

The Senate Finance and Public Utilities Committee offered the following substitute to SB 93:

A BILL TO BE ENTITLED
AN ACT

To amend Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to generation and distribution of electricity generally, so as to change certain provisions relating to operation of electrical cogeneration facilities and sales of energy therefrom; to provide for a program of distributed generation for operators of certain solar electrical facilities; to provide for a short title; to provide legislative findings and declarations; to provide for definitions; to provide for procedures, requirements, and limitations; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to generation and distribution of electricity generally, is amended by striking Part 3, "The Georgia Cogeneration Act of 1979," and inserting in lieu thereof the following:

"Part 3

46-3-50.

This part shall be known and may be cited as 'The Georgia Cogeneration and Distributed Generation Act of ~~1979~~ 2001.'

46-3-51.

(a) The legislature finds that it is in the public interest to:

(1) Encourage private investment in renewable energy resources;

(2) Stimulate the economic growth of Georgia; and

(3) Enhance the continued diversification of the energy resources used in Georgia.

(b) The General Assembly further finds and declares that a program to provide distributed generation for eligible cogenerators is a way to encourage private investment in renewable

energy resources, stimulate in-state economic growth, enhance the continued diversification of this state's energy resource mix, and reduce interconnection and administrative costs.

~~46-3-51. 46-3-52.~~

As used in this part, the term:

~~(1) 'Cogeneration facility' means a facility which produces electric energy, steam, or other forms of useful energy (such as heat) which are used for industrial, commercial, heating, or cooling purposes.~~

~~(2) 'Cogenerator' means the person who is the owner of the cogeneration facility.~~

~~(3) 'Electric supplier' means any electric light and power company in this state subject to regulation by the commission, any electric membership corporation furnishing wholesale service, any municipality or any association which furnishes wholesale service to any municipality, and the Tennessee Valley Authority.~~

~~(4) 'Person' means a natural person, corporation, trust, partnership, incorporated or unincorporated association, or any other legal entity.~~

(1) 'Bidirectional metering' means measuring the amount of electricity supplied by an electric service provider and the amount fed back to the electric service provider by the customer's distributed generation facility using the same meter.

(2) 'Cogeneration facility' means a facility, other than a distributed generation facility, owned and operated by a customer of the electric service provider which produces electric energy, steam, or other forms of useful energy (such as heat) which are used for industrial, commercial, heating, or cooling purposes by the owner and operator of such a cogeneration facility.

(3) 'Commission' means the Georgia Public Service Commission.

(4) 'Customer generator' means the owner and operator of a 'distributed generation facility.'

(5) 'Distributed generation facility' means a facility owned and operated by a customer of the electric service provider for the production of electrical energy that:

(A) Uses a solar Photovoltaic system, fuel cell, or wind turbine;

(B) Has a peak generating capacity of not more than 10kW for a residential application and 100kW for a commercial application;

(C) Is located on the customer's premises;

(D) Operates in parallel with the electric service provider's distribution facilities;

(E) Connected to the electric service provider's distribution system on either side of the electric service provider's meter; and

1 (F) Is intended primarily to offset part or all of the customer generator's requirements
 2 for electricity.

3 (6) 'Electric membership corporation' means a corporation organized under Article 2 of
 4 this chapter.

5 (7) 'Electric service provider' means any electric utility, electric membership corporation,
 6 or municipal electric utility that is engaged in the business of distributing electricity to
 7 retail electric customers in the state.

8 (8) 'Electric supplier' means any electric utility, electric membership corporation
 9 furnishing wholesale service, any municipal electric utility or any other person which
 10 furnishes wholesale service to any municipality, and the Tennessee Valley Authority.

11 (9) 'Electric utility' means any retail supplier of electricity whose rates are fixed by the
 12 commission.

13 (10) 'Municipal electric utility' means a city or town that owns or operates an electric
 14 utility.

15 (11) 'Person' means a natural person, corporation, trust, partnership, incorporated or
 16 unincorporated association, or any other legal entity.

17 (12) 'Renewable energy sources' means energy supplied from technologies as defined by
 18 the Georgia Green Pricing Accreditation Stakeholder group.

19 ~~46-3-52~~ 46-3-53.

20 (a) Any person may operate a cogeneration facility without being subject to the
 21 jurisdiction or regulation of the ~~Georgia Public Service Commission~~ commission if such
 22 person uses all of the electric energy, steam, or other form of useful energy produced at
 23 such cogeneration facility. The electric energy shall not be sold to any other person except
 24 as provided in ~~Code Section 46-3-53~~ subsection (b) of this Code section.

