

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**BILL DRAFT 2007-RTz-9 [v.3] (05/14)**

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)**  
**5/19/2008 9:52:30 AM**

Short Title: Facilitate Net Metering.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED  
AN ACT TO FACILITATE THE USE OF NET METERING OF ELECTRIC  
SERVICE IN ORDER TO PROMOTE THE DEVELOPMENT OF SMALL  
RENEWABLE ENERGY FACILITIES BY NORTH CAROLINA BUSINESSES  
AND CITIZENS, AS RECOMMENDED BY THE ENVIRONMENTAL REVIEW  
COMMISSION.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 7 of Chapter 62 of the General Statutes is amended by  
adding a new section to read:

**"§ 62-133.10. – Facilitate Net Metering.**

(a) Definitions. – The definitions set out in G.S. 62-133.8 apply to this section.  
As used in this section:

(1) "Customer-generator" means an electric utility customer who owns or  
operates a renewable energy facility that supplies electric power to the  
electric power transmission or distribution grid through an approved  
interconnection.

(2) "Interconnection" means the equipment and associated technical  
standards required to connect to an electric power generator to the  
electric power utility transmission or distribution grid.

(3) "Net metering" means the billing arrangement by which the cost of the  
electric power consumed by an electric utility customer is offset by  
value of the electric power that the customer generates and supplies to  
the electric power utility transmission or distribution grid through an  
approved interconnection.

(b) Net Metering.

(1) Subject to the limitation set out in subdivision (2) of this subsection,  
each electric public utility shall offer net metering to any

customer-generator that operates a renewable energy facility with a design capacity of one megawatt or less. Any electric power generated by a customer-generator shall be credited against the customer-generator's use of electric power supplied by the electric public utility on a one-to-one basis. The Commission shall adopt rules for net metering that apply uniformly to all electric public utilities.

(2) Net metering shall be made available to customer-generators on a first-come, first-served basis until the total of the design capacities of all customer-generator operated renewable energy facilities equals two percent (2%) of the electric public utilities peak load for the previous twelve months.

(3) An electric public utility shall provide electric power to net-metered customer-generators at rates that are identical to the rates that the customer-generator would pay for electric service if the customer-generator did not have generation capacity. An electric public utility shall not charge a customer-generator any fee, require any additional equipment or insurance, or impose any other requirement that does not apply to other similarly situated customers that are not customer-generators.

(4) The electric public utility shall supply a meter that is capable of measuring the flow of electric power both into and out of the customer-generator's facility.

(c) Rules. – The Commission shall adopt rules to implement this section.

(1) The Commission shall adopt rules to provide that the electric public utility either carry forward any unused credit accrued during any twelve-month period designated by the Commission against the customer-generator's future use of electric power or that compensate the customer-generator for any unused credit at the electric public utility's average avoided cost of electricity over the same twelve-month period

(2) The Commission shall adopt rules to provide that each electric public utility shall submit an annual compliance report. The report shall state the number of customer-generators that the electric public utility determined not to be eligible for net metering and the reason for each determination."

**SECTION 2.** The Commission shall establish standards for the interconnection to the electric public utility's electric power transmission or distribution grid of renewable energy facilities and other generation capacity not owned by an electric public utility and that has a generation capacity of ten megawatts or less. The rules shall become effective no later than 1 January 2009.

**SECTION 3.** G.S. 62-133.2 (a1) reads as rewritten:

"(a1) As used in this section, "cost of fuel and fuel-related costs" means all of the following:

(1) The cost of fuel burned.

- (2) The cost of fuel transportation.
- (3) The cost of ammonia, lime, limestone, urea, dibasic acid, sorbents, and catalysts consumed in reducing or treating emissions.
- (4) The total delivered noncapacity related costs, including all related transmission charges, of all purchases of electric power by the electric public utility, that are subject to economic dispatch or economic curtailment.
- (5) The capacity costs associated with all purchases of electric power from qualifying cogeneration facilities and qualifying small power production facilities, as defined in 16 U.S.C. § 796, that are subject to economic dispatch by the electric public utility.
- (6) Except for those costs recovered pursuant to G.S. 62-133.8(h), the total delivered costs of all purchases of power from renewable energy facilities and new renewable energy facilities pursuant to G.S. 62-133.8 or to comply with any federal mandate that is similar to the requirements of subsections (b), (c), (d), (e), and (f) of G.S. 62-133.8.
- (7) The fuel cost component of other purchased power.
- (8) Cost of fuel and fuel-related costs shall be adjusted for any net gains or losses resulting from any sales by the electric public utility of fuel and other fuel-related costs components.
- (9) Cost of fuel and fuel-related costs shall be adjusted for any net gains or losses resulting from any sales by the electric public utility of by-products produced in the generation process to the extent the costs of the inputs leading to that by-product are costs of fuel or fuel-related costs.
- (10) Total cost of excess net-metered kilowatt hours paid to customer-generators under G.S. 62-133.10.
- (11) Total cost of bidirectional meters purchased by an electric public utility to comply with G.S. 62-133.10."

**SECTION 4.** This act is effective when it becomes law.