

SECOND REGULAR SESSION

HOUSE BILL NO. 2592

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCMULLEN.

4798H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 386.890 and 442.404, RSMo, and to enact in lieu thereof two new sections relating to solar energy systems.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 386.890 and 442.404, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 386.890 and 442.404, to read as follows:

386.890. 1. This section shall be known and may be cited as the "Net Metering and
2 Easy Connection Act".

3 2. As used in this section, the following terms shall mean:

4 (1) [~~"Avoided fuel cost", the current average cost of fuel for the entity generating~~
5 ~~electricity, as defined by the governing body with jurisdiction over any municipal electric~~
6 ~~utility, rural electric cooperative as provided in chapter 394, or electrical corporation as~~
7 ~~provided in this chapter;~~

8 (2) "Commission", the public service commission of the state of Missouri;

9 [(3)] (2) "Customer-generator", the owner or operator of a qualified electric energy
10 generation unit which:

11 (a) Is powered by a renewable energy resource;

12 (b) Has an electrical generating system with a capacity of not more than one
13 ~~[hundred]~~ **thousand** kilowatts;

14 (c) Is located on a premises owned, operated, leased, or otherwise controlled by the
15 customer-generator **or utility service territory through virtual net metering;**

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (d) Is interconnected and operates in parallel phase and synchronization with a retail
17 electric supplier and has been approved by said retail electric supplier **or public service**
18 **commission regulation;**

19 (e) Is intended primarily to offset part or all of the customer-generator's ~~[own]~~
20 **current or future** electrical energy requirements;

21 (f) ~~[Meets all applicable safety, performance, interconnection, and reliability~~
22 ~~standards established by the National Electrical Code, the National Electrical Safety Code,~~
23 ~~the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal~~
24 ~~Energy Regulatory Commission, and any local governing authorities]~~ **Meets the**
25 **requirements of the uniformed solar permit and inspection form promulgated by the**
26 **commission;** and

27 (g) Contains a mechanism that automatically disables the unit and interrupts the flow
28 of electricity back onto the supplier's electricity lines in the event that service to the customer-
29 generator is interrupted;

30 ~~[(4)]~~ **(3)** "Department", the department of natural resources;

31 ~~[(5)]~~ **(4)** "Net metering", using metering equipment sufficient to measure the
32 difference between the electrical energy supplied to a customer-generator by a retail electric
33 supplier and the electrical energy supplied by the customer-generator to the retail electric
34 supplier over the applicable billing period;

35 ~~[(6)]~~ **(5)** "Renewable energy resources", electrical energy produced from wind, solar
36 thermal sources, hydroelectric sources, photovoltaic cells and panels, fuel cells using
37 hydrogen produced by one of the above-named electrical energy sources, and other sources of
38 energy that become available after August 28, 2007, and are certified as renewable by the
39 department;

40 ~~[(7)]~~ **(6)** "**Retail electric rate**", **the tariff that the customer would be assigned if**
41 **the customer were not an eligible customer-generator;**

42 (7) "Retail electric supplier" or "supplier", any municipally owned electric utility
43 operating under chapter 91, electrical corporation regulated by the commission under this
44 chapter, or rural electric cooperative operating under chapter 394 that provides retail electric
45 service in this state. An electrical corporation that operates under a cooperative business plan
46 as described in subsection 2 of section 393.110 shall be deemed to be a rural electric
47 cooperative for purposes of this section.

48 3. A retail electric supplier shall:

49 (1) Make net metering available to customer-generators on a first-come, first-served
50 basis until the total rated generating capacity of net metering systems equals ~~[five]~~ **fifteen**
51 percent of the retail electric supplier's single-hour peak load during the previous year, after
52 which the commission for an electrical corporation or the respective governing body of other

53 retail electric suppliers may increase the total rated generating capacity of net metering
54 systems to an amount above ~~[five]~~ **fifteen** percent. However, in a given calendar year, no
55 retail electric supplier shall be required to approve any application for interconnection if the
56 total rated generating capacity of all applications for interconnection already approved to date
57 by said supplier in said calendar year equals or exceeds ~~[one]~~ **two** percent of said supplier's
58 single-hour peak load for the previous calendar year;

59 (2) Offer to the customer-generator **the retail electric rate that is** a tariff or contract
60 that is identical in electrical energy rates, rate structure, and monthly charges to the contract
61 or tariff that the customer would be assigned if the customer were not an eligible customer-
62 generator but shall not charge the customer-generator any additional standby, capacity,
63 interconnection, or other fee or charge that would not otherwise be charged if the customer
64 were not an eligible customer-generator; and

65 (3) Disclose annually the availability of the net metering program to each of its
66 customers with the method and manner of disclosure being at the discretion of the ~~[supplier]~~
67 **commission**.

