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SENATE BILL NO. 1779

Offered January 18, 2019

A BILL to amend the Code of Virginia by adding a section numbered 56-585.1:8, relating to a pilot program for municipal net energy metering.

Patron—Ebbin

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 56-585.1:8 as follows:

§ 56-585.1:8. Pilot program for municipal net energy metering.

A. As used in this section:

"Municipal customer-generator" means a municipality that owns and operates an electrical generating facility that (i) uses as its total source of fuel renewable energy as defined in § 56-576, (ii) is located on the municipality's premises and is connected to the municipality's wiring on the municipality's side of its interconnection with the utility, (iii) is interconnected and operated in parallel with the utility's transmission and distribution facilities, and (iv) is intended primarily to offset all or part of the customer's own electricity requirements. The capacity of any generating facility installed under this section, other than a generating facility located on airports, landfills, parking lots, parks, post-mine land, or a reservoir that is owned, operated, or leased by the municipality, shall not exceed the same limitation established with respect to an eligible customer-generator as set forth in the definition of such term in subsection B of § 56-594.

"Municipality" means any county, city, or town in the Commonwealth.

"Net energy metering" means measuring the difference, over the net metering period, between (i) electricity supplied to a municipal customer-generator from the electric grid and (ii) the electricity generated and fed back to the electric grid by the municipal customer-generator.

"Net metering period" means the 12-month period following the date of final interconnection of the municipal customer-generator's system with its utility and each 12-month period thereafter.

"Utility" means an investor-owned electric utility.

B. The Commission shall require each utility to submit a proposal to the Commission to conduct a pilot program for municipal net energy metering in accordance with the following terms, conditions, and restrictions:

1. A pilot program shall be conducted within the service territory of each utility. The pilot program shall allow any municipal customer-generator that generates electricity from a renewable energy generation facility in amounts that exceed the amount of the utility's electricity consumed by the municipal customer-generator to receive a credit against the municipal customer-generator's electricity consumption at one or more other separately utility-metered public buildings or facilities at contiguous or noncontiguous sites owned by the municipal customer-generator and used for a public purpose. Such excess electricity shall be credited to the municipal customer-generator's utility-metered accounts as directed by the municipal customer-generator in a manner that reduces the amount of electricity for which the municipal customer-generator is billed by the utility. The netting of the amount of electricity generated and the amount of electricity consumed, and the crediting for the amount of any excess generation determined as a result of such netting, shall occur in the twelfth month following the commencement of the municipal customer-generator's generation of electricity under a pilot program and annually thereafter, regardless of the municipal customer-generator's regular billing period. Such credit shall be equal to or greater than the generation-energy related rate under the Electrical Supply Service Charges of the host building plus all applicable generation-related riders or taxes and fuel-related riders or taxes, without the assessment by the utility of any service charges or fees in connection with or arising out of such crediting.

2. The pilot program shall not limit the current authority of any municipality to participate in any other net energy metering program.

3. A municipality shall be eligible to participate as a municipal customer-generator under a pilot program conducted pursuant to this section on a first-come, first-served basis in each utility's Virginia service area until the aggregate rated generating capacities of electrical generating facilities owned and operated by a municipal customer-generator under this section, by eligible customer-generators and eligible agricultural customer-generators under § 56-594, and by small agricultural generators under § 56-594.2 in the utility's service area reaches the maximum of the utility's adjusted Virginia peak-load forecast for the previous year as identified in subsection E of § 56-594.

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4. Any pilot program conducted pursuant to this section shall not limit the current authority of any municipality to participate in any other net energy metering program.

C. The duration of any pilot program approved by the Commission pursuant to this section shall be six years. If the pilot program is not extended beyond such initial term, the terms of the pilot program shall be included in future contracts for each municipality that elects to continue its program.

D. The Commission shall review the pilot programs established pursuant to this section in 2021 and every two years thereafter for the duration of the pilot program.

2. That the State Corporation Commission shall, by December 1, 2019, adopt such rules or establish such guidelines as may be necessary for its general administration of the pilot program established under this act.

3. That any electric utility participating in the pilot program established under this act shall report to the General Assembly by December 1 of each year the pilot program is in effect, commencing in 2020, regarding the status of the pilot program's enrollment and any other information that may be appropriate.