

111TH CONGRESS
2^D SESSION

H. R. 5692

To amend the Public Utility Regulatory Policies Act of 1978 to promote energy independence and self-sufficiency by providing for the use of net metering by certain small electric energy generation systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2010

Mr. INSLEE (for himself, Mr. BARTLETT, Mr. EHLERS, Mr. GRIJALVA, and Mr. HIGGINS) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to promote energy independence and self-sufficiency by providing for the use of net metering by certain small electric energy generation systems, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Americans Making
5 Power Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that it is in the public interest to:

1 (1) Enable small businesses, residences, schools,
2 churches, farms with small electric generation units,
3 and other retail electric consumers who generate
4 electric energy to return surplus electric energy back
5 to the utility for credit.

6 (2) Encourage private investment in renewable
7 and alternate energy resources.

8 (3) Stimulate economic growth and job cre-
9 ation.

10 (4) Enhance the continued diversification of en-
11 ergy resources used in the United States, particu-
12 larly with distributed generation systems that may
13 have a positive impact on the transmission grid reli-
14 ability.

15 (5) Remove regulatory barriers for net metering
16 and interconnection.

17 (6) Limit variability in technologies and save
18 costs to the consumer through net metering and
19 interconnection standards.

20 (7) Address the underlying need for consumers
21 to be able to interconnect to the electric grid.

1 **SEC. 3. NET METERING AND INTERCONNECTION STAND-**
2 **ARDS.**

3 (a) IN GENERAL.—Section 113 of the Public Utility
4 Regulatory Policies Act of 1978 (16 U.S.C. 2623) is
5 amended by adding at the end the following:

6 “(d) NET METERING.—

7 “(1) DEFINITIONS.—In this subsection and
8 subsection (e):

9 “(A) COMBINED HEAT AND POWER SYS-
10 TEM.—

11 “(i) IN GENERAL.—The term ‘com-
12 bined heat and power system’ means a sys-
13 tem—

14 “(I) that uses the same energy
15 source for the simultaneous or sequen-
16 tial generation of electrical power, me-
17 chanical shaft power, or both, in com-
18 bination with the generation of steam
19 or other forms of useful thermal en-
20 ergy (including heating and cooling
21 applications);

22 “(II) that produces—

23 “(aa) at least 20 percent of
24 its total useful energy in the
25 form of thermal energy which is
26 not used to produce electrical or

1 mechanical power (or combina-
2 tion thereof); and

3 “(bb) at least 20 percent of
4 its total useful energy in the
5 form of electrical or mechanical
6 power (or a combination thereof),
7 and

8 “(III) the energy efficiency per-
9 centage of which exceeds 60 percent.

10 “(ii) MAXIMUM CAPACITY.—The term
11 ‘combined heat and power system’ shall
12 not include any system that has a capacity
13 in excess of 2,000 kilowatts or a mechan-
14 ical energy capacity in excess of 2680
15 horsepower or an equivalent combination
16 of electrical and mechanical energy capac-
17 ities.

18 “(iii) ENERGY EFFICIENCY PERCENT-
19 AGE.—For purposes of this subparagraph,
20 the energy efficiency percentage of a sys-
21 tem is the fraction—

22 “(I) the numerator of which is
23 the total useful electrical, thermal,
24 and mechanical power produced by
25 the system at normal operating rates,

1 and expected to be consumed in its
2 normal application; and

3 “(II) the denominator of which is
4 the lower heating value of the fuel
5 sources for the system.

6 “(B) CUSTOMER-GENERATOR.—The term
7 ‘customer-generator’ means any customer of an
8 electric utility that generates electric energy,
9 using a qualified generation unit, that is pri-
10 marily intended to offset part or all of the cus-
11 tomer-generator’s electric energy requirements.
12 A customer-generator does not need to be the
13 owner of such a qualified generation unit.

