

FIRST REGULAR SESSION

# HOUSE BILL NO. 877

## 96TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES BERRY (Sponsor), HOLSMAN,  
FITZWATER AND MCGHEE (Co-sponsors).

1822L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 393, RSMo, by adding thereto one new section relating to the interconnection of electric generating facilities with utilities.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 393, RSMo, is amended by adding thereto one new section, to be  
2 known as section 393.1305, to read as follows:

**393.1305. 1. As used in this section, the following terms shall mean:**

- 2       **(1) "Commission", the public service commission of the state of Missouri;**  
3       **(2) "Electric utility" or "utility", any electrical corporation as defined in section**  
4 **386.020, any rural electric cooperative, and any municipal utility;**  
5       **(3) "Interconnection customer", any customer of an electric utility that is not a**  
6 **customer-generator under section 386.890 and that interconnects a generating facility with**  
7 **the utility under an interconnection agreement under this section.**

8       **2. The commission shall adopt rules for the interconnection of electric generating**  
9 **facilities intended to operate in parallel with an electric utility's system. These rules shall**  
10 **incorporate the applicable standards in the Institute of Electrical and Electronic**  
11 **Engineers' Standard 1547 and Underwriters Laboratory Standard 1741 and may include**  
12 **standards published by the Interstate Renewable Energy Council and standards published**  
13 **by the Federal Energy Regulatory Commission for the interconnection of small generators.**  
14 **Eligible technologies shall be renewable energy resources as defined in section 393.1025**  
15 **and waste heat recovery. Interconnection agreements, procedures, and fees shall be**  
16 **nondiscriminatory, just, and reasonable and establish uniform, clear, and transparent**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 **timelines. The commission shall seek to prevent barriers to new technology, shall not make**  
18 **compliance unduly burdensome and expensive, and shall not require a second meter or an**  
19 **external disconnect switch. The commission shall determine questions about the ability of**  
20 **specific equipment to meet interconnection standards and shall provide for a simple and**  
21 **inexpensive dispute resolution process. The commission shall develop a methodology for**  
22 **calculating utilities' avoided cost based on the capacity and energy costs of a proxy new**  
23 **electric generating unit.**

24 **3. (1) All electric utilities shall have the obligation to connect any customer,**  
25 **including those using distributed generation, located within its service territory to those**  
26 **facilities of the utility that are used for delivery of electric energy, subject to the**  
27 **commission rules and regulation and approved tariff provisions relating to the connection**  
28 **of service. The services provided to each interconnection customer shall be comparable in**  
29 **quality to those provided by the utility to itself or to any affiliate. Utilities shall make**  
30 **available the interconnection studies from facilities previously connected to its systems.**

31 **(2) Rates, prices, terms, and conditions for supporting services supplied by electric**  
32 **and gas utilities to interconnected systems shall be nondiscriminatory, cost-based, just, and**  
33 **reasonable. Rates and charges for standby power and maintenance power shall not be**  
34 **based on assumptions (unless supported by factual data) that forced outages or other**  
35 **reductions in electric output by interconnected systems will occur simultaneously on a**  
36 **utility's system or during the utility's system peak or both.**

37 **(3) An electricity provider shall not charge interconnection customers any fee or**  
38 **charge or require additional equipment, insurance, or any other requirements not**  
39 **specifically authorized by interconnection standards authorized by the commission, unless**  
40 **the fee, charge, or other requirement would apply to other similarly situated customers**  
41 **who are not interconnection customers.**

42 **(4) (a) Interconnection customers shall be allowed to sell excess electricity to their**  
43 **utilities as delivered at the utility's avoided cost, subject to maximum kilowatt-hour**  
44 **limitations that the commission may impose to the extent necessary to ensure reliable**  
45 **operation of the grid.**

46 **(b) Interconnection customers shall not be considered regulated public utilities as**  
47 **defined in section 386.020.**

48 **(c) For interconnection equipment not owned by a utility, the utility shall not be**  
49 **liable for loss, damage, or injury caused directly or indirectly by the equipment except for**  
50 **negligence by the utility in the purchase, installation, or modification of the equipment.**

51           **4. The governing body of a rural electric cooperative or municipal utility shall,**  
52 **within one year of August 28, 2011, adopt policies consistent with the commission's rule**  
53 **adopted under this section and establish simple, standard interconnection contracts.**

54           **5. Any rule or portion of a rule, as that term is defined in section 536.010, that is**  
55 **created under the authority delegated in this section shall become effective only if it**  
56 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
57 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
58 **vested with the general assembly under chapter 536 to review, to delay the effective date,**  
59 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**  
60 **of rulemaking authority and any rule proposed or adopted after August 28, 2011, shall be**  
61 **invalid and void.**

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