As Introduced

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S. B. No. 298

Senator Romanchuk

To amend section 4928.67 and to enact sections 4928.675, 4928.676, 4928.677, 4928.678, 4928.679, 4928.6710, and 4928.6711 of the Revised Code regarding virtual net metering and meter aggregation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 4928.67 be amended and sections 4928.675, 4928.676, 4928.677, 4928.678, 4928.679, 4928.6710, and 4928.6711 of the Revised Code be enacted to read as follows:

Sec. 4928.67. (A)(1) Except as provided in ~~division~~ divisions (A)(2) and (3) of this section, an electric utility shall develop a standard contract or tariff providing for net metering.

That contract or tariff shall be identical in rate structure, all retail rate components, and any monthly charges to the contract or tariff to which the same customer would be assigned if that customer were not a customer-generator.

(2) An electric utility shall also develop a separate standard contract or tariff providing for net metering for a hospital, as defined in section 3701.01 of the Revised Code, that is also a customer-generator, subject to all of the

following:

(a) No limitation, including that in divisions (A)(31)(a) and (d) of section 4928.01 of the Revised Code, shall apply regarding the availability of the contract or tariff to such hospital customer-generators.

(b) The contract or tariff shall be based both upon the rate structure, rate components, and any charges to which the hospital would otherwise be assigned if the hospital were not a customer-generator and upon the market value of the customer-generated electricity at the time it is generated.

(c) The contract or tariff shall allow the hospital customer-generator to operate its electric generating facilities individually or collectively without any wattage limitation on size.

(3) An electric utility shall also develop a separate standard contract or tariff providing for net metering for a mercantile customer that is also a customer-generator, subject to all of the following:

(a) The contract or tariff shall be based upon the rate structure, rate components, and any charges to which the mercantile customer would otherwise be assigned if the mercantile customer was not a customer-generator, except for the customer's transmission rate structure, transmission rate components, and transmission charges.

(b) The contract or tariff shall have the option for the mercantile customer's transmission service costs to be billed and collected by the mercantile customer's competitive retail electric service supplier instead of by the mercantile customer's electric utility.

(c) The capacity of the mercantile customer's net metering system is less than fifty megawatts.

(B)(1) Net metering under this section shall be accomplished using a single meter capable of registering the flow of electricity in each direction. If its existing electrical meter is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is capable of measuring electricity flow in two directions.

(2) The electric utility, at its own expense and with the written consent of the customer-generator, may install one or more additional meters to monitor the flow of electricity in each direction.

(3) Consistent with the other provisions of this section, the measurement of net electricity supplied or generated shall be calculated in the following manner:

(a) The electric utility shall measure the net electricity produced or consumed during the billing period, in accordance with normal metering practices.

(b) If the electricity supplied by the electric utility exceeds the electricity generated by the customer-generator and fed back to the utility during the billing period, the customer-generator shall be billed for the net electricity supplied by the utility, in accordance with normal metering practices. If electricity is provided to the utility, the credits for that electricity shall appear in the next billing cycle.

(4) A net metering system used by a customer-generator shall meet all applicable safety and performance standards

established by the national electrical code, the institute of electrical and electronics engineers, and underwriters laboratories.

(C) The public utilities commission shall adopt rules relating to additional control and testing requirements for customer-generators that the commission determines are necessary to protect public and worker safety and system reliability.

(D) An electric utility shall not require a customer-generator whose net metering system meets the standards and requirements provided for in divisions (B)(4) and (C) of this section to do any of the following:

(1) Comply with additional safety or performance standards;

(2) Perform or pay for additional tests;

(3) Purchase additional liability insurance.

Sec. 4928.675. As used in sections 4928.675 to 4928.6711 of the Revised Code:

(A) "Virtual net metering" means measuring the difference in an applicable billing period between the electricity supplied by an electric utility and the electricity from a virtual net metering system attributed to a virtual net metering customer that is fed to the electric utility.

(B) "Virtual net metering customer" means a person, including a hospital as defined in section 3701.01 of the Revised Code, that contracts for or otherwise acquires electricity generated by a virtual net metering system. "Virtual net metering customer" does not include a residential customer.

(C) "Virtual net metering system" means a facility that satisfies all of the requirements of section 4928.676 of the Revised Code.

Sec. 4928.676. A virtual net metering system shall satisfy all of the following:

(A) The system is a facility for the production of electrical energy.

(B)(1) The system, subject to divisions (B)(2) and (3) of this section, uses as its fuel either solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine, natural gas-fired generator, battery-storage system, or a fuel cell.

(2) If the system uses either a battery-storage system or natural gas-fired generator, then the battery-storage system or generator shall not be sized so as to exceed the size of any co-located facility using solar, wind, biomass, landfill gas, or hydropower as its fuel.

(3) If the system uses both a battery-storage system and natural gas-fired generator, then the combined nameplate capacity of the system and the generator shall not be sized so as to exceed the size of any co-located facility using solar, wind, biomass, landfill gas, or hydropower as its fuel.

(C) The system is not a net metering system.

(D) The system is not located on agricultural land as defined in section 901.61 of the Revised Code.

(E) The system is located on one of the following:

(1) A mine as defined in section 1561.01 of the Revised Code;

(2) A brownfield as defined in section 122.6511 of the

Revised Code;

(3) A site, location, tract of land, installation, or building for incineration, composting, sanitary landfilling, or other approved methods of disposal of solid wastes as defined in section 3734.01 of the Revised Code;

(4) Property owned by a county land reutilization corporation as defined in section 1724.01 of the Revised Code;

(5) A disposal system as defined in section 6111.01 of the Revised Code;

(6) The roof of a facility that is used exclusively for commercial or industrial purposes.