14 “(C) LOCAL DISTRIBUTION COMPANY.—
15 The term ‘local distribution company’ means
16 the owner or operator of a local distribution
17 system, or the provider of electric energy meter
18 reading services, that is not a retail electric
19 supplier.

20 “(D) LOCAL DISTRIBUTION SYSTEM.—The
21 term ‘local distribution system’ means any sys-
22 tem for the distribution of electric energy to the
23 ultimate consumer of the electric energy, wheth-
24 er or not the owner or operator of the system
25 is a retail electric supplier.

1 “(E) NET METERING.—The term ‘net me-
2 tering’ means the process of—

3 “(i) measuring the difference between
4 the electric energy supplied to a customer-
5 generator and the electric energy generated
6 by the customer-generator that is delivered
7 to a local distribution system at the same
8 point of interconnection during an applica-
9 ble billing period; and

10 “(ii) providing an energy credit to the
11 customer-generator in the form of a kilo-
12 watt-hour credit for each kilowatt-hour of
13 energy produced by the customer-generator
14 from a qualified generation unit.

15 “(F) QUALIFIED GENERATION UNIT.—The
16 term ‘qualified generation unit’ means an elec-
17 tric generation unit that uses renewable energy,
18 a combined heat and power system, or a waste
19 heat to electricity system, and—

20 “(i) has a generating capacity of not
21 more than 2,000 kilowatts;

22 “(ii) operates in parallel with the re-
23 tail electric supplier; and

1 “(iii) is intended primarily to offset all
2 or part of the requirements of the cus-
3 tomer-generator for electric energy.

4 “(G) RENEWABLE ENERGY.—The term
5 ‘renewable energy’ means electric energy gen-
6 erated using—

7 “(i) renewable biomass, solar, geo-
8 thermal, wind, ocean, hydroelectric, anaer-
9 obic digestion, landfill gas, or fuel cell
10 sources;

11 “(ii) hydrogen produced from any
12 such source; or

13 “(iii) any combination of such sources.

14 “(H) RETAIL ELECTRIC SUPPLIER.—The
15 term ‘retail electric supplier’ means any electric
16 utility that sells electric energy to the ultimate
17 consumer of the energy or provides retail elec-
18 tric energy meter reading services for con-
19 sumers.

20 “(I) WASTE HEAT TO ELECTRICITY SYS-
21 TEM.—

22 “(i) IN GENERAL.—The term ‘waste
23 heat to electricity system’ means a system
24 that generates electric energy through the

1 recovery of a qualified waste heat resource,
2 including—

3 “(I) exhaust heat or flared gas
4 from any industrial process;

5 “(II) waste gas or industrial tail
6 gas that would otherwise be flared, in-
7 cinerated, or vented;

8 “(III) a pressure drop in any
9 gas, excluding any pressure drop to a
10 condenser that subvents the resulting
11 heat; and

12 “(IV) any such other form of
13 waste heat resource as the Secretary
14 may determine.

15 “(ii) LIMITATION.—A qualified waste
16 heat resource under clause (i) does not in-
17 clude a heat resource from a process whose
18 primary purpose is the generation of elec-
19 tric energy using a fossil fuel.

20 “(2) ADOPTION.—Not later than 1 year after
21 the date of the enactment of this subsection, each
22 State regulatory authority (with respect to each elec-
23 tric utility for which it has ratemaking authority),
24 and each nonregulated electric utility, shall adopt
25 the standard established by paragraph (3), unless,

1 with respect to a State, the Commission determines
2 that a net metering requirement in effect for such
3 State complies with the standard established by
4 paragraph (3).

5 “(3) ESTABLISHMENT OF NET METERING
6 STANDARD.—The following Federal standard is
7 hereby established:

8 “(A) NET METERING STANDARD.—Each
9 retail electric supplier shall (either directly or
10 through a local distribution company or other
11 third party) make net metering available, on a
12 first-come, first-served basis, to each customer-
13 generator of the retail electric supplier in ac-
14 cordance with the requirements described in
15 subparagraph (B) and the other provisions of
16 this subsection.

