

1 **H. B. 2810**

2
3 (By Delegates Manypenny, Doyle, Canterbury,
4 Moore, Wells and Staggers)

5
6 [Introduced January 24, 2011; referred to the
7 Committee on the Judiciary.]

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10 A BILL to amend and reenact §24-2F-4 and §24-2F-8 of the Code of
11 West Virginia, 1931, as amended, all relating to
12 interconnection and net-metering of customer-generators of
13 renewable energy; providing ownership of renewable energy
14 credits; and requiring the Public Service Commission to
15 propose rules regarding net-metering and interconnection
16 standards in this state.

17 *Be it enacted by the Legislature of West Virginia:*

18 That §24-2F-4 and §24-2F-8 of the Code of West Virginia, 1931,
19 as amended, be amended and reenacted, all to read as follows:

20 **ARTICLE 2F. ALTERNATIVE AND RENEWABLE ENERGY PORTFOLIO STANDARD.**

21 **§24-2F-4. Awarding of alternative and renewable energy resource**
22 **credits.**

23 (a) *Credits established.* -- The Public Service Commission
24 shall establish a system of tradable credits to establish, verify
25 and monitor the generation and sale of electricity generated from

1 alternative and renewable energy resource facilities. The credits
2 may be traded, sold or used to meet the portfolio standards
3 established in section five of this article.

4 (b) *Awarding of credits.* -- Credits shall be awarded as
5 follows:

6 (1) An electric utility ~~shall be~~ is awarded one credit for
7 each megawatt hour of electricity generated or purchased from an
8 alternative energy resource facility located within the
9 geographical boundaries of this state or located outside of the
10 geographical boundaries of this state but within the service
11 territory of a regional transmission organization, as that term is
12 defined in 18 C.F.R. §35.34, that manages the transmission system
13 in any part of this state;

14 (2) An electric utility ~~shall be~~ is awarded two credits for
15 each megawatt hour of electricity generated or purchased from a
16 renewable energy resource facility located within the geographical
17 boundaries of this state or located outside of the geographical
18 boundaries of this state but within the service territory of a
19 regional transmission organization, as that term is defined in 18
20 C.F.R. §35.34, that manages the transmission system in any part of
21 this state;

22 (3) An electric utility ~~shall be~~ is awarded three credits for
23 each megawatt hour of electricity generated or purchased from a
24 renewable energy resource facility located within the geographical

1 boundaries of this state if the renewable energy resource facility
2 is sited upon a reclaimed surface mine; and

3 (4) A customer-generator ~~shall be~~ is awarded one credit for
4 each megawatt hour of electricity generated from an alternative
5 energy resource facility and ~~shall be~~ is awarded two credits for
6 each megawatt hour of electricity generated from a renewable energy
7 resource facility.

8 (5) Renewable energy credits are owned by the generator of the
9 energy until sold or otherwise traded.

10 (c) *Acquiring of credits permitted.* --

11 (1) An electric utility may meet the alternative and renewable
12 energy portfolio standards set forth in this article by purchasing
13 additional credits. Credits may be bought or sold by an electric
14 utility or customer-generator or banked and used to meet an
15 alternative and renewable energy portfolio standard requirement in
16 a subsequent year.

17 (2) Each credit transaction shall be reported by the selling
18 entity to the Public Service Commission on a form provided by the
19 commission.

20 (3) As soon as reasonably possible after the effective date of
21 this section, the commission shall establish a registry of data
22 that shall track credit transactions and shall list the following
23 information for each transaction: (i) The parties to the
24 transaction; (ii) the number of credits sold or transferred; and

1 (iii) the price paid. Information contained in the registry shall
2 be available to the public.

3 (4) The commission may impose an administrative transaction
4 fee on a credit transaction in an amount not to exceed the actual
5 direct cost of processing the transaction by the commission.

6 (d) *Credits for certain emission reduction or offset projects.*

7 --

8 (1) The commission may award credits to an electric utility
9 for greenhouse gas emission reduction or offset projects. For each
10 ton of carbon dioxide equivalent reduced or offset as a result of
11 an approved greenhouse gas emission reduction project, the
12 commission shall award an electric utility one credit: *Provided,*
13 *That the emissions reductions and offsets are verifiable and*
14 *certified in accordance with rules promulgated by the commission:*
15 *Provided, however, That the commission has previously approved the*
16 *greenhouse gas emission reduction and offset project for credit in*
17 *accordance with section six of this article.*

18 (2) The commission shall consult and coordinate with the
19 Secretary of the Department of Environmental Protection to verify
20 and certify greenhouse gas emission reduction or offset projects.
21 The Secretary of the Department of Environmental Protection shall
22 provide assistance and information to the Public Service Commission
23 and may enter into interagency agreements with the commission to
24 effectuate the purposes of this subsection.

