

House Bill 1083

By: Representatives Setzler of the 35th, Powell of the 32nd, Jones of the 25th, Parsons of the 44th, and Drenner of the 85th

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 definitions; to require that fees imposed on solar customers meet certain
5 criteria; to expand the state-wide cumulative limit to a larger percentage of each utility's
6 annual peak demand; to provide the commission with the authority to determine the
7 appropriate credit available once the existing credit limit is reached; to provide for related
8 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **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 Part 3, relating
13 to "The Georgia Cogeneration and Distributed Generation Act of 2001," as follows:

14 "46-3-50.

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

H. B. 1083

17 46-3-51.

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

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

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

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

22 (b) The General Assembly further finds and declares that a program to provide distributed
23 generation for eligible cogenerators is a way to encourage private investment in renewable
24 energy resources, stimulate in-state economic growth, enhance the continued
25 diversification of this state's energy resource mix, and reduce interconnection and
26 administrative costs.

27 46-3-52.

28 As used in this part, the term:

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

32 (2) 'Cogeneration facility' means a facility, other than a distributed generation facility,
33 which produces electric energy, steam, or other forms of useful energy (such as heat)
34 which are used for industrial, commercial, heating, or cooling purposes.

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

36 (4) 'Customer generator' means ~~the owner and operator of~~ a customer who utilizes the
37 electrical energy from a distributed generation facility.

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

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

- 42 (B) Has a peak generating capacity of not more than 10kw for a residential application
43 and ~~100kw~~ 125 percent of the actual or expected maximum annual peak demand of the
44 property that a solar photovoltaic system serves for a commercial application;
- 45 (C) Is located on the customer's ~~premises~~ property. For purposes of the subparagraph,
46 the term 'property' shall have the same meaning as provided in Code Section 46-3-62;
- 47 (D) Operates in parallel with the electric service provider's distribution facilities;
- 48 (E) Is connected ~~Connected~~ to the electric service provider's distribution system on
49 either side of the electric service provider's meter; and
- 50 (F) Is intended primarily to offset part or all of the customer generator's requirements
51 for electricity.
- 52 (6) 'Electric membership corporation' means a corporation organized under Article 2 of
53 this chapter.
- 54 (7) 'Electric service provider' means any electric utility, electric membership corporation,
55 or municipal electric utility that is engaged in the business of distributing electricity to
56 retail electric customers in the state.
- 57 (8) 'Electric supplier' means any electric utility, electric membership corporation
58 furnishing wholesale service, any municipal electric utility or any other person which
59 furnishes wholesale service to any municipality, and the Tennessee Valley Authority.
- 60 (9) 'Electric utility' means any retail supplier of electricity whose rates are fixed by the
61 commission.
- 62 (10) 'Municipal electric utility' means a city or town that owns or operates an electric
63 utility.
- 64 (11) 'Person' means a natural person, corporation, trust, partnership, incorporated or
65 unincorporated association, or any other legal entity.
- 66 ~~(12) 'Renewable energy sources' means energy supplied from technologies as approved~~
67 ~~in the Georgia Green Pricing Accreditation Program.~~

68 46-3-53.

69 (a) Any person may operate a cogeneration facility without being subject to the
70 jurisdiction or regulation of the commission if such person uses all of the electric energy,
71 steam, or other form of useful energy produced at such cogeneration facility. The electric
72 energy shall not be sold to any other person except as provided in subsection (b) of this
73 Code section.

74 (b) Any person may operate a cogeneration facility and sell any excess electric energy to
75 an electric supplier without being subject to the jurisdiction or regulation of the
76 commission; provided, however, that nothing in this article shall ~~except~~ exempt a person
77 from compliance with federal law.

78 46-3-54.

79 An electric service provider:

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

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

87 (3) In setting the fees for metering service, the commission, or the appropriate governing
88 body, in the case of any other electric service provider or electric supplier, will include
89 the direct costs associated with interconnecting or administering metering services or
90 distributed generation facilities and will not allocate these costs among the utility's entire
91 customer base; and

92 ~~(4) In establishing such a fee for metering services, the~~ The electric service provider shall
93 not charge the customer generator any standby, capacity, interconnection, or other fee or

94 charge, other than a monthly service charge, ~~unless agreed to by the customer generator~~
 95 ~~or approved by the commission, in the case of an electric utility, or the appropriate~~
 96 ~~governing body, in the case of any other electric service provider or electric supplier.~~

97 46-3-55.

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

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

103 ~~(A) Measure the~~ measure the net electricity produced or consumed during the monthly
 104 billing period, in accordance with normal metering practices using bidirectional
 105 metering; and:

106 ~~(B)~~(A) When the monthly electricity supplied by the electric service provider exceeds
 107 the monthly electricity generated by the customer's distributed generation at the end of
 108 the monthly billing period, the net electricity shall be billed by the electric service
 109 provider, in accordance with tariffs filed with the commission, with the electricity
 110 generated by the customer offsetting the average cost electricity supplied during the
 111 monthly billing period; or

112 ~~(C)~~(B) When the electricity generated by the customer's distributed generation system
 113 exceeds the monthly electricity supplied by the electric service provider at the end of
 114 the monthly billing period, the customer generator:

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

117 (ii) Shall be credited for the net excess kilowatt-hours generated during the monthly
 118 billing period at ~~an agreed to~~ the utility's full avoided cost rate as filed with the

119 commission, with ~~this~~ such kilowatt-hour credit appearing on the bill for the billing
120 period; or

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

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

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

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

131 46-3-56.

132 (a)(1) An electric service provider ~~will only~~ shall be required to purchase ~~energy~~
133 electricity as specified in Code Section 46-3-55 from an eligible commercial customer
134 generator on a first-come, first-served basis until the cumulative generating capacity of
135 all ~~renewable energy sources equals 0.2~~ distributed generation facilities utilized by
136 commercial customer generators of the electric service provider equals 5 percent of the
137 utility's annual peak demand in the previous year; ~~provided, however, that no electric~~
138 ~~service provider will be required to purchase such energy at a price above avoided energy~~
139 ~~cost unless that amount of energy has been subscribed under any renewable energy~~
140 program, without regard to the number of customer generators.

141 (2) An electric service provider shall be required to purchase electricity as specified in
142 Code Section 46-3-55 from an eligible residential customer generator on a first-come,
143 first-served basis until the cumulative generating capacity of all distributed generation

144 facilities utilized by residential customer generators of the electric service provider equals
145 5 percent of the utility's annual peak demand in the previous year.

146 (b) Once a 5 percent threshold under subsection (a) of this Code section is reached, the
147 commission shall commence an evidentiary proceeding to determine the appropriate
148 crediting mechanism for eligible commercial or residential customer generators of an
149 electric utility, whichever is applicable, that interconnect after the effective date established
150 in the commission's final order at the conclusion of such proceeding. In establishing such
151 appropriate crediting mechanism, the commission shall consider the direct and indirect
152 economic impact of distributed generation facilities to the state and shall avoid disruption
153 to the growing market for distributed generation facilities. The crediting mechanism
154 provided under Code Section 46-3-55 shall remain in place unless and until replaced by a
155 final order of the commission pursuant to this Code section. ~~Once the capacity is~~
156 ~~subscribed, an electric service provider may purchase energy from an eligible customer~~
157 ~~generator at a cost of energy as defined for a utility by the commission, in the case of an~~
158 ~~electric utility, or by the appropriate governing body, in the case of any other electric~~
159 ~~service provider or electric supplier.~~

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

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

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

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

177 **SECTION 2.**

178 This Act shall become effective on July 1, 2022.

179 **SECTION 3.**

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