



SPONSOR: Sen. Simpson & Sen. McDowell, & Rep. Hocker, & Rep. Valihura

DELAWARE STATE SENATE

144th GENERAL ASSEMBLY

SENATE SUBSTITUTE NO. 1 FOR
SENATE BILL NO. 8
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 26 OF THE DELAWARE CODE RELATING TO NET ENERGY METERING.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend §1014(d), Title 26, Delaware Code by deleting “shall” therefrom, by inserting in lieu thereof “and municipal electric companies shall each”, and by striking “residential and small commercial” therefrom.

Section 2. Amend §1014(d)(1), Title 26, Delaware Code by striking it in its entirety and inserting in lieu thereof the following:

“(1) Has a capacity that:

- (a) For residential customers of DP&L, DEC, and municipal electric companies, has a capacity of not more than 25 kW.
- (b) For non-residential customers, is not more than 2 megawatts per DP&L meter, and 500 kW per DEC or municipal electric company meter. DEC and municipal electric companies are encouraged to provide for net metering up to a capacity of not more than 2 megawatts for non-residential customers;
- (c) Is intended primarily to offset all or part of the customer’s electricity requirements;”.

Section 3. Amend §1014(d)(2), Title 26, Delaware Code by striking “or other forms of renewable energy” and inserting in lieu thereof “, a fuel cell powered by renewable fuels, or gas from the anaerobic digestion of organic material”.

Section 4. Amend §1014, Title 26, Delaware Code by inserting the following subsections:

“(e) The rules and regulations promulgated for net energy metering by the Commission and municipal electric companies shall:

- (1) Provide for customers to be credited in kilowatt-hours (kWh), valued at an amount per kilowatt-hour equal to the sum of Delivery Service Charges and Supply Service Charges for residential customers and the sum of the volumetric energy (kWh) components of the delivery service charges and supply service charges for non-residential customers for any excess production of their generating facility that exceeds the customer’s on-site consumption of kWh in a billing period. Excess kWh credits shall be credited to subsequent billing periods to offset a customer’s consumption in those billing periods until all credits are used or until the end of a twelve-month period, ending either December 31 or July 31 to be chosen at the discretion of the customer. Any unused credits at the end of the twelve-month period shall be forfeited to the Electric Supplier at the Electric Supplier’s avoided cost of wholesale power, which means the average locational marginal price of energy in the Energy Supplier’s transmission zone, for use solely to augment existing funding for the Green Energy Fund. Any excess kWh credits shall not reduce any fixed monthly customer charges imposed by the Electric Supplier. The customer-generator retains ownership of renewable energy credits (REC) associated with electric energy produced and consumed by the customer-generator. RECs associated with NEG convey to the purchasing Electric Supplier.
- (2) Ensure that Electric Suppliers provide net-metered customers electric service at nondiscriminatory rates that are identical, with respect to rate structure and monthly charges, to the rates that a customer who is not net-metering would be charged. Electric Suppliers shall not charge a net-metering customer any stand-by fees or similar charges, with the exception that the Delaware Energy Office shall promulgate rules that allow DEC and municipal electric companies to request to assess non-residential net-metering customers a fee or charge if the electric utility’s direct costs of interconnection and administration of net-metering for these customer classes outweigh the distribution system, environmental, and public policy benefits of allocating the costs among the Electric Supplier’s entire customer base.
- (3) Require that all generating systems used by eligible customer-generators shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers, and Underwriters Laboratories to ensure that net metering customers meet applicable safety and performance standards and

comply with the Electric Supplier's interconnection tariffs and operating guidelines. An Electric Supplier's interconnection rules shall be developed by using as a guide the Interstate Renewable Energy Council's Model Interconnection Rules and best practices identified by the U.S. Department of Energy. Municipal electric companies shall establish interconnection rules no later than 12 months after the enactment of this Act. Electric Suppliers shall not require eligible net-metering customers who meet all applicable safety and performance standards to install excessive controls, perform or pay for unnecessary tests, or purchase excessive liability insurance.

- (4) Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the net-metering customer, at the expense of the Electric Supplier, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the customer pursuant to paragraph (1) of this subsection, or to collect system performance information on the eligible technology for research purposes. If the existing electrical meter of an eligible net-metering customer is incapable of measuring the flow of electricity in two directions through no fault of the customer, the Electric Supplier shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure the flow of electricity in two directions. However, where a larger capacity meter is required to serve the customer, or a larger capacity meter is requested by the customer, the customer shall pay the Electric Supplier the difference between the larger capacity meter investment and the metering investment normally provided under the customer's Service Classification. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a single meter.
 - (5) If the total generating capacity of all customer-generation using net metering systems served by an electric utility exceeds one percent of the capacity necessary to meet the electric utility's aggregated customer monthly peak demand for a particular calendar year, the electric utility may elect not to provide net metering services to any additional customer-generators.
- (f) The Commission shall periodically review the impact of net-metering rules in this section and recommend changes or adjustments necessary for the economic health of utilities."