17 “(B) REQUIREMENTS.—The requirements
18 referred to in subparagraph (A) are, with re-
19 spect to a retail electric supplier, that—

20 “(i) rates for customer-generators
21 shall be the same as the rates that would
22 be applicable if the customer-generator did
23 not own or operate a qualified generation
24 unit and use a net metering system; and

1 “(ii) each retail electric supplier shall
2 notify all of the retail customers of the re-
3 tail electric supplier of the standard estab-
4 lished under this paragraph as soon as
5 practicable after the adoption of the stand-
6 ard.

7 “(4) NET ENERGY MEASUREMENT.—

8 “(A) IN GENERAL.—Except as otherwise
9 provided in this paragraph, each retail electric
10 supplier shall arrange to provide and install, for
11 any customer-generator who qualifies for net
12 metering under this subsection, an electric en-
13 ergy meter capable of net metering. In a case
14 in which it is not practicable to provide and in-
15 stall such a meter, a retail electric supplier
16 shall, at the expense of the retail electric sup-
17 plier, either directly or through a local distribu-
18 tion company or other third party, arrange to
19 have such a meter installed for the customer-
20 generator concerned. Except as provided in sub-
21 paragraph (C)(i), any subsequent electric en-
22 ergy meter change necessitated or requested for
23 any reason by the customer-generator shall be
24 paid for by the customer-generator.

1 “(B) CRITERIA.—A customer-generator
2 may choose to use an existing electric energy
3 meter under this paragraph if the following cri-
4 teria are met:

5 “(i) The electric energy meter is capa-
6 ble of measuring the flow of electric energy
7 both into and out of the qualified genera-
8 tion unit of the customer-generator.

9 “(ii) The electric energy meter is ac-
10 curate with a degree of accuracy that the
11 retail electric supplier or local distribution
12 company requires when measuring electric
13 energy flowing from the qualified genera-
14 tion unit of the customer-generator to the
15 local distribution system or retail electric
16 supplier.

17 “(C) ADDITIONAL METERS.—An additional
18 electric energy meter may be installed for a cus-
19 tomer-generator who qualifies for net metering
20 under this subsection in either of the following
21 circumstances:

22 “(i) The local distribution company or
23 retail electric supplier may install an addi-
24 tional electric energy meter at its own ex-

1 pense if the customer-generator provides
2 written consent.

3 “(ii) The customer-generator may re-
4 quest that the local distribution company
5 or retail electric supplier install an electric
6 energy meter, in addition to the electric en-
7 ergy meter that meets the criteria of sub-
8 paragraph (B), at the customer-generator’s
9 expense. In such a case, the charge to the
10 customer-generator shall be no more than
11 the actual cost of the electric energy meter
12 and its installation.

13 “(5) BILLING.—

14 “(A) IN GENERAL.—Each local distribu-
15 tion company or retail electric supplier shall
16 calculate the electric energy consumption for a
17 customer-generator using a net metering system
18 in accordance with subparagraphs (B) through
19 (D).

20 “(B) MEASUREMENT OF ELECTRIC EN-
21 ERGY.—The local distribution company or retail
22 electric supplier shall measure the net electric
23 energy produced or consumed during a billing
24 period using the meter installed in accordance
25 with paragraph (4).

1 “(C) BILLING AND CREDITING.—

2 “(i) BILLING.—If the electric energy
3 supplied by the retail electric supplier ex-
4 ceeds the electric energy generated by the
5 customer-generator during a billing period,
6 the customer-generator shall be billed for
7 the net electric energy supplied by the re-
8 tail electric supplier in accordance with
9 normal billing practices.

10 “(ii) CREDITING.—

11 “(I) IN GENERAL.—If electric en-
12 ergy generated by the customer-gener-
13 ator exceeds the electric energy sup-
14 plied by the retail electric supplier
15 during a billing period, the customer-
16 generator shall be billed for the appro-
17 priate customer charges for such bill-
18 ing period and credited for the excess
19 electric energy generated during such
20 billing period, with the credit appear-
21 ing as a kilowatt-hour credit on the
22 bill for the following billing period.

