

114TH CONGRESS
1ST SESSION

S. 1219

To amend the Public Utility Regulatory Policies Act of 1978 to provide for the safe and reliable interconnection of distributed resources and to provide for the examination of the effects of net metering.

IN THE SENATE OF THE UNITED STATES

Ms. MURKOWSKI introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Public Utility Regulatory Policies Act of 1978 to provide for the safe and reliable interconnection of distributed resources and to provide for the examination of the effects of net metering.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. RELIABILITY AND DISTRIBUTED RESOURCES.**

4 Section 111(d) of the Public Utility Regulatory Poli-
5 cies Act of 1978 (16 U.S.C. 2621(d)) is amended by add-
6 ing at the end the following:

7 “(20) CONSIDERATION OF SAFE AND RELIABLE
8 INTERCONNECTION OF DISTRIBUTED RESOURCES.—

1 “(A) DEFINITIONS.—In this paragraph:

2 “(i) ANCILLARY SERVICE.—The term

3 ‘ancillary service’ includes—

4 “(I) reactive supply;

5 “(II) regulation and frequency
6 response;

7 “(III) energy imbalance;

8 “(IV) operating reserves;

9 “(V) generation imbalance; and

10 “(VI) flexibility and ramping
11 services.

12 “(ii) DISTRIBUTED RESOURCE.—The
13 term ‘distributed resource’ means an elec-
14 tric power source connected directly to the
15 distribution network or on the customer
16 side of the meter.

17 “(B) REQUIREMENT FOR PROCEEDINGS
18 RELATED TO DISTRIBUTED RESOURCES.—Each
19 State regulatory authority shall—

20 “(i) establish proceedings to examine
21 the degree to which distributed resources
22 contribute ancillary services; and

23 “(ii) prescribe appropriate measures
24 to ensure adequate ancillary services so

1 that grid interconnection for distributed
 2 resources is safe, reliable, and efficient.”.

3 **SEC. 2. NET METERING EFFECTS.**

4 Section 111(d) of the Public Utility Regulatory Poli-
 5 cies Act of 1978 (16 U.S.C. 2621(d)) (as amended by sec-
 6 tion 1) is amended by adding at the end the following:

7 “(21) NET METERING EFFECTS.—Each State
 8 regulatory authority shall—

9 “(A) establish proceedings to examine the
 10 effects of net metering and customer-owned dis-
 11 tributed generation on resource planning of
 12 each electric utility, including—

13 “(i) the effects on resource utilization,
 14 fuel diversity, grid security, and shifting of
 15 grid costs to customers who do not use net
 16 metering or customer-owned distributed
 17 generation; and

18 “(ii) the impact on—

19 “(I) the financial health of the
 20 entity providing distribution services;
 21 and

22 “(II) the ability of the entity to
 23 attract investment in light of net me-
 24 tering and customer-owned distributed
 25 generation within the State; and

1 “(B) establish proceedings to determine
2 whether electricity rates established for net me-
3 tering service are just and reasonable and not
4 unduly preferential or discriminatory, in accord-
5 ance with State law.”.

6 **SEC. 3. COMPLIANCE.**

7 (a) **TIME LIMITATIONS.**—Section 112(b) of the Pub-
8 lic Utility Regulatory Policies Act of 1978 (16 U.S.C.
9 2622(b)) is amended by adding at the end the following:

10 “(7)(A) Not later than 1 year after the date of
11 enactment of this paragraph, each State regulatory
12 authority (with respect to each electric utility for
13 which the authority has ratemaking authority) and
14 each nonregulated electric utility shall, with respect
15 to the standard established by paragraphs (20) and
16 (21) of section 111(d)—

17 “(i) commence the consideration required
18 under those paragraphs; or

19 “(ii) set a hearing date for such consider-
20 ation, with respect to the standard established
21 by paragraphs (20) and (21) of section 111(d).

22 “(B) Not later than 2 years after the date of
23 enactment of this paragraph, each State regulatory
24 authority (with respect to each electric utility for
25 which the authority has ratemaking authority) and

1 each nonregulated electric utility shall, with respect
2 to the standards established by paragraphs (20) and
3 (21) of section 111(d)—

4 “(i) complete the consideration required
5 under those paragraphs; and

6 “(ii) make the determination referred to in
7 section 111 with respect to the standards estab-
8 lished by those paragraphs.”.

9 (b) FAILURE TO COMPLY.—Section 112(c) of the
10 Public Utility Regulatory Policies Act of 1978 (16 U.S.C.
11 2622(c)) is amended by adding at the end the following:
12 “In the case of the standard established by paragraphs
13 (20) and (21) of section 111(d), the reference contained
14 in this subsection to the date of enactment of this Act
15 shall be deemed to be a reference to the date of enactment
16 of those paragraphs.”.