68 4. A customer-generator's facility shall be equipped with sufficient metering
69 equipment that can measure the net amount of electrical energy produced or consumed by the
70 customer-generator. If the customer-generator's existing meter equipment does not meet
71 these requirements or if it is necessary for the retail electric supplier to install additional
72 distribution equipment to accommodate the customer-generator's facility, the customer-
73 generator shall reimburse the retail electric supplier for the costs to purchase and install the
74 necessary additional equipment **approved by the commission**. At the request of the
75 customer-generator, such costs may be initially paid for by the retail electric supplier, and any
76 amount up to the total costs and a reasonable interest charge may be recovered from the
77 customer-generator over the course of up to twelve billing cycles. Any subsequent meter
78 testing, maintenance or meter equipment change necessitated by the customer-generator shall
79 be paid for by the customer-generator.

80 5. Consistent with the provisions in this section, the net electrical energy
81 measurement shall be calculated in the following manner:

82 (1) For a customer-generator, a retail electric supplier shall measure the net electrical
83 energy produced or consumed during the billing period in accordance with normal metering
84 practices for customers in the same rate class, either by employing a single, bidirectional
85 meter that measures the amount of electrical energy produced and consumed~~], or by~~
86 ~~employing multiple meters that separately measure the customer-generator's consumption and~~
87 ~~production of electricity];~~

88 (2) If the electricity supplied by the supplier exceeds the electricity generated by the
89 customer-generator during a billing period, the customer-generator shall be billed for the net

90 electricity supplied by the supplier in accordance with normal practices for customers in the
91 same rate class;

92 (3) If the electricity generated by the customer-generator exceeds the electricity
93 supplied by the supplier during a billing period, the customer-generator shall be billed for the
94 appropriate customer charges for that billing period in accordance with subsection 3 of this
95 section and shall be credited an amount at least equal to the ~~avoided fuel~~ **retail electric** cost
96 of the excess kilowatt-hours generated during the billing period, with this credit applied ~~to~~
97 ~~the following billing period~~ **anytime during the following twelve-month period**;

98 (4) Any credits granted by this subsection shall expire without any compensation at
99 the earlier of either twelve months after their issuance or when the customer-generator
100 disconnects service or terminates the net metering relationship with the supplier;

101 ~~(5) For any rural electric cooperative under chapter 394, or any municipally owned~~
102 ~~utility, upon agreement of the wholesale generator supplying electric energy to the retail~~
103 ~~electric supplier, at the option of the retail electric supplier, the credit to the customer-~~
104 ~~generator may be provided by the wholesale generator].~~

105 6. (1) Each qualified electric energy generation unit ~~used by a customer generator~~
106 ~~shall meet all applicable safety, performance, interconnection, and reliability standards~~
107 ~~established by any local code authorities, the National Electrical Code, the National Electrical~~
108 ~~Safety Code, the Institute of Electrical and Electronics Engineers, and Underwriters~~
109 ~~Laboratories for distributed generation. No supplier shall impose any fee, charge, or other~~
110 ~~requirement not specifically authorized by this section or the rules promulgated under~~
111 ~~subsection 9 of this section unless the fee, charge, or other requirement would apply to~~
112 ~~similarly situated customers who are not customer generators, except that a retail electric~~
113 ~~supplier may require that a customer generator's system contain a switch, circuit breaker,~~
114 ~~fuse, or other easily accessible device or feature located in immediate proximity to the~~
115 ~~customer-generator's metering equipment that would allow a utility worker the ability to~~
116 ~~manually and instantly disconnect the unit from the utility's electric distribution system] shall~~
117 **meet the requirements of the uniformed solar permit and inspection form promulgated**
118 **by the commission.**

119 (2) For systems of ~~ten~~ **one hundred** kilowatts or less, a customer-generator whose
120 system meets the standards and rules under subdivision (1) of this subsection shall not be
121 required to install additional controls, perform or pay for additional tests or distribution
122 equipment, or purchase additional liability insurance beyond what is required under
123 subdivision (1) of this subsection and subsection 4 of this section.

124 (3) For customer-generator systems of greater than ~~ten~~ **one hundred** kilowatts, the
125 commission for electrical corporations and the respective governing body for other retail

126 electric suppliers shall, by rule or equivalent formal action by each respective governing
127 body:

128 (a) Set forth safety, performance, and reliability standards and requirements; and

129 (b) Establish the qualifications for exemption from a requirement to install additional
130 controls, perform or pay for additional tests or distribution equipment, or purchase additional
131 liability insurance.