23 “(II) APPLICATION OF CRED-
24 ITS.—Any kilowatt-hour credits pro-
25 vided to a customer-generator under

1 this clause shall be applied to the cus-
2 tomer-generator's electric energy con-
3 sumption on the bill for the following
4 billing period.

5 “(III) CARRYOVER OF UNUSED
6 CREDITS.—At the beginning of each
7 12-month period, any unused kilo-
8 watt-hour credits remaining from the
9 preceding 12-month period shall be
10 reimbursed to the customer-generator
11 at the average wholesale market rate
12 for the preceding 12-month period.

13 “(D) USE OF TIME-DIFFERENTIATED EN-
14 ERGY TARIFF RATES.—

15 “(i) DIFFERENT TARIFFS OR SERV-
16 ICES.—A retail electric supplier shall offer
17 a customer-generator the choice of a time-
18 differentiated energy tariff rate or a
19 nontime-differentiated energy tariff rate, if
20 the retail electric supplier offers the choice
21 to customers in the same rate class as the
22 customer-generator.

23 “(ii) CREDITS.—If a customer-gener-
24 ator is using a meter installed in accord-
25 ance with paragraph (4) and retail billing

1 arrangement that has time-differentiated
2 energy tariff rates—

3 “(I) a kilowatt-hour credit de-
4 scribed in this paragraph shall be
5 based on the ratio of the time-of-use
6 rate to the lowest time-of-use rate
7 over the course of a 12-month period;
8 and

9 “(II) excess kilowatt-hour credits
10 in any individual time-of-use period
11 shall be applied to other time-of-use
12 periods in the same billing period,
13 with any remaining excess for the bill-
14 ing period carried over to the next
15 billing period.

16 “(iii) MONETARY CREDIT.—If, upon
17 review, a retail electric supplier finds the
18 crediting method under clause (ii) incon-
19 sistent with its current billing practices,
20 such retail electric supplier may elect to
21 convert excess kilowatt-hour credits under
22 time-of-use billing to a monetary value
23 based on the time when the kilowatt-hours
24 were generated and provide a monetary

1 credit to the customer-generator on the bill
2 for the following billing period.

3 “(6) COST RECOVERY MECHANISM.—Regulated
4 utilities shall be granted the authority to recover,
5 through retail rates approved by the applicable pub-
6 lic utility commission, any retail electric revenues
7 lost as a result of electric energy generation by a
8 customer-generator, less the associated power and
9 other costs avoided by the utility.

10 “(7) PERCENT LIMITATIONS.—

11 “(A) 6 PERCENT LIMITATION.—The stand-
12 ard established by paragraph (3) of this sub-
13 section shall not apply for a 12-month period to
14 any customer-generator served by a local dis-
15 tribution company or retail electric supplier if,
16 at the beginning of such 12-month period, the
17 total generating capacity of all customer-gen-
18 erators with net metering systems served by the
19 local distribution company or retail electric sup-
20 plier is equal to or more than 6 percent of the
21 capacity necessary to meet the average fore-
22 casted aggregate customer peak demand of the
23 retail electric supplier for such 12-month pe-
24 riod.

1 “(B) 4 PERCENT LIMITATION.—The stand-
2 ard established by paragraph (3) of this sub-
3 section shall not apply for a 12-month period to
4 any customer-generator served by a local dis-
5 tribution company or retail electric supplier if,
6 at the beginning of such 12-month period, the
7 total generating capacity of all customer-gen-
8 erators with net metering systems served by the
9 local distribution company or retail electric sup-
10 plier using a single type of renewable energy, a
11 combined heat and power system, or a waste
12 heat to electricity system, is equal to or more
13 than 4 percent of the capacity necessary to
14 meet the forecasted aggregate customer peak
15 demand of the retail electric supplier for such
16 12-month period.

