OLR Bill Analysis
sSB 1141

AN ACT CONCERNING NET METERING.

SUMMARY

This bill requires electric companies to provide their customers with virtual net metering and make any needed interconnections, including installing metering equipment, for customers who need it. The bill specifies how (1) the metering equipment must operate and (2) the electric companies must bill those who participate. It also requires the Department of Public Utility Control, by February 1, 2012, to hold a proceeding to develop administrative processes and program specifications to implement the bill.

Current law requires electric utilities to provide equipment and billing for net metering, but not for virtual net metering (CGA § 16-243h). In general, the net metering law allows a customer with an on-site electricity generator powered by a renewable energy resource to earn billing credits from an electric company when the customer generates more power than he or she uses, essentially "running the meter backwards." "Virtual net metering" allows the customer to use these credits to lower the electricity bills of other accounts designated by the customer.

EFFECTIVE DATE: Upon passage

VIRTUAL NET METERING EQUIPMENT

Under the bill, electric distribution companies (Connecticut Light & Power and United Illuminating) must interconnect with and provide virtual net metering equipment to any "virtual net metering facility" that requests it. The bill defines these facilities as a customer-owned Class I renewable energy source (solar, wind, fuel cells, etc.) that can generate up to two megawatts of electricity. The customer must be one of the electric company's in-state retail end-users and within the same service territory as the other accounts to which it will distribute credits.

As under the current net metering law, the bill requires the virtual net metering equipment to be able to (1) measure the electricity consumed from the electric company's facilities; (2) deduct the amount of electricity the customer produced, but did not consume; and (3) calculate the customer's net production or consumption for each monthly billing period. The bill does not specify who must pay for the equipment and associated installation services.

BILLING

Under the bill, a customer participating in virtual net metering can designate as many as five other "beneficial accounts" that will receive the billing credits when the customer produces more electricity than he or she uses. These accounts must all be in-state retail end users and in the same electric company service territory as the customer. The customer must notify the electric company about the other accounts in writing at least 60 days before the generating facility begins operating. The customer can only amend the list of accounts once a year.

When the customer produces more electricity than he or she uses in a monthly billing period, the bill requires the electric company to bill the customer for zero kilowatt hours (kwh). For each extra kwh produced, the electric company must assign a credit that equals the retail kwh cost the customer would otherwise have been charged. The credits are then used to reduce the charges on the beneficial accounts in the next billing period, although no account can be reduced below zero kwh.

If any unused credits remain after the electric company has reduced all of the beneficial accounts to zero kwh, the bill requires the electric company to carry them forward from one monthly billing period to the next until the end of the calendar year. At the end of each year the company must pay the customer for any unused credits at the retail electric generation rate. The bill does not specify how the applicable retail rate will be determined. Current law requires electric companies to compensate net metering customers for their excess generated power at the wholesale electric generation rate.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable
Yea 22 Nay 0 (03/22/2011)