
HOUSE BILL No. 1603

DIGEST OF INTRODUCED BILL

Citations Affected: None (noncode).

Synopsis: Net metering and interconnection rules. Requires the utility regulatory commission (IURC) to adopt emergency rules amending the IURC's net metering and interconnection rules for electric utilities. Requires the amended rules to: (1) make net metering available to residential, commercial, and industrial customers and K-12 schools; (2) allow a generating facility with a nameplate capacity of two megawatts or less to interconnect to the distribution facility of an electric utility; and (3) allow an electric utility to limit the total nameplate capacity of all generating facilities interconnected with its distribution system to 1% of the utility's most recent summer peak load. Provides that the existing rules are void to the extent they do not comply with the requirements for the amended rules. Requires the IURC to report to the regulatory flexibility committee on the IURC's progress in adopting the amended rules.

Effective: Upon passage.

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January 19, 2005, read first time and referred to Committee on Utilities and Energy.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1603



A BILL FOR AN ACT concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
- 2 **SECTION, "commission" refers to the Indiana utility regulatory**
- 3 **commission created by IC 8-1-1-2.**
- 4 (b) **The general assembly finds that:**
- 5 (1) **a simplified interconnection and net metering program for**
- 6 **net metering facilities would:**
- 7 (A) **encourage private investment in renewable and clean**
- 8 **energy resources;**
- 9 (B) **stimulate economic growth in Indiana;**
- 10 (C) **encourage energy independence and security; and**
- 11 (D) **enhance the diversification of Indiana's energy**
- 12 **resources; and**
- 13 (2) **net metering and interconnection rules adopted by the**
- 14 **commission and codified at 170 IAC 4-4.2 are inadequate to**
- 15 **achieve the objectives described in subdivision (1) because the**
- 16 **rules are too restrictive with respect to:**
- 17 (A) **the customer classes eligible to participate in a net**
- 18 **metering program offered by an electric utility;**



- 1 **(B) the maximum nameplate capacity of a generating**
- 2 **facility eligible to interconnect with a distribution facility**
- 3 **of an electric utility; and**
- 4 **(C) the total nameplate capacity of all generating facilities**
- 5 **that may interconnect with the distribution system of an**
- 6 **electric utility.**

7 **(c) Subject to subsection (d) and not later than July 1, 2005, the**
 8 **commission shall adopt rules to amend the net metering and**
 9 **interconnection rules adopted by the commission and codified at**
 10 **170 IAC 4-4.2. The commission shall adopt the rules required by**
 11 **this subsection in the same manner as emergency rules are adopted**
 12 **under IC 4-22-2-37.1. The rules adopted by the commission under**
 13 **this subsection must do the following:**

- 14 **(1) Require an electric utility to offer net metering to at least**
- 15 **the following customer classes:**
 - 16 **(A) Residential customers.**
 - 17 **(B) Commercial customers.**
 - 18 **(C) Industrial customers.**
 - 19 **(D) K-12 schools.**
 - 20 **(E) Institutions of higher education (as defined in**
 - 21 **IC 6-3-3-5).**
- 22 **(2) Allow a net metering customer to interconnect a**
- 23 **generating facility with a nameplate capacity of two (2)**
- 24 **megawatts or less to a distribution facility of an electric**
- 25 **utility.**
- 26 **(3) Allow an electric utility to limit the total nameplate**
- 27 **capacity of all generating facilities interconnected with the**
- 28 **electric utility's distribution system under a net metering**
- 29 **program to one percent (1%) of the electric utility's most**
- 30 **recent summer peak load.**

31 **Rules adopted under this subsection expire on the date the rules**
 32 **are adopted by the commission under IC 4-22-2-24 through**
 33 **IC 4-22-2-36, or on January 1, 2007, whichever is earlier.**

34 **(d) Not later than June 1, 2005, the commission shall evaluate**
 35 **the net metering and interconnection rules adopted by the**
 36 **commission and codified at 170 IAC 4-4.2 for compliance with the**
 37 **requirements set forth in subsection (c). To the extent that any**
 38 **rules codified at 170 IAC 4-4.2 do not meet the requirements set**
 39 **forth in subsection (c), the rules are void. Not later than June 10,**
 40 **2005, the commission shall notify the publisher of the Indiana**
 41 **Administrative Code and Indiana Register of any rules codified at**
 42 **170 IAC 4-4.2 that are void under this subsection. The publisher**

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1 shall remove the rules that are void under this subsection from the
2 Indiana Administrative Code.

3 (e) Not later than November 1, 2005, the commission shall
4 report to the regulatory flexibility committee established by
5 IC 8-1-2.6-4 on the commission's progress in finally adopting,
6 under IC 4-22-2-24 through IC 4-22-2-36, the emergency rules
7 initially adopted by the commission under subsection (c).

8 (f) This SECTION expires January 1, 2007.

9 SECTION 2. An emergency is declared for this act.

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