



General Assembly

January Session, 2015

Raised Bill No. 1079

LCO No. 4970



Referred to Committee on ENERGY AND TECHNOLOGY

Introduced by:
(ET)

AN ACT CONCERNING WATER COMPANIES AND VIRTUAL NET METERING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16-244u of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2015*):

3 (a) As used in this section:

4 (1) "Beneficial account" means an in-state retail end user of an
5 electric distribution company designated by a customer host, [or an]
6 agricultural customer host or water company customer host in such
7 electric distribution company's service area to receive virtual net
8 metering credits from a virtual net metering facility, [or an]
9 agricultural virtual net metering facility or water company virtual net
10 metering facility;

11 (2) "Customer host" means an in-state retail end user of an electric
12 distribution company that owns, leases or enters into a long-term
13 contract for a virtual net metering facility and participates in virtual

14 net metering;

15 (3) "Agricultural customer host" means an in-state retail end user of
16 an electric distribution company that uses electricity for the purpose of
17 agriculture, as defined in subsection (q) of section 1-1, owns an
18 agricultural virtual net metering facility and participates in
19 agricultural virtual net metering;

20 (4) "Water company customer host" means an in-state retail end user
21 of an electric distribution company that uses electricity for the purpose
22 of treating and distributing public water supplies, owns a water
23 company virtual net metering facility and participates in water
24 company virtual net metering;

25 [(4)] (5) (A) "Unassigned virtual net metering credit" means, in any
26 given electric distribution company monthly billing period, a virtual
27 net metering credit that remains after both the customer host and its
28 beneficial accounts have been billed for zero kilowatt hours related to
29 the generation service charges and a declining percentage of the
30 transmission and distribution charges on such billings through virtual
31 net metering;

32 (B) "Unassigned agricultural virtual net metering credit" means, in
33 any given electric distribution company monthly billing period, an
34 agricultural virtual net metering credit that remains after both the
35 agricultural customer host and its beneficial accounts have been billed
36 for zero kilowatt hours related to the generation service charges and a
37 declining percentage of the transmission and distribution charges on
38 such billings through agricultural virtual net metering;

39 (C) "Unassigned water company virtual net metering credit" means,
40 in any given electric distribution company monthly billing period, a
41 water company virtual net metering credit that remains after both the
42 water company customer host and its beneficial accounts have been
43 billed for zero kilowatt hours related to the generation service charges
44 and a declining percentage of the transmission and distribution

45 charges on such billings through water company virtual net metering;

46 [(5)] (6) "Virtual net metering" means the process of combining the
47 electric meter readings and billings, including any virtual net metering
48 credits, for a municipal, state, [or] agricultural, or water company
49 customer host and a beneficial account related to such customer host's
50 account through an electric distribution company billing process
51 related to the generation service charges and a declining percentage of
52 the transmission and distribution charges on such billings;

53 [(6)] (7) "Virtual net metering credit" means a credit equal to the
54 retail cost per kilowatt hour the customer host may have otherwise
55 been charged for each kilowatt hour produced by a virtual net
56 metering facility that exceeds the total amount of kilowatt hours used
57 during an electric distribution company monthly billing period; and

58 [(7)] (8) (A) "Virtual net metering facility" means a Class I renewable
59 energy source or a Class III source that: (i) Is served by an electric
60 distribution company, owned, leased or subject to a long-term contract
61 by a customer host and serves the electricity needs of the customer
62 host and its beneficial accounts; (ii) is within the same electric
63 distribution company service territory as the customer host and its
64 beneficial accounts; and (iii) has a nameplate capacity rating of three
65 megawatts or less; and

66 (B) "Agricultural virtual net metering facility" means a Class I
67 renewable energy source that is operated as part of a business for the
68 purpose of agriculture, as defined in subsection (q) of section 1-1, that:
69 (i) Is served by an electric distribution company on land owned or
70 controlled by an agricultural customer host and serves the electricity
71 needs of the agricultural customer host and its beneficial accounts; (ii)
72 is within the same electric distribution company service territory as the
73 agricultural customer host and its beneficial accounts; and (iii) has a
74 nameplate capacity rating of three megawatts or less.

75 (C) "Water company virtual net metering facility" means a Class I

76 renewable energy source that is operated as part of a business for the
77 purpose of treating and distributing public water supplies, that: (i) Is
78 served by an electric distribution company on land owned or
79 controlled by a water company customer host and serves the electricity
80 needs of the water company customer host and its beneficial accounts;
81 (ii) is within the same electric distribution company service territory as
82 the water company customer host and its beneficial accounts; and (iii)
83 has a nameplate capacity rating of three megawatts or less.

84 [(8)] (9) "Declining percentage of the transmission and distribution
85 charges" means, during the period commencing on the first day of
86 commercial operation of a virtual net metering facility, [or an]
87 agricultural virtual net metering facility or water company virtual net
88 metering facility and ending after one year, eighty per cent of the
89 transmission and distribution charges, during the period commencing
90 at the beginning of the second year of commercial operation of a
91 virtual net metering facility, [or an] agricultural virtual net metering
92 facility or water company virtual net metering facility and ending after
93 one year, sixty per cent of the transmission and distribution charges,
94 and commencing at the beginning of the third year of commercial
95 operation of a virtual net metering facility, [or an] agricultural virtual
96 net metering facility or water company virtual net metering facility
97 and for each year thereafter, forty per cent of the transmission and
98 distribution charges.

