMIT
25 THE INTERCONNECTION OF DISTRIBUTED ENERGY RESOURCES AND FOR
26 ELECTRICAL ISOLATION OF THE CUSTOMER'S SITE FOR ENERGY BACKUP
27 PURPOSES. THE QUALIFYING RETAIL UTILITY SHALL, WITHIN NINETY DAYS

1 AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (1)(e)(I)(A.5), ADOPT A
2 TRANSPARENT PROCESS FOR APPROVING CUSTOMER-OWNED METER
3 COLLAR ADAPTERS THAT MEET MINIMUM SAFETY REQUIREMENTS. THE
4 COMMISSION SHALL RESOLVE ANY DISPUTES CONCERNING THE SUBSTANCE
5 OR PROCEDURES INVOLVED IN THE APPROVAL PROCESS OR ITS APPLICATION
6 IN ANY SPECIFIC CASE. THE APPROVAL PROCESS MUST TAKE NO MORE
7 THAN SIXTY DAYS AFTER THE DATE OF SUBMISSION FOR APPROVAL OF A
8 SPECIFIC METER COLLAR ADAPTER BY THE PROPOSING PARTY. APPROVED
9 METER COLLAR ADAPTERS MUST BE UL LISTED AND MUST BE SUITABLE
10 PER THE ADAPTER'S UL LISTING DOCUMENTATION FOR USE IN METER
11 SOCKETS OF UP TO TWO HUNDRED AMPERES. THE QUALIFYING RETAIL
12 UTILITY SHALL DEFINE AND PUBLISH IN ITS TARIFFS A PROCESS TO REQUEST
13 AND INSTALL A METER COLLAR ADAPTER, WHICH PROCESS IS TIMELY AND
14 NOT UNDULY BURDENSOME TO THE CUSTOMER. THE QUALIFYING RETAIL
15 UTILITY SHALL POST ON ITS WEBSITE ITS LIST OF APPROVED METER COLLAR
16 ADAPTERS, WHICH LIST MUST BE UPDATED AT LEAST ANNUALLY.

17 (B) ~~The standard rebate offer shall~~ QUALIFYING RETAIL UTILITY'S
18 NET METERING SERVICE MUST allow the customer's retail electricity
19 consumption to be offset by the ~~solar~~ electricity generated BY
20 CUSTOMER-SITED RENEWABLE ENERGY GENERATION FACILITIES. To the
21 extent that ~~solar~~ THE electricity ~~generation~~ THUS GENERATED exceeds the
22 customer's consumption during a billing month, ~~such~~ THE QUALIFYING
23 RETAIL UTILITY SHALL CARRY FORWARD THE VALUE OF THE excess
24 electricity ~~shall be carried forward~~ as a credit to the following month's
25 CUSTOMER'S consumption ~~To the extent that solar electricity generation~~
26 ~~exceeds the customer's consumption during a calendar year, the customer~~
27 ~~shall be~~ IN THE FOLLOWING MONTH. THE MONTHLY CARRY-FORWARD

1 CONTINUES FROM MONTH TO MONTH INDEFINITELY UNTIL THE CUSTOMER
2 TERMINATES SERVICE WITH THE QUALIFYING RETAIL UTILITY AT ALL
3 SERVICE ADDRESSES WITHIN THE SERVICE TERRITORY OF THE QUALIFYING
4 RETAIL UTILITY, AT WHICH TIME THE QUALIFYING RETAIL UTILITY IS NOT
5 REQUIRED TO PAY THE CUSTOMER FOR ANY REMAINING EXCESS
6 ELECTRICITY SUPPLIED BY THE CUSTOMER; EXCEPT THAT, TO THE EXTENT
7 THAT SOLAR ELECTRICITY GENERATION EXCEEDS THE CUSTOMER'S
8 CONSUMPTION DURING A CALENDAR YEAR, THE CUSTOMER MAY ELECT, IN
9 WRITING, TO BE reimbursed by the qualifying retail utility AT THE END OF
10 EACH CALENDAR YEAR at ~~its~~ THE QUALIFYING RETAIL UTILITY'S average
11 hourly incremental cost of electricity supply over ~~the prior twelve-month~~
12 ~~period unless the customer makes a one-time election, in writing, to~~
13 ~~request that the excess electricity be carried forward as a credit from~~
14 ~~month to month indefinitely until the customer terminates service with the~~
15 ~~qualifying retail utility, at which time no payment shall be required from~~
16 ~~the qualifying retail utility for any remaining excess electricity supplied~~
17 ~~by the customer~~ THAT CALENDAR YEAR. The qualifying retail utility shall
18 not apply unreasonably burdensome ~~interconnection~~ requirements TO
19 INTERCONNECTION OR REIMBURSEMENT OPTIONS in connection with ~~this~~
20 ~~standard rebate offer~~ THE QUALIFYING RETAIL UTILITY'S NET METERING
21 SERVICE. Electricity generated under this program ~~shall be~~ IS eligible for
22 PURPOSES OF the qualifying retail utility's compliance with this ~~article~~
23 ARTICLE 2 SO LONG AS THE QUALIFYING RETAIL UTILITY PURCHASES THE
24 ASSOCIATED RENEWABLE ENERGY CREDITS. THE COMMISSION SHALL NOT
25 PERMIT A QUALIFYING RETAIL UTILITY TO PLACE A CUSTOMER IN A
26 DIFFERENT RATE CLASS AS A RESULT OF THE CUSTOMER'S PARTICIPATION
27 IN A REBATE OFFER OR NET METERING SERVICE.