17 “(C) RECORDS AND NOTICE.—

18 “(i) RECORDS.—Each retail electric
19 supplier shall maintain, and make available
20 to the public, records of—

21 “(I) the type of generating tech-
22 nologies and energy sources used by
23 the qualified generation units used by
24 the customer-generators; and

1 “(II) the total generating capac-
2 ity for all customer-generators using a
3 specific type of qualified generation
4 unit.

5 “(ii) NOTICE.—Each such retail elec-
6 tric supplier shall notify the State regu-
7 latory authority, as applicable, and the
8 Commission at each time at which the
9 total generating capacity of the customer-
10 generators of the retail electric supplier
11 reaches a level that equals or exceeds—

12 “(I) 75 percent of the limitation
13 specified in subparagraph (A);

14 “(II) the limitation specified in
15 subparagraph (A);

16 “(III) 75 percent of the limita-
17 tion specified in subparagraph (B); or

18 “(IV) the limitation specified in
19 subparagraph (B).

20 “(8) OWNERSHIP OF CREDITS.—For purposes
21 of Federal and State laws providing renewable en-
22 ergy credits or greenhouse gas credits, a customer-
23 generator using net metering shall be treated as
24 owning and having title to any renewable energy at-
25 tributes, renewable energy credits, and greenhouse

1 gas emission credits relating to any electric energy
2 generated by the customer-generator.

3 “(9) SAFETY AND PERFORMANCE STAND-
4 ARDS.—A net metering system used by a customer-
5 generator shall be installed according to the inter-
6 connection rules approved by the State regulatory
7 authority or the Commission.

8 “(10) DETERMINATION OF COMPLIANCE.—

9 “(A) IN GENERAL.—Any State regulatory
10 authority (with respect to each electric utility
11 for which it has ratemaking authority), and any
12 nonregulated electric utility, may apply to the
13 Commission for a determination that any State
14 net metering requirement or regulation complies
15 with the standard established by paragraph (3)
16 and the requirements of this subsection.

17 “(B) ORDERS.—In the absence of a deter-
18 mination that a State net metering requirement
19 or regulation complies with the standard estab-
20 lished by paragraph (3) and the requirements
21 of this subsection under subparagraph (A), the
22 Commission, on the motion of the Commission
23 or pursuant to the petition of any interested
24 person, may, after notice and opportunity for a
25 hearing on the record, issue an order requiring

1 any retail electric supplier or local distribution
2 company to comply with this subsection.

3 “(C) ENFORCEMENT.—

4 “(i) IN GENERAL.—Any person who
5 violates this subsection shall be subject to
6 a civil penalty in an amount scaled appro-
7 priately to the nature of the violation, as
8 determined by the Commission.

9 “(ii) ASSESSMENT.—The civil penalty
10 under clause (i) may be assessed by the
11 Commission, after notice and opportunity
12 for hearing, in the same manner as pen-
13 alties are assessed under section 31(d) of
14 the Federal Power Act (16 U.S.C.
15 823b(d)).

16 “(e) INTERCONNECTION STANDARDS.—

17 “(1) MODEL STANDARDS.—

18 “(A) IN GENERAL.—Not later than 1 year
19 after the date of the enactment of this sub-
20 section, the Commission shall publish model
21 standards for the physical connection between
22 local distribution systems and qualified genera-
23 tion units. The Commission shall also modify
24 the provisions of its Small Generator Inter-
25 connection Procedures relating to expediting the

1 permitting of qualified generation units up to
2 2,000 kilowatts.

3 “(B) PURPOSES.—The model standards
4 shall be designed to—

5 “(i) encourage the use of qualified
6 generation units; and

7 “(ii) ensure the safety and reliability
8 of the qualified generation units and the
9 local distribution systems interconnected
10 with the qualified generation units.

