



Reprinted
February 2, 2010

HOUSE BILL No. 1094

DIGEST OF HB 1094 (Updated February 1, 2010 7:10 pm - DI 107)

Citations Affected: IC 8-1; noncode.

Synopsis: Net metering. Requires the utility regulatory commission (IURC) to adopt emergency rules amending the IURC's net metering and interconnection rules for electric utilities. Provides that the amended rules must: (1) make net metering available to all customer classes; (2) allow a net metering customer to interconnect to an electric utility's distribution facility a generating system that is sized to meet all or part of a customer's electric load; (3) allow a net metering customer to interconnect a generating facility that makes use of specified technologies; and (4) allow for customer meter aggregation. Provides that a rule adopted by the IURC to amend the IURC's net metering and interconnection rules may not make the net metering and interconnection rules apply to a cooperatively owned power supplier or a municipally owned utility. 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. Requires the IURC to include certain information in its annual report to the regulatory flexibility committee regarding the number of net metering customers, any safety incidents, and the cross subsidy impact of net metering to other ratepayers of each electric utility.

Effective: Upon passage; July 1, 2010.

Dvorak, Culver, Koch

January 5, 2010, read first time and referred to Committee on Commerce, Energy, Technology and Utilities.
January 25, 2010, amended, reported — Do Pass.
February 1, 2010, read second time, amended, ordered engrossed.

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HB 1094—LS 6849/DI 101+



Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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HOUSE BILL No. 1094

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

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

1 SECTION 1. IC 8-1-2-36.7 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2010]: **Sec. 36.7. The commission's annual report to the**
4 **regulatory flexibility committee under IC 8-1-2.6-4 shall include**
5 **the following information relating to net metering:**

- 6 (1) **For each electric utility, the number of net metering**
7 **customers by customer class and nameplate capacity.**
8 (2) **A description of each safety incident that occurred during**
9 **the year covered by the report, including the outcome of the**
10 **incident and any remedial measures taken in response to the**
11 **incident.**
12 (3) **A description of each grid reliability incident that**
13 **occurred during the year covered by the report, including the**
14 **outcome of the incident and any remedial measures taken in**
15 **response to the incident.**
16 (4) **An estimate of the cross subsidy impact of net metering to**
17 **other ratepayers of each electric utility.**

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1 SECTION 2. [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) Subject to subsections (c) through (e) and not later than July
5 1, 2010, the commission shall adopt rules to amend the net
6 metering and interconnection rules adopted by the commission and
7 codified at 170 IAC 4-4.2 and 170 IAC 4-4.3. The commission shall
8 adopt the rules required by this subsection in the same manner as
9 emergency rules are adopted under IC 4-22-2-37.1. The rules
10 adopted by the commission under this subsection must do the
11 following:

12 (1) Require an electric utility to offer net metering to all
13 customer classes.

14 (2) Allow a net metering customer to interconnect to an
15 electric utility's distribution facility a generating system that
16 is sized to meet all or part of a customer's electric load.

17 (3) Allow a net metering customer to interconnect a facility
18 that generates electricity through any of the following
19 technologies:

20 (A) Solar.

21 (B) Wind.

22 (C) Microhydroelectric facilities.

23 (D) Hydroelectric facilities at dams existing before
24 January 1, 2010.

25 (E) Combustion technology using renewable fuels or
26 natural gas.

27 (F) Fuel cells using renewable fuels.

28 (G) Biogas, including anaerobic digestion and algae
29 production systems.

30 (H) Methane from landfills or other waste products.

31 (I) Combined heat and power systems that achieve at least
32 seventy percent (70%) overall efficiency.

33 (4) Allow for customer meter aggregation.

34 (c) A rule adopted by the commission under subsection (b) may
35 not make the net metering and interconnection rules adopted by
36 the commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3
37 apply to any of the following:

38 (1) A cooperatively owned power supplier (as defined in
39 IC 8-1-13.1-3).

40 (2) A municipally owned utility (as defined in IC 8-1-2-1(h)).