132 7. (1) Applications by a customer-generator for interconnection of a qualified electric
133 energy generation unit ~~[meeting the requirements of subdivision (3) of subsection 2 of this~~
134 ~~section to the distribution system shall be accompanied by the plan for the customer-~~
135 ~~generator's electrical generating system, including but not limited to a wiring diagram and~~
136 ~~specifications for the generating unit, and shall be reviewed and responded to by the retail~~
137 ~~electric supplier within thirty days of receipt for systems ten kilowatts or less and within~~
138 ~~ninety days of receipt for all other systems]~~ **shall meet commission standards and shall be**
139 **reviewed and responded to by the electric supplier within thirty days or the application**
140 **shall be considered approved.** Prior to the interconnection of the qualified generation unit
141 to the supplier's system, the customer-generator will furnish the retail electric supplier a
142 certification from a qualified professional electrician or engineer that the installation meets
143 the requirements of subdivision (1) of subsection 6 of this section. If the application for
144 interconnection is approved by the retail electric supplier and the customer-generator does not
145 complete the interconnection within one year after receipt of notice of the approval, the
146 approval shall expire and the customer-generator shall be responsible for filing a new
147 application.

148 (2) Upon the change in ownership of a qualified electric energy generation unit, the
149 new customer-generator shall be responsible for filing a new application under subdivision
150 (1) of this subsection.

151 8. Each electrical corporation shall submit an annual net metering report to the
152 commission, and all other retail electric suppliers shall submit the same report to their
153 respective governing body and make said report available to a consumer of the supplier upon
154 request, including the following information for the previous calendar year:

155 (1) The total number of customer-generator facilities;

156 (2) The total estimated generating capacity of its net-metered customer-generators;
157 and

158 (3) The total estimated net kilowatt-hours received from customer-generators.

159 9. The commission shall, within ~~[nine]~~ **six** months of January 1, ~~[2008]~~ **2025**,
160 promulgate initial rules necessary for the administration of this section for electrical
161 corporations, which shall include regulations ensuring that simple contracts will be used for
162 interconnection and net metering. For systems of ~~[ten]~~ **one hundred** kilowatts or less, the

163 application process shall use an all-in-one document that includes a simple interconnection
164 request, simple procedures, and a brief set of terms and conditions. Any rule or portion of a
165 rule, as that term is defined in section 536.010, that is created under the authority delegated in
166 this section shall become effective only if it complies with and is subject to all of the
167 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536
168 are nonseverable and if any of the powers vested with the general assembly under chapter 536
169 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held
170 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted
171 after August 28, 2007, shall be invalid and void.

172 10. ~~[The governing body of a rural electric cooperative or municipal utility shall,~~
173 ~~within nine months of January 1, 2008, adopt policies establishing a simple contract to be~~
174 ~~used for interconnection and net metering. For systems of ten kilowatts or less, the~~
175 ~~application process shall use an all-in-one document that includes a simple interconnection~~
176 ~~request, simple procedures, and a brief set of terms and conditions.] **Before January 1, 2025,**~~

177 **the public service commission shall create and implement a unified solar permit and**
178 **inspection form and automated permitting and inspection software for solar energy**
179 **devices. Municipalities, cities, homeowner's associations, regulated utilities,**
180 **unregulated utilities, rural electric cooperatives, or other permitting and inspection**
181 **authorities shall utilize such software and collect fees from applicants for solar energy**
182 **device permits. The fees shall be forwarded to the public service commission.**

183 11. For any cause of action relating to any damages to property or person caused by
184 the qualified electric energy generation unit of a customer-generator or the interconnection
185 thereof, the retail electric supplier shall have no liability absent clear and convincing evidence
186 of fault on the part of the supplier.

187 12. The estimated generating capacity of all net metering systems operating under the
188 provisions of this section shall count towards the respective retail electric supplier's
189 accomplishment of any renewable energy portfolio target or mandate adopted by the Missouri
190 general assembly.

191 13. The sale of qualified electric energy generation units to any customer-generator
192 shall be subject to the provisions of sections 407.010 to 407.145 and sections 407.700 to
193 407.720. The attorney general shall have the authority to promulgate in accordance with the
194 provisions of chapter 536 rules regarding mandatory disclosures of information by sellers of
195 qualified electric energy generation units. Any interested person who believes that the seller
196 of any qualified electric energy generation unit is misrepresenting the safety or performance
197 standards of any such systems, or who believes that any electric energy generation unit poses
198 a danger to any property or person, may report the same to the attorney general, who shall be
199 authorized to investigate such claims and take any necessary and appropriate actions.

200 14. Any costs incurred under this act by a retail electric supplier shall be recoverable
201 in that utility's rate structure.

202 15. No consumer shall connect or operate a qualified electric energy generation unit
203 in parallel phase and synchronization with any retail electric supplier without written
204 approval by said supplier that all of the requirements under subdivision (1) of subsection 7 of
205 this section have been met. For a consumer who violates this provision, a supplier may
206 immediately and without notice disconnect the electric facilities of said consumer and
207 terminate said consumer's electric service.