11 “(C) EXPEDITED PROCEDURES.—

12 “(i) IN GENERAL.—The model stand-
13 ards shall have 2 separate expedited proce-
14 dures as follows:

15 “(I) A procedure for the inter-
16 connection of qualified generation
17 units that have a generating capacity
18 of not more than 10 kilowatts.

19 “(II) A procedure for the inter-
20 connection of qualified generation
21 units that have a generating capacity
22 of more than 10 kilowatts but not
23 more than 2,000 kilowatts.

24 “(ii) BEST PRACTICES.—The expe-
25 dited procedures shall be based on the best

1 practices that have been used by State reg-
2 ulatory authorities and nonregulated elec-
3 tric utilities that have adopted interconnec-
4 tion standards.

5 “(iii) MODEL RULE.—In designing the
6 expedited procedures for interconnection,
7 the Commission shall consider the Inter-
8 state Renewable Energy Council’s most re-
9 cent model interconnection procedures.

10 “(D) ADOPTION OF STANDARDS.—

11 “(i) IN GENERAL.—Not later than 2
12 years after the date of the enactment of
13 this subsection, each State regulatory au-
14 thority (with respect to each electric utility
15 for which it has ratemaking authority) and
16 each nonregulated electric utility shall—

17 “(I) adopt the model standards
18 established under this paragraph, with
19 or without modification; and

20 “(II) submit the standards
21 adopted by such State regulatory au-
22 thority (with respect to each electric
23 utility for which it has ratemaking au-
24 thority) or such nonregulated electric

1 utility to the Commission for ap-
2 proval.

3 “(ii) APPROVAL OF MODIFICATION.—

4 The Commission shall approve a modifica-
5 tion of the model standards only if the
6 Commission determines that the modifica-
7 tion is—

8 “(I) consistent with or superior
9 to the purpose of the standards; and

10 “(II) required by reason of local
11 conditions.

12 “(E) NONAPPROVAL OF STANDARDS FOR A
13 STATE.—If standards have not been approved
14 under this paragraph by the Commission for
15 any State regulatory authority or nonregulated
16 electric utility during the 2-year period begin-
17 ning on the date of the enactment of this sub-
18 section, the Commission shall, by rule or order,
19 enforce the model standards of the Commission
20 for the State regulatory authority or nonregu-
21 lated electric utility until such time as such
22 standards are approved by the Commission.

23 “(F) UPDATES.—

24 “(i) IN GENERAL.—The Commission
25 shall publish an update of the model stand-

1 ards, at such a time as the Commission de-
2 termines appropriate after—

3 “(I) submission and approval of
4 standards of all State regulatory au-
5 thorities (with respect to electric utili-
6 ties for which they have ratemaking
7 authority) and nonregulated electric
8 utilities under subparagraph (D);

9 “(II) notice and opportunity for
10 comment; and

11 “(III) considering changes in ap-
12 plicable safety and performance and
13 reliability standards and underlying
14 technologies.

15 “(ii) AVAILABILITY.—Any update of
16 the model standards shall be made avail-
17 able to State regulatory authorities and
18 nonregulated electric utilities for consider-
19 ation by such authorities and utilities.

20 “(2) SAFETY, RELIABILITY, PERFORMANCE,
21 AND COST.—

22 “(A) IN GENERAL.—The model standards
23 established under this subsection shall establish
24 such measures for the safety and reliability of
25 the qualified generation unit and any other

1 equipment used for electric interconnection to
2 the local distribution system as well as the local
3 distribution system itself, as appropriate.

4 “(B) ADMINISTRATION.—The model stand-
5 ards established under this subsection shall—

6 “(i) be consistent with all applicable
7 safety and performance standards estab-
8 lished by—

9 “(I) the National Electrical Code;

10 “(II) the Institute of Electrical
11 and Electronics Engineers;

12 “(III) Underwriters Laboratories;

13 or

14 “(IV) the American National
15 Standards Institute; and

16 “(ii) impose not more than such min-
17 imum cost and technical burdens to the
18 interconnecting customer-generator as the
19 Commission determines, by rule, are prac-
20 ticable.