1 (II) ~~Sales of electricity to a consumer may be made by~~ The owner
2 or operator of ~~the~~ solar electric generation facilities located on ~~the site of~~
3 ~~the consumer's property if the solar generating equipment is sized to~~
4 ~~supply no more than one hundred twenty percent of the average annual~~
5 ~~consumption of electricity by the consumer at that site. For purposes of~~
6 ~~this subparagraph (H), the consumer's site shall include all contiguous~~
7 ANY property owned or leased by ~~the~~ A consumer, ~~without regard to~~
8 ~~interruptions in contiguity caused by easements, public thoroughfares,~~
9 ~~transportation rights-of-way, or utility rights-of-way~~ WHICH PROPERTY IS
10 WITHIN THE SERVICE TERRITORY OF THE QUALIFYING RETAIL UTILITY, MAY
11 SELL ELECTRICITY TO THE CONSUMER. If ~~the~~ A solar electric generation
12 facility is not owned by the consumer, then THE COMMISSION SHALL NOT
13 REQUIRE the qualifying retail utility ~~shall not be required by the~~
14 ~~commission~~ to pay for the renewable energy credits generated by the
15 facility on any basis other than a metered basis. The owner or operator of
16 the solar electric generation facility shall pay the cost of installing the
17 production meter.

18 (III) The qualifying retail utility may establish one or more
19 standard offers to purchase renewable energy credits generated from ~~the~~
20 ~~eligible solar electric generation~~ ELIGIBLE ENERGY RESOURCES on the
21 customer's premises so long as ~~the generation meets the size and location~~
22 ~~requirements set forth in subparagraph (H) of this paragraph (c) and so~~
23 ~~long as~~ the generation is ~~five hundred kilowatts~~ ONE MEGAWATT or less
24 in size. When establishing the standard offers, THE QUALIFYING RETAIL
25 UTILITY SHOULD SET the prices for renewable energy credits ~~should be set~~
26 at levels sufficient to encourage increased ~~customer-sited solar~~
27 DISTRIBUTED generation AND RENEWABLE ENERGY STORAGE in the size

1 ranges covered by each standard offer, but at levels that will still allow
2 the qualifying retail utility to comply with the electric resource standards
3 set forth in ~~paragraph (c) of this subsection (1)~~ SUBSECTION (1)(c) OF THIS
4 SECTION without exceeding the retail rate impact limit in ~~paragraph (g) of~~
5 ~~this subsection (1)~~. The commission shall encourage qualifying retail
6 utilities to design solar programs that allow consumers of all income
7 levels to obtain the benefits offered by solar electricity generation and
8 shall allow programs that are designed to extend participation to
9 customers in market segments that have not been responding to the
10 standard offer program SUBSECTION (1)(g) OF THIS SECTION.

