

Senate Bill 401

By: Senators Carter of the 1st, Chance of the 16th, Carter of the 42nd, Williams of the 19th,  
Rogers of the 21st and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated,  
2 relating to generation and distribution of electricity generally, so as to change certain  
3 provisions relating to "The Georgia Cogeneration and Distributed Generation Act of 2001";  
4 to provide for declaration of policy; to provide for definitions; to provide for the financing  
5 of distributed generation through leases, power purchase agreements, and other financing  
6 mechanisms; to change certain provisions relating to rates and fees of electric service  
7 providers; to change certain provisions relating to the purchase of energy from customer  
8 generators; to provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 1 of Chapter 3 of Title 46 of the Official Code of Georgia Annotated, relating to  
12 generation and distribution of electricity generally, is amended by revising Code  
13 Section 46-3-51, relating to legislative findings and declaration of policy, as follows:

14 "46-3-51.

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

16 (1) Encourage private investment in renewable energy resources;

17 (2) Stimulate the economic growth of Georgia; and

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

19 (b) The General Assembly further finds and declares that a program to provide distributed  
20 generation for eligible cogenerators is a way to encourage private investment in renewable  
21 energy resources, stimulate in-state economic growth, enhance the continued  
22 diversification of this state's energy resource mix, and reduce interconnection and  
23 administrative costs. It is the intent of the General Assembly that investment in, and  
24 implementation of, distributed generation and cogeneration shall be governed by this  
25 Georgia Cogeneration and Distributed Generation Act, as amended from time to time."

26 **SECTION 2.**

27 Said article is further amended by revising paragraphs (4) and (5) of Code Section 46-3-52,  
28 relating to definitions, as follows:

29 ~~"(4) 'Customer generator' means the owner and operator of a distributed generation~~  
30 ~~facility a customer who utilizes the electrical energy from a distributed generation~~  
31 ~~facility, whether the customer finances the distributed generation facility by purchase,~~  
32 ~~lease, loan, or other form of financing, including a power purchase agreement.~~

33 (5) 'Distributed generation facility' means a facility ~~owned and operated by a customer~~  
34 ~~of the electric service provider provided by or for a customer generator~~ for the production  
35 of electrical energy that:

36 (A) Uses a solar ~~Photovoltaic~~ photovoltaic system; ~~fuel cell; generator fueled by~~  
37 ~~biomass, municipal solid waste, landfill gas, hydropower;~~ or wind turbine;

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

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

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

42 ~~(E)~~(D) Is ~~connected~~ Connected to the electric service provider's distribution system on  
43 either side of the electric service provider's meter; and

44 ~~(F)~~(E) Is intended primarily to offset part or all of the customer generator's  
45 requirements for electricity."

46 **SECTION 3.**

47 Said article is further amended by revising Code Section 46-3-54, relating to electric service  
48 providers and rates and fees of electric service providers, as follows:

49 "46-3-54.

50 An electric service provider:

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

54 (2) Shall enter into a written agreement with the customer generator to charge the  
55 customer generator ~~the~~ a commercially reasonable rate established by the commission,  
56 or the appropriate governing body, in the case of any other electric service provider or  
57 electric supplier, for metering services;

58 (3) In setting the fees for metering service, the commission, or the appropriate governing  
59 body, in the case of any other electric service provider or electric supplier, ~~will~~ shall  
60 include the direct costs associated with interconnecting or administering metering

61 services or distributed generation facilities and ~~with~~ shall not allocate these costs among  
62 the utility's entire customer base; ~~and~~

63 (4) In establishing such a fee for metering services, ~~the electric service provider~~ shall not  
64 charge the customer generator any standby, capacity, interconnection, or other fee or  
65 charge, other than a monthly service charge, unless agreed to by the customer generator  
66 or approved by the commission, in the case of an electric utility, or the appropriate  
67 governing body, in the case of any other electric service provider or electric supplier;

68 (5) Shall not charge a customer generator any monthly fee or standby charge or require  
69 any equipment, insurance, or any other requirement unless the fee, charge, or requirement  
70 shall apply to other similarly situated customers who are not customer generators; and

71 (6) In all cases, shall reasonably conform any and all charges or fees imposed on a  
72 customer generator to the actual cost of providing the service for which the charges or  
73 fees are imposed."

74 **SECTION 4.**

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