1 (3) Notwithstanding the provisions of this subsection, an
2 electric utility may not be awarded credits for a greenhouse gas
3 emission reduction or offset project undertaken pursuant to any
4 obligation under any other state law, policy or regulation.

5 (e) *Credits for certain energy efficiency and demand-side*
6 *energy initiative projects.* --

7 (1) The commission may award credits to an electric utility
8 for investments in energy efficiency and demand-side energy
9 initiative projects. For each megawatt hour of electricity
10 conserved as a result of an approved energy efficiency or demand-
11 side energy initiative project, the commission shall award one
12 credit: *Provided,* That the amount of electricity claimed to be
13 conserved is verifiable and certified in accordance with rules
14 promulgated by the commission: *Provided, however,* That the
15 commission has approved the energy efficiency or demand-side energy
16 initiative project for credit in accordance with section six of
17 this article.

18 (2) Notwithstanding the provisions of this subsection, an
19 electric utility may not be awarded credit for an energy efficiency
20 or demand-side energy initiative project undertaken pursuant to any
21 obligation under any other state or federal law, policy or
22 regulation.

23 **§24-2F-8. Net metering and interconnection standards.**

24 (a) The commission shall ~~adopt~~ propose a legislative rule for

1 legislative approval, as appropriate, under the provisions of
2 article three, chapter twenty-nine-a of this code requiring that
3 all electric utilities provide a rebate or discount ~~at fair value,~~
4 ~~to be determined by the commission~~ to customer-generators for any
5 electricity generation that is delivered to the utility under a net
6 metering arrangement. The rule shall require that during any
7 billing cycle, electric utilities credit any excess customer-owned
8 renewable generation delivered to the utility's electric grid
9 during a billing cycle to the customer-generator's billing cycle
10 for the next month. The rule shall also require that at the end of
11 each calendar year, the electric utility shall pay the customer-
12 generator for any unused energy credits at an average annual rate
13 based on the electric utility's avoided-cost rate.

14 (b) The commission shall also consider ~~adopting, by rule a~~
15 ~~requirement~~ proposing for legislative approval, a rule requiring
16 that all sellers of electricity to retail customers in the state,
17 including rural electric cooperatives, municipally owned electric
18 facilities or utilities serving less than thirty thousand
19 residential electric customers in this state, offer net metering
20 rebates or discounts to customer-generators.

21 (c) The commission shall institute a general investigation for
22 the purpose of adopting rules pertaining to net metering and the
23 interconnection of eligible electric generating facilities intended
24 to operate in parallel with an electric utility's system. As part

1 of its investigation, the commission shall take into consideration
2 rules of other states within the applicable region of the regional
3 transmission organization, as that term is defined in 18 C.F.R.
4 §35.34, that manages a utility's transmission system in any part of
5 this state. ~~Furthermore, the commission shall consider increasing~~
6 ~~the allowed kilowatt capacity for commercial customer-generators to~~
7 ~~an amount not to exceed five hundred kilowatts and for industrial~~
8 ~~customer-generators to an amount not to exceed two megawatts.~~ The
9 commission shall further consider interconnection standards for
10 combined heat and power.

11 (d) The commission shall propose a legislative rule for
12 legislative approval, as appropriate, under the provisions of
13 article three, chapter twenty-nine-a of this code, for increasing
14 the allowed kilowatt capacity for customer-generators as follows:

15 (1) To an amount not to exceed fifty kilowatts for residential
16 customer-generators, or to an amount not to exceed one megawatt if
17 the residential property is a farm;

18 (2) To an amount not to exceed five hundred kilowatts for
19 commercial customer-generators; and

20 (3) To an amount not to exceed two megawatts for industrial
21 customer-generators.

22 ~~(d)~~ (e) The commission shall ~~promulgate~~ propose these rules
23 within twelve months of the effective date of the amendments to

1 this article.

NOTE: The purpose of this bill is to provide certain standards for the interconnection and net-metering of customer-generators in this state.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.