

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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# HOUSE BILL

## No. 1201

Session of  
2007

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INTRODUCED BY GEORGE, DePASQUALE, GERBER, DeWEESE, CONKLIN,  
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M. SMITH, PETRONE, LENTZ, GRUCELA, FABRIZIO, PASHINSKI AND  
CALTAGIRONE, MAY 24, 2007

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AS REPORTED FROM COMMITTEE ON CONSUMER AFFAIRS, HOUSE OF  
REPRESENTATIVES, AS AMENDED, JUNE 19, 2007

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## AN ACT

1 Amending Title 66 (Public Utilities) of the Pennsylvania  
2 Consolidated Statutes, further providing for the definition  
3 of "public utility"; adding a definition of "micro-grid";  
4 further providing for duties of electric distribution  
5 companies; and providing for micro-grids.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. The definition of "public utility" in section 102  
9 of Title 66 of the Pennsylvania Consolidated Statutes is amended  
10 to read:

11 § 102. Definitions.

12 Subject to additional definitions contained in subsequent  
13 provisions of this part which are applicable to specific  
14 provisions of this part, the following words and phrases when  
15 used in this part shall have, unless the context clearly  
16 indicates otherwise, the meanings given to them in this section:

1       \* \* \*

2       "Public utility."

3           (1) Any person or [corporations] corporation now or  
4       hereafter owning or operating in this Commonwealth equipment  
5       or facilities for:

6           (i) Producing, generating, transmitting,  
7       distributing or furnishing natural or artificial gas,  
8       electricity, or steam for the production of light, heat,  
9       or power to or for the public for compensation.

10          (ii) Diverting, developing, pumping, impounding,  
11       distributing, or furnishing water to or for the public  
12       for compensation.

13          (iii) Transporting passengers or property as a  
14       common carrier.

15          (iv) Use as a canal, turnpike, tunnel, bridge,  
16       wharf, and the like for the public for compensation.

17          (v) Transporting or conveying natural or artificial  
18       gas, crude oil, gasoline, or petroleum products,  
19       materials for refrigeration, or oxygen or nitrogen, or  
20       other fluid substance, by pipeline or conduit, for the  
21       public for compensation.

22          (vi) Conveying or transmitting messages or  
23       communications, except as set forth in paragraph (2)(iv),  
24       by telephone or telegraph or domestic public land mobile  
25       radio service including, but not limited to, point-to-  
26       point microwave radio service for the public for  
27       compensation.

28          (vii) Sewage collection, treatment, or disposal for  
29       the public for compensation.

30          (viii) Providing limousine service in a county of

1 the second class pursuant to Subchapter B of Chapter 11  
2 (relating to limousine service in counties of the second  
3 class).

4 (2) The term does not include:

5 (i) Any person or corporation, not otherwise a  
6 public utility, who or which furnishes service only to  
7 himself or itself.

8 (ii) Any bona fide cooperative association which  
9 furnishes service only to its stockholders or members on  
10 a nonprofit basis.

11 (iii) Any producer of natural gas not engaged in  
12 distributing such gas directly to the public for  
13 compensation.

14 (iv) Any person or corporation, not otherwise a  
15 public utility, who or which furnishes mobile domestic  
16 cellular radio telecommunications service.

17 (v) Any building or facility owner/operators who  
18 hold ownership over and manage the internal distribution  
19 system serving such building or facility and who supply  
20 electric power and other related electric power services  
21 to occupants of the building or facility.

22 (vi) Electric generation supplier companies, except  
23 for the limited purposes as described in sections 2809  
24 (relating to requirements for electric generation  
25 suppliers) and 2810 (relating to revenue-neutral  
26 reconciliation).

27 (vii) Any person or corporation who or which  
28 ~~furnishes~~ DISTRIBUTES natural gas produced from <—  
29 alternative sources, including, but not limited to,  
30 landfill gas, coal-mine methane or coal-bed methane and

1       synthetic natural gas produced from the gasification of  
2       coal or other feedstocks directly to no more than four  
3       customers. A person or corporation who or which wishes to  
4       ~~furnish~~ DISTRIBUTE natural gas produced from alternative     <—  
5       sources to more than four customers and be excluded from  
6       this definition must request approval from the  
7       commission. The commission shall approve the request if  
8       the person or corporation provides a private rather than  
9       a public service.

10       (viii) Micro-grids, as that term is defined by  
11       section 2803 (relating to definitions).

12       (3) For the purposes of sections 2702 (relating to  
13       construction, relocation, suspension and abolition of  
14       crossings), 2703 (relating to ejectment in crossing cases)  
15       and 2704 (relating to compensation for damages occasioned by  
16       construction, relocation or abolition of crossings) and those  
17       portions of sections 1501 (relating to character of service  
18       and facilities), 1505 (relating to proper service and  
19       facilities established on complaint; authority to order  
20       conservation and load management programs) and 1508 (relating  
21       to reports of accidents), as those sections or portions  
22       thereof relate to safety only, a municipal authority or  
23       transportation authority organized under the laws of this  
24       Commonwealth shall be considered a public utility when it  
25       owns or operates, for the carriage of passengers or goods by  
26       rail, a line of railroad composed of lines formerly owned or  
27       operated by the Pennsylvania Railroad, the Penn-Central  
28       Transportation Company, the Reading Company or the  
29       Consolidated Rail Corporation.

