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**SENATE BILL 686**

**46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003**

**INTRODUCED BY**

Manny M. Aragon

**AN ACT**

**RELATING TO PUBLIC UTILITIES; ESTABLISHING A NET METERING  
SYSTEM TO ENCOURAGE SELF-GENERATION OF ELECTRICITY.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

Section 1. A new section of the Public Utility Act is  
enacted to read:

"[NEW MATERIAL] NET METERING SYSTEM FOR SELF-GENERATION  
ESTABLISHED-- FINDINGS-- DEFINITIONS-- OPERATION OF SYSTEM --

A. The legislature finds that it is in the public  
interest to:

(1) allow self-generation of electricity as a  
customer choice;

(2) encourage private investment in renewable  
energy resources, cogeneration and other clean, efficient  
electricity generation technologies;

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1 (3) stimulate economic growth in the state;

2 and

3 (4) enhance the continued diversification of  
4 energy resources in the state.

5 B. As used in this section:

6 (1) "electric utility" means an electric  
7 utility subject to the regulation of the public regulation  
8 commission and engaged in distributing electricity in the  
9 state;

10 (2) "net metering" means measuring by use of a  
11 single meter capable of registering flow in both directions the  
12 difference between the electricity supplied by an electric  
13 utility and the electricity generated by a self-generation  
14 source that is fed back to the electric utility during a  
15 billing period;

16 (3) "net metering system" means a facility  
17 that produces electrical energy and that is:

18 (a) primarily intended to offset any  
19 part or all of a self-generator's requirements for electricity;

20 (b) located on the self-generator's  
21 premises; and

22 (c) operated in parallel with an  
23 electric utility's distribution facilities;

24 (4) "self-generation" means the production of  
25 electricity using a facility owned or controlled by an end-use

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1 customer of electricity for his own consumption on the same or  
2 adjoining premises; and

3 (5) "self-generator" means the end-use  
4 customer who engages in self-generation.

5 C. An electric utility shall offer net metering to  
6 all customers and shall not assess any fee or charge to a self-  
7 generator that increases his minimum monthly charge above that  
8 paid by other customers in the same rate class.

9 D. An electric utility may, at its own expense and  
10 with the prior written consent of a self-generator, install a  
11 meter or meters to monitor the flow of electricity to and from  
12 the self-generator.

13 E. A net metering system shall satisfy applicable  
14 safety and power quality standards established by the national  
15 electrical code, the underwriters laboratories, incorporated,  
16 and the institute of electrical and electronic engineers.

17 F. Subject to compliance by the self-generator with  
18 the requirements of Subsection E of this section and to ensure  
19 that compliance is not unduly burdensome and expensive, a self-  
20 generator is not required to comply with other standards,  
21 perform additional tests, install additional controls or be  
22 covered by additional liability insurance.

23 G. Net metering is to be accomplished in accordance  
24 with the terms of this section and shall be determined by the  
25 electric utility's measurement of the electricity produced in

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1 relation to the electricity consumed by the self-generator  
2 during a billing period in accordance with established metering  
3 and billing practices. If the electricity consumed by the  
4 self-generator exceeds the electricity generated by the self-  
5 generator in the billing period, the self-generator shall be  
6 billed for the net difference of electricity supplied by the  
7 electric utility at the same rate as other customers in the  
8 same rate class. If the electricity generated by the self-  
9 generator exceeds the electricity consumed by the self-  
10 generator, the electric utility shall bill the self-generator  
11 the applicable customer charges for the billing period and  
12 shall credit the self-generator for the net difference of  
13 electricity supplied by the self-generator during the billing  
14 period reflecting the net difference as a kilowatt-hour credit  
15 on the self-generator's bill for the next billing period.

16 H. On January 1 of each year, any kilowatt-hour  
17 credit to a self-generator shall be reduced to zero, without  
18 compensation or credit to the self-generator.

19 I. The public regulation commission shall  
20 promulgate rules to implement and direct compliance with this  
21 section on or before June 19, 2003. "