21 “(3) ADDITIONAL CHARGES.—The model stand-
22 ards under this subsection shall prohibit the imposi-
23 tion of additional charges by local distribution com-
24 panies and retail electric suppliers for equipment or
25 services for interconnection that are in excess of—

1 “(A) the charges necessary to meet the
2 standards or provide net metering to greater
3 types or numbers of customers or for larger
4 generators or remove administrative burdens;
5 and

6 “(B) the charges and equipment require-
7 ments identified in the best practices of State
8 regulatory authorities (with respect to electric
9 utilities for which they have ratemaking author-
10 ity) and nonregulated electric utilities with
11 interconnection standards.

12 “(4) CONSUMER-FRIENDLY CONTRACTS.—

13 “(A) IN GENERAL.—The Commission
14 shall—

15 “(i) promulgate regulations that en-
16 sure that simplified contracts will be used
17 for the interconnection of qualified genera-
18 tion units by a retail electric supplier or
19 local distribution company; and

20 “(ii) consider the best practices out-
21 lined in the most recent Interstate Renew-
22 able Energy Council model for consumer-
23 friendly contracts.

24 “(B) LIABILITY OR INSURANCE.—The con-
25 tracts described in subparagraph (A) shall not

1 require liability or other insurance in excess of
2 the liability or insurance that is typically car-
3 ried by customer-generators for general liabil-
4 ity.”.

5 (b) CONFORMING AMENDMENT.—Section 1262 of the
6 Public Utility Holding Company Act of 2005 (42 U.S.C.
7 16451) is amended by striking paragraph (5) and insert-
8 ing the following:

9 “(5) ELECTRIC UTILITY COMPANY.—

10 “(A) IN GENERAL.—The term ‘electric
11 utility company’ means any company that owns
12 or operates facilities used for the generation,
13 transmission, or distribution of electric energy
14 for sale.

15 “(B) EXCLUSION.—The term ‘electric util-
16 ity company’ does not include a qualified gen-
17 eration unit (as defined in section 113(d) of the
18 Public Utility Regulatory Policies Act of
19 1978).”.

20 **SEC. 4. RELATIONSHIP TO STATE LAW.**

21 Section 117(b) of the Public Utility Regulatory Poli-
22 cies Act of 1978 (16 U.S.C. 2627(b)) is amended—

23 (1) by striking “Nothing” and inserting the fol-
24 lowing:

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), nothing”; and

3 (2) by adding at the end the following:

4 “(2) NET METERING AND INTERCONNECTION
5 STANDARDS.—

6 “(A) IN GENERAL.—Subject to subpara-
7 graph (B), no State regulatory authority or
8 nonregulated electric utility may adopt or en-
9 force any standard or requirement concerning
10 net metering or interconnection that restricts
11 access to the electric power transmission or
12 local distribution system by qualified generation
13 units beyond those standards and requirements
14 established under section 113.

15 “(B) EQUIVALENT OR GREATER ACCESS.—
16 Nothing in this title precludes a State regu-
17 latory authority or nonregulated electric utility
18 from adopting or enforcing incentives or re-
19 quirements or removing administrative burdens
20 to encourage the use of qualified generation
21 units and net metering that—

22 “(i) are in addition to or equivalent to
23 standards and requirements under section
24 113;

1 “(ii) afford greater access to the elec-
2 tric power transmission and local distribu-
3 tion systems by qualified generation units
4 than the standards and requirements
5 under section 113;

6 “(iii) afford greater compensation or
7 credit for electric energy generated by the
8 qualified generation units than the stand-
9 ards and requirements under section 113;
10 or

11 “(iv) provide net metering to greater
12 types or numbers of customers or for larg-
13 er generators than the standards and re-
14 quirements under section 113.

15 “(C) QUALIFIED GENERATION UNIT.—In
16 this paragraph, the term ‘qualified generation
17 unit’ has the meaning given such term in sec-
18 tion 113(d).”.

○