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SECOND ENROLLMENT

H. B. 2201

[By Delegates Ireland, Folk, Manchin, Lynch, Rowe, Fleischauer,
Skinner, Fast, Fluharty, Byrd, Summers]

[Amended and again passed February 28, 2015, as a result of the objections of the Governor; in
effect from passage.]

AN ACT to amend and reenact §24-2F-8 of the Code of West Virginia, 1931, as amended, relating
to net metering; defining net metering; defining customer-generator; defining cross-
subsidization; requiring the Public Service Commission to prohibit cross-subsidization;
requiring the Public Service Commission adopt certain net metering and interconnection
rules and standards; striking deadlines for rulemaking by the Public Service Commission;
and capping the amount of generating capacity subject to net metering.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 2F. NET METERING OF CUSTOMER-GENERATORS.

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

1 (a) "Net metering" means measuring the difference between electricity supplied by an
2 electric utility and electricity generated from a facility owned or leased and operated by a
3 customer generator when any portion of the electricity generated from the facility is used to offset
4 part or all of the electric retail customer's requirements for electricity.

5 (b) "Customer-generator" means an electric retail customer who owns or leases and
6 operates a customer-sited generation project utilizing an alternative or renewable energy resource
7 or a net metering system in this state.

8 (c) "Cross-subsidization", for purposes of this section, means the practice of charging
9 costs directly incurred by the electric utility in accommodating a net metering system to electric
10 retail customers who are not customer generators.

11 (d) The Public Service Commission shall adopt a rule requiring that all electric utilities
12 provide a rebate or discount at fair value, to be determined by the Public Service Commission, to
13 customer-generators for any electricity generation that is delivered to the utility under a net
14 metering arrangement. The commission shall assure that any net metering tariff does not create a
15 cross-subsidization between customers within one class of service.

16 (e) The Public Service Commission shall also consider adopting, by rule, a requirement
17 that all sellers of electricity to retail customers in the state, including rural electric cooperatives,
18 municipally owned electric facilities or utilities serving less than thirty thousand residential
19 electric customers in this state, offer net metering rebates or discounts to customer-generators.

20 (f) The Public Service Commission shall institute a general investigation for the purpose
21 of adopting rules pertaining to net metering and the interconnection of eligible electric generating

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

10 (g) An electric utility shall offer net metering to a customer-generator that generates
11 electricity on the customer-generator side of the meter using alternative or renewable energy
12 sources, on a first-come, first-served basis, based on the date of application for interconnection as
13 provided in the rules promulgated by the commission and pursuant to a standard tariff. An
14 electric utility may offer net metering to customer-generators, on a first-come, first-served basis,
15 so long as the total generation capacity installed by all customer-generators is no greater than
16 three percent (3%) of the electric utility aggregate customer peak demand in the state during the
17 previous year, of which no less than one-half percent (0.5%) is reserved for residential customer-
18 generators.

19 (h) The Public Service Commission shall adopt a rule requiring compliance with the
20 Institute of the Electrical and Electronics Engineers (IEEE) standards at all times, and as the
21 same shall be amended, including having a disconnect readily accessible to the utility between
22 the facilities of the customer-generator and the electric utility.