



January 26, 2010

SENATE BILL No. 313

DIGEST OF SB 313 (Updated January 21, 2010 3:41 pm - DI 103)

Citations Affected: IC 8-1.

Synopsis: Net metering. Requires the utility regulatory commission (IURC) to adopt emergency rules amending the IURC's net metering rules for electric utilities. Provides that the amended rules must: (1) allow certain net metering customers to interconnect facilities that generate energy from certain renewable energy resources; (2) make net metering available to all customer classes; (3) establish a maximum nameplate capacity for certain customer classes; (4) require certain net metering customers to pay all interconnection costs; (5) establish certain billing requirements; and (6) permit an electric utility to establish in its proposed tariff net metering standards that exceed the standards set forth by the IURC. Provides that the amended rules do not apply to existing net metering agreements. Requires the IURC to notify the publisher of the Indiana administrative code to the extent the existing rules do not comply with the requirements for the amended rules. Requires the IURC to report to the regulatory flexibility committee on: (1) the IURC's progress in adopting the amended rules; and (2) beginning not later than November 1, 2016, the impact of technological advances on the IURC's net metering rules.

Effective: Upon passage; July 1, 2010.

Merritt, Gard

January 11, 2010, read first time and referred to Committee on Utilities & Technology.
January 25, 2010, amended, reported favorably — Do Pass.

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SB 313—LS 6452/DI 103+



January 26, 2010

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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SENATE BILL No. 313

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 8-1-1-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: **Sec. 16. (a) As used in this section, "electric**
4 **utility" refers to an investor owned electric utility (as defined in**
5 **170 IAC 4-4.2-1(g)).**

6 **(b) Subject to subsections (d) and (e) and not later than July 1,**
7 **2011, the commission shall adopt rules to amend the net metering**
8 **rules adopted by the commission and codified at 170 IAC 4-4.2.**
9 **The commission shall adopt the rules required by this subsection**
10 **in the same manner as emergency rules are adopted under**
11 **IC 4-22-2-37.1. The rules adopted by the commission under this**
12 **subsection must do the following:**

- 13 (1) **Require an electric utility to offer net metering to all**
14 **customer classes.**
15 (2) **For net metering customers (other than residential**
16 **customers that own and operate, and schools used for any**
17 **grade from kindergarten through grade 12 that own and**

SB 313—LS 6452/DI 103+



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operate, a generating facility that has a nameplate capacity less than or equal to ten (10) kilowatts (kW)):

(A) Allow a net metering customer to interconnect a facility that generates electricity from a renewable energy resource (as defined in IC 8-1-8.8-10).

(B) Establish a maximum nameplate capacity for each net metering customer class for purposes of interconnecting a generating facility to an electric utility's distribution facility.

(C) For billing purposes, provide that the kilowatt hours generated by a net metering customer and delivered to an electric utility may not exceed the kilowatt hours supplied by the electric utility to the net metering customer during a billing period.

(D) Require a net metering customer to pay all costs and fees associated with interconnecting the customer's net metering facility.

(3) Allow an electric utility to establish in its proposed tariff net metering standards that exceed the standards set forth in the rules adopted under this subsection.

In adopting rules under this subsection, the commission shall consider the impact of interconnecting a net metering facility to an electric utility's distribution facility on the safe and reliable operation of the electric utility's electric grid system and on the safety of the electric utility's employees, agents, and contractors.

(c) Emergency rules adopted under subsection (b) may not apply to net metering agreements entered into before the effective date of this section.

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

(1) the date the rules are adopted by the commission under IC 4-22-2-24 through IC 4-22-2-36; or

(2) January 1, 2013;

whichever is earlier.

(e) Not later than January 15, 2011, the commission shall:

(1) evaluate the net metering rules adopted by the commission and codified at 170 IAC 4-4.2 for compliance with the requirements set forth in subsections (b) and (c); and

(2) notify the publisher of the Indiana Administrative Code and Indiana Register of any rules codified at 170 IAC 4-4.2 that do not comply with the requirements set forth in subsection (b) or (c).

The publisher shall remove the rules that do not comply with this

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subsection from the Indiana Administrative Code.

