



Reprinted
January 29, 2010

SENATE BILL No. 313

DIGEST OF SB 313 (Updated January 28, 2010 6:12 pm - DI 84)

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 all 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, Young R, Errington

January 11, 2010, read first time and referred to Committee on Utilities & Technology.
January 25, 2010, amended, reported favorably — Do Pass.
January 28, 2010, read second time, amended, ordered engrossed.

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

SB 313—LS 6452/DI 103+



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(3) 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.

(4) For net metering customers (other than residential customers that own and operate, and schools used for any grade from kindergarten through grade 12 that own and operate, a generating facility that has a nameplate capacity less than or equal to ten (10) kilowatts (kW)), require a net metering customer to pay all costs and fees associated with interconnecting the customer's net metering facility.

(5) For net metering customers (other than residential customers that own and operate, and schools used for any grade from kindergarten through grade 12 that own and operate, a generating facility that has a nameplate capacity less than or equal to ten (10) kilowatts (kW)) that own and operate a generating facility that has a nameplate capacity less than or equal to two hundred (200) kilowatts (kW), provide the following for billing purposes:

(A) Provide that if the amount of electricity generated during a billing cycle by the net metering customer and delivered to the electric utility exceeds the amount of electricity delivered during the same billing cycle by the electric utility to the net metering customer, the electric utility shall credit the difference between the amounts, measured in kilowatt hours, to the net metering customer in the next billing cycle.

(B) Provide that any remaining credit determined under clause (A) reverts to the utility:

- (i) at the end of each calendar year; and**
- (ii) when the net metering customer becomes ineligible or otherwise stops participating in the electric utility's net metering tariff.**

(6) For net metering customers that own and operate a generating facility that has a nameplate capacity greater than two hundred (200) kilowatts (kW), 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.

(7) 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.

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

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

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

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

12 (2) January 1, 2013;

13 whichever is earlier.

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

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

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

22 The publisher shall remove the rules that do not comply with this
23 subsection from the Indiana Administrative Code.

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

29 (g) This section expires July 1, 2013.

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

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

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1 committees selected under this subsection shall co-chair the regulatory
 2 flexibility committee.

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

6 (1) An analysis of the effects of competition and technological
 7 change on universal service and on pricing of all
 8 telecommunications services offered in Indiana.

9 (2) An analysis of the status of competition and technological
 10 change in the provision of video service (as defined in
 11 IC 8-1-34-14) to Indiana customers, as determined by the
 12 commission in carrying out its duties under IC 8-1-34. The
 13 commission's analysis under this subdivision must include a
 14 description of:

15 (A) the number of multichannel video programming
 16 distributors offering video service to Indiana customers;

17 (B) the technologies used to provide video service to Indiana
 18 customers; and

19 (C) the effects of competition on the pricing and availability of
 20 video service in Indiana.

21 (3) Beginning with the report due July 1, 2007, and in each report
 22 due in an odd-numbered year after July 1, 2007:

23 (A) an identification of all telecommunications rules and
 24 policies that are eliminated by the commission under section
 25 4.1 of this chapter during the two (2) most recent state fiscal
 26 years; and

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

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

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

40 (d) In addition to reviewing the commission report prepared under
 41 subsection (c), the regulatory flexibility committee shall also issue a
 42 report and recommendations to the legislative council by November 1

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1 of each year that is based on a review of the following issues:
 2 (1) The effects of competition and technological change in the
 3 telecommunications industry and impact of competition on
 4 available subsidies used to maintain universal service.
 5 (2) The status of modernization of the publicly available
 6 telecommunications infrastructure in Indiana and the incentives
 7 required to further enhance this infrastructure.
 8 (3) The effects on economic development and educational
 9 opportunities of the modernization described in subdivision (2).
 10 (4) The current methods of regulating providers, at both the
 11 federal and state levels, and the effectiveness of the methods.
 12 (5) The economic and social effectiveness of current
 13 telecommunications service pricing.
 14 (6) All other telecommunications issues the committee deems
 15 appropriate.
 16 The report and recommendations issued under this subsection to the
 17 legislative council must be in an electronic format under IC 5-14-6.
 18 (e) The regulatory flexibility committee shall meet on the call of the
 19 co-chairpersons to study telecommunications issues described in
 20 subsection (d). The committee shall, with the approval of the
 21 commission, retain the independent consultants the committee
 22 considers appropriate to assist the committee in the review and study.
 23 The expenses for the consultants shall be paid by the commission.
 24 **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.

SENATE MOTION

Madam President: I move that Senate Bill 313 be amended to read as follows:

Page 1, between lines 14 and 15, begin a new line block indented and insert:

"(2) 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).

(3) 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."

Page 1, line 15, delete "(2)" and insert "(4)".

Page 2, line 2, delete "(kW):" and insert "(kW)), **require a net metering customer to pay all costs and fees associated with interconnecting the customer's net metering facility."**

Page 2, delete lines 3 through 17, begin a new line block indented and insert:

"(5) For net metering customers (other than residential customers that own and operate, and schools used for any grade from kindergarten through grade 12 that own and operate, a generating facility that has a nameplate capacity less than or equal to ten (10) kilowatts (kW)) that own and operate a generating facility that has a nameplate capacity less than or equal to two hundred (200) kilowatts (kW),



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provide the following for billing purposes:

(A) Provide that if the amount of electricity generated during a billing cycle by the net metering customer and delivered to the electric utility exceeds the amount of electricity delivered during the same billing cycle by the electric utility to the net metering customer, the electric utility shall credit the difference between the amounts, measured in kilowatt hours, to the net metering customer in the next billing cycle.

(B) Provide that any remaining credit determined under clause (A) reverts to the utility:

(i) at the end of each calendar year; and

(ii) when the net metering customer becomes ineligible or otherwise stops participating in the electric utility's net metering tariff.

(6) For net metering customers that own and operate a generating facility that has a nameplate capacity greater than two hundred (200) kilowatts (kW), 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."

Page 2, line 18, delete "(3)" and insert "(7)".

(Reference is to SB 313 as printed January 26, 2010).

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