(F) The system is in the certified territory of the electric utility that provides electric service to all electric meters that the virtual net metering customer intends to attribute electricity to or aggregate with under section 4928.6710 of the Revised Code.

(G) The system operates in parallel with the electric utility's transmission and distribution facilities.

(H) The system is sized so as to not exceed one hundred twenty per cent of the customer's requirements for electricity at the time of interconnection, as determined pursuant to section 4928.678 of the Revised Code, regardless of whether the customer intends to take service through an electric utility or a competitive retail electric service provider.

(I) The virtual net metering customer maintains an electric meter where the system is located.

(J) The system serves exactly one virtual net metering customer.

Sec. 4928.677. A virtual net metering system may be located on the same site as one or more other virtual net metering systems.

Sec. 4928.678. (A) The electric utility shall communicate with and assist a virtual net metering customer or person interested in becoming a virtual net metering customer in calculating the customer's or prospective customer's requirements for electricity based on both of the following:

(1) The average amount of electricity supplied by the electric utility to the customer annually over the previous three years;

(2) The average amount of electricity supplied by the electric utility in any hour within the previous three years, including during electric system coincidental peak hours.

(B) In instances in which the electric utility cannot provide data without divulging confidential or proprietary information, or in circumstances in which the electric utility does not have the data or cannot calculate the requirements for electricity described in division (A) of this section due to new construction, vacant properties, facility expansions, or other unique circumstances, the electric utility shall use any available consumption data or measures to establish an appropriate consumption estimate.

(C) Upon request from any virtual net metering customer or person interested in becoming a virtual net metering customer, the electric utility shall provide or make available to the customer or prospective customer either the average electricity supplied and coincident peak power to the customer over the previous three years or a reasonable consumption estimate for the customer.

Sec. 4928.679. (A)(1) An electric utility shall develop a standard contract or tariff providing for virtual net metering. The contract or tariff shall be similar in rate structure, all retail rate components, and any monthly charges to the contract or tariff to which the same customer would be assigned if that customer was not a virtual net metering customer, except for the customer's transmission rate structure, transmission rate components, and transmission charges. The contract or tariff shall provide that any credit for electricity supplied or generated by the virtual net metering system applies only to the generation and transmission charges imposed on the virtual net metering customer, and the virtual net metering customer shall be billed for all distribution related charges.

(2) The contract or tariff providing for virtual net metering shall have the option for the mercantile customer's transmission service costs to be billed and collected by the mercantile customer's competitive retail electric service supplier instead of by the mercantile customer's electric utility.

(B) Consistent with the other provisions of this section, the measurement of net electricity supplied or generated for virtual net metering shall be calculated in the following manner:

(1) The electric utility shall measure the amount of electricity generated by the virtual net metering system and attributed to the virtual net metering customer during the billing period.

(2) The electric utility shall measure the amount of

electricity consumed by the virtual net metering customer during the billing period.

(3) The electric utility shall measure the net electricity produced or consumed during the billing period using the difference between the amounts measured in divisions (B)(1) and (2) of this section, in accordance with normal metering practices.

(C) If the electricity supplied by the electric utility exceeds the electricity generated by the virtual net metering system attributed to the virtual net metering customer and fed to the utility during the billing period, the virtual net metering customer shall be billed for the net electricity supplied by the utility, in accordance with normal metering practices.

(D) If the electric utility receives more electricity from the virtual net metering customer than the utility supplied to the customer during the billing period, the excess electricity generated shall be converted to a monetary credit equivalent to the value of all standard charges associated with transmission, whether based in kilowatt hours or kilowatts, other than disaster recovery fees approved by the public utilities commission, and all standard charges associated with generation of the electric utility's standard service offer and shall carry forward as a monetary credit on the customer's future bills until applied completely against the customer's charges. The monetary credit shall not exceed generation and transmission savings realized by the electric utility. The monetary credit shall be applied only to the generation and transmission portions of the virtual net metering customer's bills. The electric utility shall not be required to pay the monetary credit, other than to credit it to future bills, and the monetary credit may be lost if a virtual net metering customer does not use the credit or stops taking service from the electric utility.

(E) A virtual net metering system shall meet all applicable safety and performance standards established by the national electrical code, the institute of electrical and electronics engineers, and underwriters laboratories.

(F) An electric utility shall not require a virtual net metering customer or other person who owns a virtual net metering system that meets the standards and requirements provided for in division (E) of this section and in section 4928.6711 of the Revised Code to do any of the following:

(1) Comply with additional safety or performance standards;

(2) Perform or pay for additional tests;

(3) Purchase additional liability insurance.

(G) No residential customer shall be required to incur any costs or be charged, directly or indirectly, for any costs related to virtual net metering.

Sec. 4928.6710. A virtual net metering customer may aggregate any or all of the customer's electric meters that are in the same electric utility certified territory as a virtual net metering system where the electricity generated by the system is attributable to the customer.

Sec. 4928.6711. The public utilities commission shall adopt rules to administer virtual net metering and meter aggregation under sections 4928.675 to 4928.6710 of the Revised

Code, including rules relating to additional control and testing requirements for virtual net metering systems that the commission determines are necessary to protect public and worker safety and system reliability.

Section 2. That existing section 4928.67 of the Revised Code is hereby repealed.