208 16. The manufacturer of any qualified electric energy generation unit used by a
209 customer-generator may be held liable for any damages to property or person caused by a
210 defect in the qualified electric energy generation unit of a customer-generator.

211 17. The seller, installer, or manufacturer of any qualified electric energy generation
212 unit who knowingly misrepresents the safety aspects of a qualified electric generation unit
213 may be held liable for any damages to property or person caused by the qualified electric
214 energy generation unit of a customer-generator.

442.404. 1. As used in this section, the following terms shall mean:

2 (1) "Homeowners' association", a nonprofit corporation or unincorporated association
3 of homeowners created under a declaration to own and operate portions of a planned
4 community or other residential subdivision that has the power under the declaration to assess
5 association members to pay the costs and expenses incurred in the performance of the
6 association's obligations under the declaration or tenants-in-common with respect to the
7 ownership of common ground or amenities of a planned community or other residential
8 subdivision. This term shall not include a condominium unit owners' association as defined
9 and provided for in subdivision (3) of section 448.1-103 or a residential cooperative;

10 (2) "Political signs", any fixed, ground-mounted display in support of or in opposition
11 to a person seeking elected office or a ballot measure excluding any materials that may be
12 attached;

13 (3) **"Reasonable rules", rules that do not include the aesthetics for the solar
14 panel or solar collector or placement. No "reasonable rule" shall specifically prohibit
15 street-facing solar panels or solar collectors;**

16 (4) "Solar panel or solar collector", a device used to collect and convert solar energy
17 into electricity or thermal energy, including but not limited to photovoltaic cells or panels, or
18 solar thermal systems.

19 2. (1) No deed restrictions, covenants, or similar binding agreements running with
20 the land shall prohibit or have the effect of prohibiting the display of political signs.

21 (2) A homeowners' association has the authority to adopt reasonable rules, subject to
22 any applicable statutes or ordinances, regarding the time, size, place, number, and manner of
23 display of political signs.

24 (3) A homeowners' association may remove a political sign without liability if such
25 sign is placed within the common ground, threatens the public health or safety, violates an
26 applicable statute or ordinance, is accompanied by sound or music, or if any other materials
27 are attached to the political sign. Subject to the foregoing, a homeowners' association shall
28 not remove a political sign from the property of a homeowner or impose any fine or penalty
29 upon the homeowner unless it has given such homeowner three days after providing written
30 notice to the homeowner, which notice shall specifically identify the rule and the nature of the
31 violation.

32 **(4) A homeowner's association shall deny or request resubmission of any**
33 **applications for solar panels or solar collectors within thirty days of receipt or the**
34 **application shall be considered approved.**

35 **(5) A homeowner's association shall not require an application for solar panels**
36 **or solar collectors to pass review or be approved by any committee or board designed to**
37 **address architectural or aesthetic qualities or conditions.**

38 3. (1) No deed restrictions, covenants, or similar binding agreements running with
39 the land shall limit or prohibit, or have the effect of limiting or prohibiting, the installation of
40 solar panels or solar collectors on the rooftop of any property or structure.

41 (2) A homeowners' association may adopt reasonable rules, subject to any applicable
42 statutes or ordinances, regarding the placement of solar panels or solar collectors to the extent
43 that those rules do not prevent the installation of the device, impair the functioning of the
44 device, restrict the use of the device, or adversely affect the cost or efficiency of the device.

45 (3) The provisions of this subsection shall apply only with regard to rooftops that are
46 owned, controlled, and maintained by the owner of the individual property or structure.

47 4. (1) No deed restrictions, covenants, or similar binding agreements running with
48 the land shall prohibit or have the effect of prohibiting the display of sale signs on the
49 property of a homeowner or property owner including, but not limited to, any yard on the
50 property, or nearby street corners.

51 (2) A homeowners' association has the authority to adopt reasonable rules, subject to
52 any applicable statutes or ordinances, regarding the time, size, place, number, and manner of
53 display of sale signs.

54 (3) A homeowners' association may remove a sale sign without liability if such sign is
55 placed within the common ground, threatens the public health or safety, violates an applicable
56 statute or ordinance, is accompanied by sound or music, or if any other materials are attached
57 to the sale sign. Subject to the foregoing, a homeowners' association shall not remove a sale

58 sign from the property of a homeowner or property owner or impose any fine or penalty upon
59 the homeowner or property owner unless it has given such homeowner or property owner
60 three business days after the homeowner or property owner receives written notice from the
61 homeowners' association, which notice shall specifically identify the rule and the nature of
62 the alleged violation.

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