



February 10, 2009

SENATE BILL No. 300

DIGEST OF SB 300 (Updated February 5, 2009 1:50 pm - DI 103)

Citations Affected: IC 8-1.

Synopsis: Net metering. Requires an investor owned electric utility to offer net metering to certain customers that generate electricity from renewable energy resources. Establishes a billing method for net metering customers. Voids conflicting administrative rules.

Effective: July 1, 2009.

Merritt, Stutzman, Errington

January 7, 2009, read first time and referred to Committee on Rules and Legislative Procedure.

January 20, 2009, amended; reassigned to Committee on Utilities and Technology.
February 9, 2009, reported favorably — Do Pass.

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SB 300—LS 6552/DI 13+



February 10, 2009

First Regular Session 116th General Assembly (2009)

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 2008 Regular Session of the General Assembly.

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SENATE BILL No. 300

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 8-1-38 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2009]:

4 **Chapter 38. Net Metering**
5 **Sec. 1. As used in this chapter, "customer" means a person, a**
6 **firm, a corporation, a municipality, or any other government**
7 **agency that has agreed to pay for retail electric service from an**
8 **investor owned utility.**

9 **Sec. 2. As used in this chapter, "eligible net metering customer"**
10 **means a customer in good standing that owns and operates a net**
11 **metering facility that has a nameplate capacity less than or equal**
12 **to one hundred (100) kilowatts.**

13 **Sec. 3. As used in this chapter, "in good standing" means a**
14 **customer:**
15 **(1) whose account is not more than thirty (30) days in arrears;**
16 **and**
17 **(2) who does not have any legal orders outstanding pertaining**

SB 300—LS 6552/DI 13+



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to the customer's investor owned electric utility.

Sec. 4. As used in this chapter, "interconnected" or "interconnection" means the physical, parallel connection of a net metering facility with a distribution facility of an investor owned electric utility.

Sec. 5. As used in this chapter, "investor owned electric utility" or "utility" means an electric utility that is financed by the sale of securities and whose business operations are overseen by a board representing the shareholders of the electric utility.

Sec. 6. As used in this chapter, "nameplate capacity" means the full load, continuous rating of a generator under specified conditions as designated by the manufacturer.

Sec. 7. As used in this chapter, "net metering" means the measurement of the difference between:

- (1) the electricity that an investor owned electric utility supplies to an eligible net metering customer; and
- (2) the electricity that an eligible net metering customer supplies back to the investor owned electric utility.

Sec. 8. As used in this chapter, "net metering facility" means an arrangement of equipment that is:

- (1) used for the production of electricity from a renewable energy resource (as defined in IC 8-1-8.8-10);
- (2) owned and operated by an eligible net metering customer;
- (3) located on the eligible net metering customer's premises; and
- (4) used primarily to offset all or part of the eligible net metering customer's own electricity requirements.

Sec. 9. As used in this chapter, "parallel" means the designed operation of the net metering facility, interconnection equipment, and the investor owned electric utility's system where the instantaneous flow of electrical energy may automatically occur in either direction across the interconnection point between the net metering facility and the electrical utility's distribution system.

Sec. 10. (a) An investor owned electric utility shall offer net metering to eligible net metering customers that install a net metering facility.

(b) An investor owned electric utility may offer net metering to customers other than eligible net metering customers.

(c) An investor owned electric utility that offers net metering to its customers may limit the total amount of net metering facility nameplate capacity under the net metering tariff to one percent (1%) of the most recent summer peak load of the utility.

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Sec. 11. An investor owned electric utility shall determine an eligible net metering customer's monthly bill as follows:

(1) Bill charges, credits, rates, and adjustments must be in accordance with the utility's tariff and administrative rules that would apply if the eligible net metering customer did not participate in net metering.

(2) If the amount of electricity generated during a billing cycle by the net metering customer and delivered to the electric utility is less than the amount of electricity delivered during the same billing cycle by the electric utility to the net metering customer, the electric utility shall bill the net metering customer for the difference between the amounts at the applicable rate under the tariff filed by the electric utility with the commission.

(3) 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.

(4) If an eligible net metering customer becomes ineligible or otherwise stops participating in an investor owned electric utility's net metering tariff, any remaining credit determined under subdivision (3) reverts to the utility.

Sec. 12. A rule that is:

(1) adopted by the commission and codified at 170 IAC 4-4.2; and

(2) contrary to this chapter;

is void.

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 300, 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 the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Utilities and Technology.

(Reference is to SB 300 as introduced.)

LONG, Chairperson

COMMITTEE REPORT

Madam President: The Senate Committee on Utilities and Technology, to which was referred Senate Bill No. 300, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 300 as printed January 21, 2009.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 11, Nays 0.

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