

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 1596

To amend the Public Utility Regulatory Policies Act of 1978 to require electric utilities to provide net metering service.

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IN THE SENATE OF THE UNITED STATES

JULY 29, 2005

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

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## A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to require electric utilities to provide net metering service.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. NET METERING.**

4       (a) ADOPTION OF STANDARD.—Section 111(d) of the  
5       Public Utility Regulatory Policies Act of 1978 (16 U.S.C.  
6       2621(d)) is amended by adding at the end the following:

7               “(11) NET METERING.—

8                       “(A) IN GENERAL.—On the request of any  
9               electric consumer served by an electric utility,  
10              the electric utility shall make available to the

1 electric consumer net metering as provided in  
2 section 115(i).

3 “(B) CONSIDERATION BY STATE REGU-  
4 LATORY AUTHORITIES.—Notwithstanding sub-  
5 sections (b) and (c) of section 112, not later  
6 than 1 year after the date of enactment of this  
7 paragraph, a State regulatory authority may  
8 consider and make a determination concerning  
9 whether it is in the public interest to decline to  
10 implement subparagraph (A) in the State.

11 “(C) INCENTIVES.—Nothing in this para-  
12 graph precludes a State from establishing in-  
13 centives to encourage on-site generating facili-  
14 ties and net metering in addition to the require-  
15 ment under this subsection.

16 “(D) REPORTS.—Not later than 1 year  
17 after the date of enactment of this paragraph  
18 and annually thereafter, the Secretary shall  
19 submit to Congress a report that—

20 “(i) describes the status of implemen-  
21 tation by the States of subparagraph (A);

22 “(ii) contains a list of pre-approved  
23 systems and equipment eligible for uniform  
24 interconnection treatment; and

1                   “(iii) describes the public benefits that  
2                   have been derived from net metering and  
3                   interconnection standards.”.

4           (b) SPECIAL RULES FOR NET METERING.—Section  
5 115 of the Public Utility Regulatory Policies Act of 1978  
6 (16 U.S.C. 2625) is amended by adding at the end the  
7 following:

8           “(i) NET METERING.—

9                   “(1) DEFINITIONS.—In this subsection:

10                           “(A) ELIGIBLE ON-SITE GENERATING FA-  
11                           CILITY.—The term ‘eligible on-site generating  
12                           facility’ means—

13                                   “(i) a facility on the site of a residen-  
14                                   tial electric consumer with a maximum  
15                                   generating capacity of 25 kilowatts or less  
16                                   that is fueled by solar energy, wind energy,  
17                                   or fuel cells; and

18                                   “(ii) a facility on the site of a com-  
19                                   mercial electric consumer with a maximum  
20                                   generating capacity of 1000 kilowatts or  
21                                   less that is fueled solely by a renewable en-  
22                                   ergy resource, landfill gas, or a high-effi-  
23                                   ciency system.

1           “(B) HIGH EFFICIENCY SYSTEM.—The  
2 term ‘high efficiency system’ means a system  
3 that is comprised of—

4                   “(i) fuel cells; or

5                   “(ii) combined heat and power.

6           “(C) NET METERING SERVICE.—The term  
7 ‘net metering service’ means service to an elec-  
8 tric consumer, as provided in section  
9 111(d)(11), under which electric energy gen-  
10 erated by that electric consumer from an eligi-  
11 ble on-site generating facility and delivered to  
12 the local distribution facilities may be used to  
13 offset electric energy provided by the electric  
14 utility to the electric consumer during the appli-  
15 cable billing period.

16           “(D) RENEWABLE ENERGY RESOURCE.—  
17 The term ‘renewable energy resource’ means  
18 solar, wind, biomass, micro-freeflow-hydro, or  
19 geothermal energy.

20           “(2) NET METERING SERVICE.—For the pur-  
21 poses of undertaking the consideration and making  
22 the determination with respect to the standard con-  
23 cerning net metering established by section  
24 111(d)(11), the term ‘net metering service’ means a  
25 service provided in accordance with this subsection.

1           “(3) CHARGES BY AN ELECTRIC UTILITY.—An  
2 electric utility—

3           “(A) shall charge the owner or operator of  
4 an on-site generating facility rates and charges  
5 that are identical to those that would be  
6 charged other electric consumers of the electric  
7 utility in the same rate class; and

8           “(B) shall not charge the owner or oper-  
9 ator of an on-site generating facility any addi-  
10 tional standby, capacity, interconnection, or  
11 other rate or charge.

12           “(4) MEASUREMENT OF QUANTITIES.—An elec-  
13 tric utility that sells electric energy to the owner or  
14 operator of an on-site generating facility shall meas-  
15 ure the quantity of electric energy produced by the  
16 on-site facility and the quantity of electric energy  
17 consumed by the owner or operator of an on-site  
18 generating facility during a billing period with a sin-  
19 gle bi-directional meter or otherwise in accordance  
20 with reasonable metering practices.

21           “(5) QUANTITY SOLD IN EXCESS OF QUANTITY  
22 SUPPLIED.—If the quantity of electric energy sold  
23 by the electric utility to an on-site generating facility  
24 exceeds the quantity of electric energy supplied by  
25 the on-site generating facility to the electric utility

1 during the billing period, the electric utility may bill  
2 the owner or operator for the net quantity of electric  
3 energy sold, in accordance with reasonable metering  
4 practices.

5 “(6) QUANTITY SUPPLIED IN EXCESS OF QUAN-  
6 TITY SOLD.—If the quantity of electric energy sup-  
7 plied by the on-site generating facility to the electric  
8 utility exceeds the quantity of electric energy sold by  
9 the electric utility to the on-site generating facility  
10 during the billing period—

11 “(A) the electric utility may bill the owner  
12 or operator of the on-site generating facility for  
13 the appropriate charges for the billing period in  
14 accordance with paragraph (5); and

15 “(B) the owner or operator of the on-site  
16 generating facility shall be credited for the ex-  
17 cess kilowatt-hours generated during the billing  
18 period with—

19 “(i) a kilowatt-hour credit appearing  
20 on the bill for the following billing period;  
21 or

22 “(ii) a cash refund.

23 “(7) COMPLIANCE WITH STANDARDS.—An eligi-  
24 ble on-site generating facility and net metering sys-  
25 tem used by an electric consumer shall meet all ap-

1 applicable safety, performance, reliability, and inter-  
2 connection standards established by the National  
3 Electrical Code, the Institute of Electrical and Elec-  
4 tronics Engineers, and Underwriters Laboratories.

5 “(8) REQUIREMENTS.—The Commission, after  
6 consideration of all applicable safety, performance,  
7 reliability, and interconnection standards established  
8 by the National Electrical Code, the Institute of  
9 Electrical and Electronics Engineers, and Under-  
10 writers Laboratories, and consultation with State  
11 regulatory authorities and unregulated electric utili-  
12 ties, and after notice and opportunity for comment,  
13 shall promulgate additional control, testing, and  
14 interconnection requirements for on-site generating  
15 facilities and net metering systems that the Commis-  
16 sion determines are necessary to protect public safe-  
17 ty and system reliability.”.

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