99 (b) Each electric distribution company shall provide virtual net
100 metering to its municipal, state, [or] agricultural or water company
101 customer hosts and shall make any necessary interconnections for a
102 virtual net metering facility, [or an] agricultural virtual net metering
103 facility or water company virtual net metering facility. Upon request
104 by a municipal, state, [or] agricultural or water company customer
105 host to implement the provisions of this section, an electric distribution
106 company shall install metering equipment, if necessary. For each
107 municipal, state, [or] agricultural or water company customer host,
108 such metering equipment shall (1) measure electricity consumed from

109 the electric distribution company's facilities; (2) deduct the amount of
110 electricity produced but not consumed; and (3) register, for each
111 monthly billing period, the net amount of electricity produced and, if
112 applicable, consumed. If, in a given monthly billing period, a
113 municipal, state, [or] agricultural or water company customer host
114 supplies more electricity to the electric distribution system than the
115 electric distribution company delivers to the municipal, state, [or]
116 agricultural or water company customer host, the electric distribution
117 company shall bill the municipal, state, [or] agricultural or water
118 company customer host for zero kilowatt hours of generation and
119 assign a virtual net metering credit to the municipal, state, [or]
120 agricultural or water company customer host's beneficial accounts for
121 the next monthly billing period. Such credit shall be applied against
122 the generation service component and a declining percentage of the
123 transmission and distribution charges billed to the beneficial accounts.
124 Such credit shall be allocated among such accounts in proportion to
125 their consumption for the previous twelve billing periods.

126 (c) An electric distribution company shall carry forward any
127 unassigned virtual net metering credits earned by the municipal or
128 state customer host, [or] unassigned agricultural virtual net metering
129 credits earned by the agricultural customer host or unassigned water
130 company virtual net metering credits earned by the water company
131 customer host from one monthly billing period to the next until the
132 end of the calendar year. At the end of each calendar year, the electric
133 distribution company shall compensate the municipal, state, [or]
134 agricultural or water company customer host for any unassigned
135 virtual net metering generation credits at the rate the electric
136 distribution company pays for power procured to supply standard
137 service customers pursuant to section 16-244c and a declining
138 percentage of the transmission and distribution charges.

139 (d) At least sixty days before a municipal or state customer host's
140 virtual net metering facility, [or] an agricultural customer host's
141 agricultural virtual net metering facility or water company customer

142 host's water company virtual net metering facility becomes
143 operational, the municipal, state, [or] agricultural or water company
144 customer host shall provide written notice to the electric distribution
145 company of its beneficial accounts. The municipal, state, [or]
146 agricultural or water company customer host may change its list of
147 beneficial accounts not more than once annually by providing another
148 sixty days' written notice. The municipal or state customer host shall
149 not designate more than five beneficial accounts, except that such
150 customer host may designate up to five additional nonstate or
151 municipal beneficial accounts, provided such accounts are critical
152 facilities, as defined in subdivision (2) of subsection (a) of section 16-
153 243y, and connected to a microgrid. The agricultural customer host
154 shall not designate more than ten beneficial accounts each of which
155 shall (1) use electricity for the purpose of agriculture, as defined in
156 subsection (q) of section 1-1, (2) be a municipality, or (3) be a
157 noncommercial critical facility, as defined in subdivision (2) of
158 subsection (a) of section 16-243y. The water company customer host
159 shall not designate more than ten beneficial accounts each of which
160 shall use electricity for the purpose of treating and distributing public
161 water supplies.

162 (e) On or before October 1, 2013, the Public Utilities Regulatory
163 Authority shall conduct a proceeding to develop the administrative
164 processes and program specifications, including, but not limited to, a
165 cap of ten million dollars per year apportioned to each electric
166 distribution company based on consumer load for credits provided to
167 beneficial accounts pursuant to subsection (c) of this section and
168 payments made pursuant to subsection (d) of this section, provided
169 the municipal, state and agricultural customer hosts, each in the
170 aggregate, and the designated beneficial accounts of such customer
171 hosts, shall receive not more than forty per cent of the dollar amount
172 established pursuant to this subsection.

173 (f) On or before January 1, 2013, and annually thereafter, each
174 electric distribution company shall report to the authority on the cost

175 of its virtual net metering program pursuant to this section and the
176 authority shall combine such information and report it annually, in
177 accordance with the provisions of section 11-4a, to the joint standing
178 committee of the General Assembly having cognizance of matters
179 relating to energy.

180 (g) A municipal, state, ~~[or] agricultural or water company~~ customer
181 host shall be allowed to aggregate all electric meters that are billable to
182 such customer host.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	16-244u

Statement of Purpose:

To promote energy efficiency and reduce costs by authorizing water companies to utilize virtual net metering.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]