11 (IV) THE COMMISSION SHALL ENCOURAGE QUALIFYING RETAIL
12 UTILITIES TO DESIGN REBATE OFFERS AND OTHER INCENTIVE PROGRAMS
13 THAT ALLOW CONSUMERS OF ALL INCOME LEVELS, PARTICULARLY THOSE
14 IN LOW-INCOME AND DISPROPORTIONATELY IMPACTED COMMUNITIES, TO
15 OBTAIN THE BENEFITS OFFERED BY DISTRIBUTED GENERATION AND
16 ENERGY STORAGE, AND SHALL ENCOURAGE PROGRAMS THAT ARE
17 DESIGNED TO EXTEND PARTICIPATION TO CUSTOMERS IN THESE AND OTHER
18 MARKET SEGMENTS THAT HAVE PREVIOUSLY BEEN UNDERREPRESENTED
19 IN THE STANDARD OFFER PROGRAM.

20 (j) RULES TO ACCOMMODATE AGGREGATION AND
21 INTERCONNECTION OF RETAIL DISTRIBUTED GENERATION, INCLUDING:

22 (I) ALLOWING ELECTRICITY GENERATED FROM A SINGLE
23 RENEWABLE RETAIL DISTRIBUTED GENERATION RESOURCE ON A
24 MULTI-UNIT PROPERTY TO BE ALLOCATED AS NET METERING CREDITS TO
25 EITHER COMMON AREAS OF THE PROPERTY OR TO INDIVIDUALLY METERED
26 ACCOUNTS WITHOUT REQUIRING THE RESOURCE TO BE PHYSICALLY
27 INTERCONNECTED WITH EACH OWNER'S OR LESSEE'S METER;

1 (II) ALLOWING A UTILITY CUSTOMER WITH RETAIL DISTRIBUTED
2 GENERATION INTERCONNECTED WITH A MASTER METER TO ALLOCATE
3 EXCESS NET METERING CREDITS TO ANY METER ON PROPERTY OWNED OR
4 LEASED BY THE CUSTOMER IN ACCORDANCE WITH A CUSTOMER-DEFINED
5 SYSTEM SHARE FOR EACH ADDITIONAL METER, WITH EXCESS NET
6 METERING CREDITS APPLIED TO THE ADDITIONAL METER;

7 (III) WHERE RETAIL DISTRIBUTED GENERATION IS BEING USED TO
8 OFFSET THE LOAD OF MULTIPLE, SEPARATELY METERED PROPERTIES THAT
9 ARE NOT ON THE SAME RATE SCHEDULE, ALLOWING ALLOCATION OF THE
10 BILL CREDITS THAT MAY BE APPLIED TO ANY OF THE METERED ACCOUNTS;

11 (IV) REQUIRING QUALIFYING RETAIL UTILITIES TO APPLY THE SAME
12 INSTALLATION STANDARDS AND LIST OF APPROVED METER COLLAR
13 ADAPTERS DEVELOPED PURSUANT TO SUBSECTION (1)(e)(I)(A.5) OF THIS
14 SECTION TO ALL CUSTOMERS DESIRING TO USE RETAIL DISTRIBUTED
15 GENERATION TO OFFSET THEIR INDIVIDUAL ENERGY LOADS; AND

16 (V) REQUIRING QUALIFYING RETAIL UTILITIES TO DEVELOP
17 PROGRAMS AND TARIFFS TO SUPPORT THE ADOPTION AND USE OF
18 DISPATCHABLE RENEWABLE DISTRIBUTED GENERATION AND STORAGE
19 RESOURCES TO PROVIDE GRID BENEFITS, SUCH AS ENHANCING THE
20 EFFICIENCY, CAPACITY, AND RESILIENCE OF THE ELECTRIC GRID, AND TO
21 REDUCE GREENHOUSE GAS EMISSIONS. AS USED IN THIS SUBSECTION
22 (1)(j)(V), "DISPATCHABLE" MEANS THAT THE POWER OUTPUT SUPPLIED TO
23 THE ELECTRIC GRID BY A CUSTOMER-SITED RENEWABLE ENERGY
24 GENERATION OR STORAGE FACILITY CAN BE TURNED ON AND OFF OR
25 OTHERWISE ADJUSTED ON DEMAND.

26 (1.5) Notwithstanding any provision of law to the contrary,
27 ~~paragraph (c) of subsection (1)~~ SUBSECTIONS (1)(e) AND (1)(j) of this

1 section ~~shall~~ DO not apply to a municipally owned utility or to a
2 cooperative electric association.

3 **SECTION 6. Applicability.** This act applies to contracts for
4 distributed generation and energy storage facilities executed on or after
5 the effective date of this act.

6 **SECTION 7. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety.