
HOUSE BILL No. 1445

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-2.5-9.

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 the 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 rural electric membership corporation 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 in its annual report to the regulatory flexibility committee the following information concerning net metering: (1) For each electric utility, the number of net metering customers and the nameplate capacity of the net metering facilities used. (2) A description of any safety related incidents. (3) A description of any grid reliability incidents. (4) For each electric utility, an estimate of any subsidization of the utility's net metering program provided by nonparticipating customers. Amends the statute concerning the reports prepared for and by the regulatory flexibility committee to reflect the time frame of the general assembly's interim study committee schedule.

Effective: Upon passage.

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January 18, 2011, read first time and referred to Committee on Utilities and Energy.

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First Regular Session 117th General Assembly (2011)

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 2010 Regular Session of the General Assembly.

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HOUSE BILL No. 1445



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 8-1-2.5-9 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) A regulatory
3 flexibility committee established under IC 8-1-2.6-4 to monitor
4 changes in the telephone industry shall also serve to monitor changes
5 and competition in the energy utility industry.

6 (b) The commission shall ~~before August 15 of each year~~ prepare for
7 presentation to the regulatory flexibility committee **before November**
8 **1 of each year a report that includes** an analysis of the effects of
9 competition or changes in the energy utility industry on service and on
10 the pricing of all energy utility services under the jurisdiction of the
11 commission. **Beginning with the report prepared for presentation**
12 **to the regulatory flexibility committee in 2011, the annual report**
13 **required by this section must include the following information**
14 **concerning net metering with respect to the calendar year**
15 **immediately preceding the year in which the report is presented to**
16 **the regulatory flexibility committee:**

17 (1) For each electric utility required to offer, or otherwise



1 offering, net metering to one (1) or more of the electric
2 utility's customer classes, the number of net metering
3 customers identified by customer class and nameplate
4 capacity.

5 (2) A description of each safety related incident that occurred
6 in connection with any electric utility's net metering program
7 during the year covered by the report, including the outcome
8 of the incident and any remedial measures taken in response
9 to the incident.

10 (3) A description of each grid reliability incident that
11 occurred in connection with any electric utility's net metering
12 program during the year covered by the report, including the
13 outcome of the incident and any remedial measures taken in
14 response to the incident.

15 (4) An estimate of the impact of net metering on the rates
16 charged or service provided to nonparticipating ratepayers of
17 each electric utility identified under subdivision (1), including
18 an estimate of any subsidization of the electric utility's net
19 metering program provided by nonparticipating customers.

20 (c) In addition to reviewing the commission report prepared under
21 subsection (b), the regulatory flexibility committee shall also issue a
22 report, ~~and~~ **which may include any recommendations that the**
23 **regulatory flexibility committee considers appropriate**, to the
24 legislative council before November 1 of each year. ~~that are~~ **The**
25 **report must be** based on a review of the following issues:

26 (1) The effects of competition or changes in the energy utility
27 industry and the impact of the competition or changes on ~~the~~
28 residential rates.

29 (2) The status of modernization of the energy utility facilities in
30 Indiana and the incentives required to further enhance this
31 infrastructure.

32 (3) The effects on economic development of this modernization.

33 (4) The traditional method of regulating energy utilities and the
34 method's effectiveness.

35 (5) The economic and social effectiveness of traditional energy
36 utility service pricing.

37 (6) The effects of legislation enacted by the United States
38 Congress.

39 (7) All other energy utility issues the committee considers
40 appropriate. However, it is not the intent of this section to provide
41 for the review of the statutes cited in section 11 of this chapter.

42 The report and **any** recommendations issued under this subsection to

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1 the legislative council must be in an electronic format under IC 5-14-6.

2 (d) This section:

3 (1) does not give a party to a collective bargaining agreement any
4 greater rights under the agreement than the party had before
5 January 1, 1995;

6 (2) does not give the committee the authority to order a party to
7 a collective bargaining agreement to cancel, terminate, amend or
8 otherwise modify the collective bargaining agreement; and

9 (3) may not be implemented by the committee in a way that would
10 give a party to a collective bargaining agreement any greater
11 rights under the agreement than the party had before January 1,
12 1995.

13 (e) The regulatory flexibility committee shall meet on the call of the
14 co-chairs to study energy utility issues described in subsection (c). The
15 committee shall, with the approval of the commission, retain
16 independent consultants the committee considers appropriate to assist
17 the committee in the review and study. The expenses for the
18 consultants shall be paid with funds from the public utility fees
19 assessed under IC 8-1-6.

20 (f) The legislative services agency shall provide staff support to the
21 committee.

22 (g) Each member of the committee is entitled to receive the same
23 per diem, mileage, and travel allowances paid to individuals who serve
24 as legislative members of interim study committees established by the
25 legislative council.

26 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) As used in this
27 SECTION, "commission" refers to the Indiana utility regulatory
28 commission created by IC 8-1-1-2.

29 (b) Subject to subsection (c) and not later than August 1, 2011,
30 the commission shall adopt rules to amend the net metering and
31 interconnection rules adopted by the commission and codified at
32 170 IAC 4-4.2 and 170 IAC 4-4.3. The commission shall adopt the
33 rules required by this subsection in the same manner as emergency
34 rules are adopted under IC 4-22-2-37.1. The rules adopted by the
35 commission under this subsection must do the following:

36 (1) Require an electric utility to offer net metering to all
37 customer classes.

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

41 (3) Allow a net metering customer to interconnect a facility
42 that generates electricity through any of the following

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- 1 technologies:
- 2 (A) Solar.
- 3 (B) Wind.
- 4 (C) Microhydroelectric facilities.
- 5 (D) Hydroelectric facilities at dams existing before
- 6 January 1, 2011.
- 7 (E) Combustion technology using renewable fuels or
- 8 natural gas.
- 9 (F) Fuel cells using renewable fuels.
- 10 (G) Biogas, including anaerobic digestion and algae
- 11 production systems.
- 12 (H) Methane from landfills or other waste products.
- 13 (I) Combined heat and power systems that achieve at least
- 14 seventy percent (70%) overall efficiency.
- 15 (4) Allow for customer meter aggregation.
- 16 (c) A rule adopted by the commission under subsection (b) may
- 17 not make the net metering and interconnection rules adopted by
- 18 the commission and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3
- 19 apply to any of the following:
- 20 (1) A corporation organized under IC 8-1-13.
- 21 (2) A corporation organized under IC 23-17 that is an electric
- 22 cooperative and that has at least one (1) member that is a
- 23 corporation organized under IC 8-1-13.
- 24 (3) A municipally owned utility (as defined in IC 8-1-2-1(h)).
- 25 (d) Rules adopted under subsection (b) expire on the date the
- 26 rules are adopted by the commission under IC 4-22-2-24 through
- 27 IC 4-22-2-36.
- 28 (e) Not later than July 1, 2011, the commission shall evaluate the
- 29 net metering and interconnection rules adopted by the commission
- 30 and codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 for compliance
- 31 with the requirements set forth in subsection (b). To the extent that
- 32 any rules codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 do not meet
- 33 the requirements set forth in subsection (b), the rules are void. Not
- 34 later than July 15, 2011, the commission shall notify the publisher
- 35 of the Indiana Administrative Code and Indiana Register of any
- 36 rules codified at 170 IAC 4-4.2 and 170 IAC 4-4.3 that are void
- 37 under this subsection. The publisher shall remove the rules that are
- 38 void under this subsection from the Indiana Administrative Code.
- 39 (f) Not later than November 1, 2011, the commission shall report
- 40 to the regulatory flexibility committee established by IC 8-1-2.6-4
- 41 on the commission's progress under subsection (d) in finally
- 42 adopting, under IC 4-22-2-24 through IC 4-22-2-36, the emergency

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1 **rules initially adopted by the commission under subsection (b).**
2 **(g) This SECTION expires January 1, 2013.**
3 **SECTION 3. An emergency is declared for this act.**

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