(f) Not later than November 1, 2011, the commission shall report to the regulatory flexibility committee established by IC 8-1-2.6-4 on the commission's progress under subsection (d)(1) in finally adopting, under IC 4-22-2-24 through IC 4-22-2-36, the emergency rules initially adopted by the commission under subsection (b).

(g) This section expires July 1, 2013.

SECTION 2. IC 8-1-2.6-4, AS AMENDED BY P.L.62-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. (a) A regulatory flexibility committee is established to monitor competition in the telecommunications industry.

(b) The committee is composed of the members of a house standing committee selected by the speaker of the house of representatives and a senate standing committee selected by the president pro tempore of the senate. In selecting standing committees under this subsection, the speaker and president pro tempore shall determine which standing committee of the house of representatives and the senate, respectively, has subject matter jurisdiction that most closely relates to the electricity, gas, energy policy, and telecommunications jurisdiction of the regulatory flexibility committee. The chairpersons of the standing committees selected under this subsection shall co-chair the regulatory flexibility committee.

(c) The commission shall, by July 1 of each year, prepare for presentation to the regulatory flexibility committee a report that includes the following:

- (1) An analysis of the effects of competition and technological change on universal service and on pricing of all telecommunications services offered in Indiana.
- (2) An analysis of the status of competition and technological change in the provision of video service (as defined in IC 8-1-34-14) to Indiana customers, as determined by the commission in carrying out its duties under IC 8-1-34. The commission's analysis under this subdivision must include a description of:
 - (A) the number of multichannel video programming distributors offering video service to Indiana customers;
 - (B) the technologies used to provide video service to Indiana customers; and
 - (C) the effects of competition on the pricing and availability of video service in Indiana.
- (3) Beginning with the report due July 1, 2007, and in each report due in an odd-numbered year after July 1, 2007:

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1 (A) an identification of all telecommunications rules and
2 policies that are eliminated by the commission under section
3 4.1 of this chapter during the two (2) most recent state fiscal
4 years; and

5 (B) an explanation why the telecommunications rules and
6 policies identified under clause (A) are no longer in the public
7 interest or necessary to protect consumers.

8 (4) Beginning with the report due July 1, 2010, best practices
9 concerning vertical location of underground facilities for purposes
10 of IC 8-1-26. A report under this subdivision must address the
11 viability and economic feasibility of technologies used to
12 vertically locate underground facilities.

13 **(5) Beginning with the report due July 1, 2016, and in each**
14 **report due every five (5) years thereafter, an analysis of the**
15 **impact of changes and advances in technology on the net**
16 **metering rules adopted by the commission and codified at 170**
17 **IAC 4-4.2.**

18 (d) In addition to reviewing the commission report prepared under
19 subsection (c), the regulatory flexibility committee shall also issue a
20 report and recommendations to the legislative council by November 1
21 of each year that is based on a review of the following issues:

22 (1) The effects of competition and technological change in the
23 telecommunications industry and impact of competition on
24 available subsidies used to maintain universal service.

25 (2) The status of modernization of the publicly available
26 telecommunications infrastructure in Indiana and the incentives
27 required to further enhance this infrastructure.

28 (3) The effects on economic development and educational
29 opportunities of the modernization described in subdivision (2).

30 (4) The current methods of regulating providers, at both the
31 federal and state levels, and the effectiveness of the methods.

32 (5) The economic and social effectiveness of current
33 telecommunications service pricing.

34 (6) All other telecommunications issues the committee deems
35 appropriate.

36 The report and recommendations issued under this subsection to the
37 legislative council must be in an electronic format under IC 5-14-6.

38 (e) The regulatory flexibility committee shall meet on the call of the
39 co-chairpersons to study telecommunications issues described in
40 subsection (d). The committee shall, with the approval of the
41 commission, retain the independent consultants the committee
42 considers appropriate to assist the committee in the review and study.

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1 The expenses for the consultants shall be paid by the commission.
2 SECTION 3. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Utilities and Technology, to which was referred Senate Bill No. 313, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to SB 313 as introduced.)

MERRITT, Chairperson

Committee Vote: Yeas 8, Nays 3.

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