

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: HB441

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Toscano

3. Committee: Commerce and Labor

4. Title: **Community and agricultural net metering.**

5. Summary: Community and agricultural net metering. Requires the State Corporation Commission to establish a program of community net metering, which will allow a group of residential, small commercial, and other customers to establish an “eligible community customer” to act collectively to generate renewable energy for their own use. Members of an eligible community customer develop a net metered system that provides that excess generation by some members of the group will be used to offset consumption by other members within the group. The generating capacity of an eligible community customer’s facility shall not exceed two megawatts at a single site but may exceed the amount of electricity provided by the incumbent electric utility over a net metering period at the site that hosts the generation facility. If electricity generated by the generation facility or facilities within the eligible community customer group in a year exceeds the net electricity consumption by members of the group, the utility shall reduce the eligible community customer’s bill for the next monthly billing period by the amount of the excess. The measure also creates a category of eligible customer-generators for operators of agricultural net metering facilities that have a capacity not exceeding two megawatts.

6. Fiscal Impact Estimates: Not available.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: To the extent there is an increase in generation by net energy metering customers, electricity consumption billed by utilities will decrease, resulting in a minimal reduction in state and local consumption taxes.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: To the extent a utility’s full retail rate, which includes charges for transmission and distribution service as well as for generation, is more than the energy cost avoided as a result of additional generation from community and agricultural net metering customers, there will be upward pressure on retail electric rates.

Date: 1/14/2010 TF