25 ~~46-3-53.~~

26 (b) Any person may operate a cogeneration facility and sell any excess electric energy to
 27 an electric supplier without being subject to the jurisdiction or regulation of the
 28 commission if the power production capacity of such cogeneration facility does not exceed
 29 30 megawatts; provided, however, that nothing in this article shall ~~preclude the~~
 30 commission affect a person from complying compliance with federal law.

31 46-3-54.

32 An electric service provider:

33 (1) Shall make either bidirectional metering or single directional metering available to
 34 customer generators depending on how the distributed generation facility is connected
 35 to the distribution system of the electric service provider;

1 (2) Shall enter into a written agreement with the customer generator to charge the
 2 customer generator the rate established by the commission, or the appropriate governing
 3 body, in the case of any other electric service provider or electric supplier, for metering
 4 services;

5 (3) In setting the fees for metering service, the commission shall take into consideration
 6 whether:

7 (A) The electric service provider will incur direct costs associated with interconnecting
 8 or administering metering services or distributed generation facilities that exceed any
 9 offsetting benefits associated with these systems; or

10 (B) The public interest is best served by imposing the direct costs on the customer
 11 generator rather than allocating these costs among the utility's entire customer base.

12 (4) In establishing such a fee for metering services, the electric service provider shall not
 13 charge the customer generator any standby, capacity, interconnection, or other fee or
 14 charge, other than a monthly service charge, unless agreed to by the customer generator
 15 or approved by the commission, in the case of an electric utility, or the appropriate
 16 governing body, in the case of any other electric service provider or electric supplier.

17 46-3-55.

18 Consistent with the other provisions of this chapter, the energy flow shall be measured and
 19 paid for in the following manner:

20 (1) If the distributed generation facilities are connected to the electric service provider's
 21 distribution system on the customer generator's side of the customer's meter, the electric
 22 service provider shall:

23 (A) Measure the electricity produced or consumed during the billing period, in
 24 accordance with normal metering practices using bidirectional metering;

25 (B) When the electricity supplied by the electric service provider exceeds the
 26 electricity generated by the customer's distributed generation, the electricity shall be
 27 billed by the electric service provider, in accordance with tariffs filed with the
 28 commission; or

29 (C) When electricity generated by the customer's distributed generation system
 30 exceeds the electricity supplied by the electric service provider, the customer generator:

31 (i) Shall be billed for the appropriate customer charges for that billing period; and

32 (ii) Shall be credited for the excess kilowatt-hours generated during the billing period
 33 at an agreed to rate as filed with the commission, with this kilowatt-hour credit
 34 appearing on the bill for the billing period.

1 (2) If the distributed generation facilities are connected to the electric service provider's
2 distribution system on the electric service provider's side of the customer's meter, the
3 electric service provider shall:

4 (A) Measure the electricity produced or consumed during the billing period, in
5 accordance with normal metering practices using single directional metering;

6 (B) Charge the customer generator a minimum monthly fee as established in Code
7 Section 46-3-54; and

8 (C) If there is electricity generated by the customer generator for the billing period, the
9 customer generator shall be compensated at an agreed to rate as filed with the
10 commission.

11 46-3-56.

12 (a) An electric service provider will only be required to purchase energy as specified in
13 Code Section 46-3-55 from an eligible customer generator on a first-come, first-served
14 basis until the cumulative generating capacity of all renewable energy sources equals to 0.2
15 percent of the utility's annual peak demand in the previous year.

16 (b) Once the capacity is subscribed, an electric service provider may purchase energy from
17 an eligible customer generator at a cost of energy as defined for a utility by the
18 commission, in the case of an electric utility, or by the appropriate governing body, in the
19 case of any other electric service provider or electric supplier.

20 (c) A distributed generation facility used by a customer generator shall include, at the
21 customer's own expense, all equipment necessary to meet applicable safety, power quality,
22 and interconnection requirements established by the National Electrical Code, National
23 Electrical Safety Code, the Institute of Electrical and Electronics Engineers, and
24 Underwriters Laboratories.

25 (d) The commission, in the case of an electric utility, or the appropriate governing body,
26 in the case of other electric service providers or electric suppliers, after appropriate notice
27 and opportunity for comment, may adopt by regulation additional safety, power quality,
28 and interconnection requirements for customer generator that the commission or governing
29 body determines are necessary to protect public safety and system reliability.

30 (e) An electric service provider may not require a customer generator whose distributed
31 generation facility meets the standards in subsections (a) and (b) of this Code section, to
32 comply with additional safety or performance standards, perform or pay for additional
33 tests, or purchase additional liability insurance.

34 (f) No electric service provider or electric supplier shall be liable to any person, directly
35 or indirectly, for loss of property, injury, or death resulting from the interconnection of a
36 cogenerator or distributed generation facility to its electrical system."

SECTION 2.

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2 All laws and parts of laws in conflict with this Act are repealed.