41 (d) Rules adopted under subsection (b) expire on:

42 (1) the date the rules are adopted by the commission under

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1 **IC 4-22-2-24 through IC 4-22-2-36; or**
2 **(2) January 1, 2012;**
3 **whichever is earlier.**

4 **(e) Not later than June 1, 2010, the commission shall evaluate**
5 **the net metering and interconnection rules adopted by the**
6 **commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 for**
7 **compliance with the requirements set forth in subsection (b). To**
8 **the extent that any rules codified at 170 IAC 4-4.2 and 170**
9 **IAC 4-4.3 do not meet the requirements set forth in subsection (b),**
10 **the rules are void. Not later than June 15, 2010, the commission**
11 **shall notify the publisher of the Indiana Administrative Code and**
12 **Indiana Register of any rules codified at 170 IAC 4-4.2 and 170**
13 **IAC 4-4.3 that are void under this subsection. The publisher shall**
14 **remove the rules that are void under this subsection from the**
15 **Indiana Administrative Code.**

16 **(f) Not later than November 1, 2010, the commission shall report**
17 **to the regulatory flexibility committee established by IC 8-1-2.6-4**
18 **on the commission's progress under subsection (d)(1) in finally**
19 **adopting, under IC 4-22-2-24 through IC 4-22-2-36, the emergency**
20 **rules initially adopted by the commission under subsection (b).**

21 **(g) This SECTION expires January 1, 2012.**
22 **SECTION 3. An emergency is declared for this act.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Energy, Technology and Utilities, to which was referred House Bill 1094, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 4, delete "and (d)" and insert "**through (e)**".

Page 1, line 15, delete "facility with" and insert "**system that is sized to meet all or part of a customer's electric load.**".

Page 1, delete lines 16 through 18.

Page 2, delete lines 1 through 14.

Page 2, line 23, delete "Microturbines" and insert "**Combustion technology**".

Page 2, line 23, delete "fuels." and insert "**fuels or natural gas.**".

Page 2, line 25, delete "digestion." and insert "**digestion and algae production systems.**".

Page 2, line 26, delete "landfills." and insert "**landfills or other waste products.**".

Page 2, between lines 26 and 27, begin a new line double block indented and insert:

"(I) Combined heat and power systems that achieve at least seventy percent (70%) overall efficiency.

(4) Allow for customer meter aggregation."

Page 2, between lines 26 and 27, begin a new paragraph and insert:

"(c) A rule adopted by the commission under subsection (b) may not make the net metering and interconnection rules adopted by the commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 apply to any of the following:

(1) A cooperatively owned power supplier (as defined in IC 8-1-13.1-3).

(2) A municipally owned utility (as defined in IC 8-1-2-1(h))."

Page 2, line 27, delete "(c)" and insert "**(d)**".

Page 2, line 32, delete "(d)" and insert "**(e)**".

Page 3, line 2, delete "(e)" and insert "**(f)**".

Page 3, line 4, delete "(c)(1)" and insert "**(d)(1)**".

Page 3, line 8, delete "(f)" and insert "**(g)**".

and when so amended that said bill do pass.

(Reference is to HB 1094 as introduced.)

MOSES, Chair

Committee Vote: yeas 8, nays 4.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1094 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 8-1-2-36.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 36.7. The commission's annual report to the regulatory flexibility committee under IC 8-1-2.6-4 shall include the following information relating to net metering:**

- (1) For each electric utility, the number of net metering customers by customer class and nameplate capacity.
- (2) A description of each safety incident that occurred during the year covered by the report, including the outcome of the incident and any remedial measures taken in response to the incident.
- (3) A description of each grid reliability incident that occurred during the year covered by the report, including the outcome of the incident and any remedial measures taken in response to the incident.
- (4) An estimate of the cross subsidy impact of net metering to other ratepayers of each electric utility."

Re-number all SECTIONS consecutively.

(Reference is to HB 1094 as printed January 25, 2010.)

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