



MISSOURI UTILITIES PRESS FOR NET METERING CHANGES

As more and more utility customers opt for renewables and other forms of self-generation, utilities are faced with a challenge: Most of these utilities are required to purchase back excess energy from these customers at retail prices. This, of course, ends up being unfair to the utilities, which, in order to maintain profitability, need to either generate their own power or purchase it at wholesale prices, so they will have funds available for system maintenance, etc. It also ends up being unfair to customers who do not self-generate, because they are forced to pay higher prices for their power so that the utilities will have the necessary funds for system maintenance.

A number of utilities around the country have begun to take action, petitioning their public utilities commissions and state legislatures to designate a pay structure for self-generation that is fair to everyone.

Missouri utilities recently jumped into this fray, first with a public education campaign, and most recently with sponsored legislation.

The Association of Missouri Electric Cooperatives (AMEC) launched its “Fairness Down the Lines” campaign as a way to get the word out to the public at large about the need for net metering reform. “Special interest groups want to change Missouri net metering law, unfairly shifting costs from the select few Missouri Electric Cooperative Member-Owners who have solar panels on their homes to you - the majority of Member-Owners who do not,” states the campaign’s literature. “Our perspective is simple. All Member-Owners are continuously connected to the grid, so all Member-Owners should pay evenly to maintain it. In the 2016 legislative session, special interest groups filed legislation and tried to use an initiative petition to obtain their unfair agenda. Missouri’s Electric Cooperatives and other utilities helped stop those special interest groups in 2016, but we know that they will soon be back to attempt these changes again.”

The “Fairness Down the Lines” campaign also cited the results of a membership survey which found that almost 80 percent of Member-Owners are not willing to pay more

for their electricity to help subsidize their neighbors who want to install small-scale renewables (solar and wind).

In late 2016, AMEC crafted potential legislation that was subsequently introduced to the legislature as House Bill 340 by State Representative Travis Fitzwater (R-District 49). In late January 2017, the bill was referred to the legislature’s Utilities Committee.

HB-340, as currently written, would, among other things, allow the state’s co-ops and municipals serving fewer than 20,000 customers to enact new fees that would make net metering less attractive, create a separate rate class for customers with distributed generation, and require certain safety standards for customer-owned distributed generation. Ultimately, if the bill passes, it could also apply more broadly to the state’s larger investor-owned utilities.

Some specifics as relates to financial issues:

The bill attempts to place a cap on net metering in the state. It specifies that, “A retail electric supplier shall make net metering available to customer-generators on a first-come, first-served basis until the total rated generating capacity of net metering systems equals five percent of the supplier’s single-hour peak load during the previous year, after which the commission for an electrical corporation or the respective governing body of other suppliers may increase the total rated generating capacity of net metering systems to an amount above five percent.”

It also states that, “A retail electric supplier shall offer net metering to the customer-generator pursuant to a commission-approved tariff of an electrical corporation ... at rates that are identical in electrical energy rates, rate structure, and monthly charges to the contract or tariff that the customer would be assigned if the customer were not an eligible customer-generator, or, in the alternative, under a rate structure and with rates, fees, and charges that are reasonably calculated to prevent unfair subsidization by recovering that portion of the supplier’s fixed cost plus the demand charges attributable to and necessary for connecting the eligible generating unit to the supplier’s system and otherwise providing electrical service to the eligible customer-generator.”

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The bill also requires that a customer-generator's facility "shall be equipped with sufficient metering equipment that can measure the net amount of electrical energy produced or consumed by the customer-generator. If the customer-generator's existing meter equipment does not meet these requirements, or if it is necessary for the retail electric supplier to install additional distribution equipment to accommodate the customer-generator's facility, the customer-generator shall reimburse the retail electric supplier for the costs to purchase and install the necessary additional equipment."

Some specifics as to safety issues:

The bill requires that, "Each qualified electric energy generating unit used by a customer-generator shall meet, and be installed, maintained, and repaired consistent with all applicable safety, performance, interconnection,

and reliability standards established by any local code authorities, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories for distributed generation. All qualified electric generation units utilizing battery backup shall be installed to operate completely isolated from the supplier's system, including all neutral connections and grounding points, during times of backup operations."

In addition, "No consumer shall connect or operate a qualified electric energy generation unit in parallel phase and synchronization with any retail electric supplier without written approval by said supplier that all of the requirements ... have been met. For a consumer who violates this provision, a supplier may immediately and without notice disconnect the electric facilities of said consumer and terminate said consumer's electric service."



ABOUT THE AUTHOR

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ABOUT FINLEY

For 60+ years Finley Engineering Company has provided professional engineering, SCADA, surveying, mapping, environmental and right-of-way services to the electric power and broadband industries. Our planning and design includes all phases of distribution, transmissions and substations, from initial stages to construction management and startup; engineering a 95% client satisfaction rating.