

HCS HB 869 -- ELECTRIC ENERGY

SPONSOR: Bivins (Holsman)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Energy and Environment by a vote of 12 to 0.

This substitute establishes the Easy Connection Act which requires all electric utilities including municipal utilities, electric cooperatives, and utilities regulated by the Missouri Public Service Commission to provide net metering services to their customers. The utilities will pay for a single, bi-directional meter to allow them to purchase renewable energy from customer generators. Net metering will be available based on a first-come, first-served basis until a net metering system with 5% of the peak load capacity of an electric utility is achieved.

A system for creating customer credits based on renewable energy sales is established, and rules for the operation of the system are specified. The commission is authorized to enforce the provisions of the substitute, and retail electric suppliers are required to provide annual net metering reports to the commission.

Rural electric cooperatives and municipalities are required to develop net metering contracts within nine months of August 28, 2007. The sale of electric generation units must meet the requirements of Sections 407.700 - 407.720, RSMo. Power generated by customer-generators will count for the purpose of any renewable energy targets or mandates established by the General Assembly. Customers cannot use generation devices in synchronization with retail electric suppliers without prior approval.

Retail suppliers will be immune from any lawsuit, unless there is clear and convincing evidence of fault. The sellers, installers, and manufacturers of electric generation units will be liable for any knowing misrepresentations, and manufacturers may be liable for product defects.

FISCAL NOTE: No impact on state funds in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that the bill will allow genuine net metering in Missouri. Utilities will not be required to pay for customer-generated electricity, but individuals will be allowed to produce renewable energy and lower their electricity bills. The bill will enhance commerce related to renewable energy and reduce greenhouse gases. Farmers will be encouraged to take

advantage of federal tax credits.

Testifying for the bill were Representative Holsman; R. J. Wilson, Heartland Renewable Energy Society; Erin Nobel, Coalition for the Environment; Reda Norton; Jordan House; David Manly; Henry Rentz; Travis Crestwell; and Mitchell Ross.

OPPONENTS: Those who oppose the bill say that forcing utilities to pay for customer-generated renewable energy is not economically feasible at this time.

Testifying against the bill was Association of Missouri Electric Cooperatives.

OTHERS: Others testifying on the bill say that net metering is a positive development and a fair cost-sharing system that must be implemented.

Testifying on the bill was Missouri Energy Development Association.