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SENATE BILL 615

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Billy J. McKibben

AN ACT

RELATING TO PUBLIC UTILITIES; AMENDING THE NMSA 1978 TO
ESTABLISH 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

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1 electricity generation technologies;

2 (3) stimulate economic growth in the state;

3 and

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

6 B. As used in this section:

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

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

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

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

22 (b) located on the self-generator's
23 premises; and

24 (c) operated in parallel with an
25 electric utility's distribution facilities;

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1 (4) "self-generation" means the production of
2 electricity using a facility owned or controlled by an end-use
3 customer of electricity for his own consumption on the same or
4 adjoining premises; and

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

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

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

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

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

25 G. Net metering is to be accomplished in

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

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

22 I. The public regulation commission shall
23 promulgate rules to implement and direct compliance with this
24 section on or before June 19, 1999. "