30       \* \* \*

1       Section 2.   Section 2803 of Title 66 is amended by adding a  
2 definition to read:

3   § 2803.   Definitions.

4       The following words and phrases when used in this chapter  
5 shall have the meanings given to them in this section unless the  
6 context clearly indicates otherwise:

7       \* \* \*

8       "Micro-grid."   A small power generation and distribution  
9 network directly serving multiple consumers with the electric  
10 generating facility located near or on the same site as the  
11 consumers, that may be interconnected to the transmission and  
12 distribution system and, if so, operates BUT CAPABLE OF  
13 OPERATING independently from it.

<—

14       \* \* \*

15       Section 3.   Section 2807(e) of Title 66 is amended and the  
16 section is amended by adding a subsection to read:

17   § 2807.   Duties of electric distribution companies.

18       \* \* \*

19       (e)   Obligation to serve.--An electric distribution company's  
20 obligation to provide electric service following implementation  
21 of restructuring and the choice of alternative generation by a  
22 customer is revised as follows:

23           (1)   While an electric distribution company collects  
24 either a competitive transition charge or an intangible  
25 transition charge or until 100% of its customers have choice,  
26 whichever is longer, the electric distribution company shall  
27 continue to have the full obligation to serve, including the  
28 connection of customers, the delivery of electric energy and  
29 the production or acquisition of electric energy for  
30 customers.

1           (2) At the end of the transition period, the commission  
2 shall promulgate regulations to define the electric  
3 distribution company's obligation to connect and deliver and  
4 acquire electricity under paragraph (3) that will exist at  
5 the end of the phase-in period.

6           (3) [If a customer contracts for electric energy and it  
7 is not delivered or if a customer does not choose an  
8 alternative electric generation supplier, the]

9           (i) The electric distribution company or commission-  
10 approved alternative supplier shall acquire [electric  
11 energy at prevailing market prices to serve that customer  
12 and shall recover fully all reasonable costs.] a  
13 portfolio of resources through one or more competitive  
14 procurement processes approved by the commission to serve  
15 customers who contract for electric energy and do not  
16 receive it or to customers who do not choose an  
17 alternative electric generation supplier, and shall  
18 recover fully all reasonable costs. The competitive  
19 procurement process or processes to secure electricity  
20 shall be conducted by customer rate class as determined <—  
21 and approved by the commission. The generation rates  
22 procured by the competitive procurement process or  
23 processes may not allow the cross-subsidization of one  
24 customer rate class by another. <—

25           ~~(ii) In addition to complying with the requirements~~ <—  
26 ~~of the act of November 30, 2004 (P.L.1672, No.213), known~~  
27 ~~as the Alternative Energy Portfolio Standards Act, the~~

28           (II) (A) FOR THE PURPOSES OF THIS PARAGRAPH, <—  
29 COMPETITIVE PROCUREMENT PROCESSES MAY INCLUDE ONE OR  
30 MORE OF THE FOLLOWING:

1                   (I) AUCTIONS.

2                   (II) REQUESTS FOR PROPOSALS.

3                   (B) THE COMMISSION SHALL NOT MODIFY CONTRACTS  
4                   ENTERED INTO PURSUANT TO AN APPROVED COMPETITIVE  
5                   PROCUREMENT PROCESS UNLESS THE COMMISSION DETERMINES  
6                   THAT THE CONTRACT DOES NOT COMPLY WITH THE APPROVED  
7                   COMPETITIVE PROCUREMENT PROCESS.

8                   (III) THE resource portfolio acquired pursuant to  
9                   this paragraph shall be designed to produce the lowest  
10                   reasonable rates on a long-term basis and shall reflect a  
11                   diversity of supply-side and demand-side resources, a  
12                   diversity of fuel types and a prudent mix of long-term, <—  
13                   short-term and spot market purchases. A long term <—  
14                   contract shall be permitted only for newly constructed or  
15                   proposed to be constructed alternative energy sources, as  
16                   that term is defined in section 2 of the Alternative  
17                   Energy Portfolio Standards Act, and new generation  
18                   resources determined by the commission to be required for  
19                   reliability as set forth in subparagraph (v). <—  
20                   SPOT-MARKET PURCHASES. LONG-TERM CONTRACTS SHALL BE PERMITTED TO  
21                   ACQUIRE ELECTRICITY GENERATION RESOURCES, DEMAND SIDE  
22                   MANAGEMENT RESOURCES OR ALTERNATIVE ENERGY CREDITS AS  
23                   THOSE TERMS ARE DEFINED IN SECTION 2 OF THE ACT OF  
24                   NOVEMBER 30, 2004 (P.L.1672, NO.213), KNOWN AS THE  
25                   ALTERNATIVE ENERGY PORTFOLIO STANDARDS ACT.

26                   ~~(iii)~~ (IV) An electric distribution company or <—  
27                   commission-approved alternative supplier may enter into a  
28                   long-term contract directly with a Tier I alternative  
29                   energy source, as that term is defined in section 2 of  
30                   the Alternative Energy Portfolio Standards Act, for

electricity, alternative energy credits, or both, without  
engaging in a commission-approved competitive procurement  
process. The costs associated with the contract must be <—  
consistent with the average cost of Tier I alternative  
energy credits in other jurisdictions of the PJM  
Interconnection, L.L.C., regional transmission  
organization or its successor, accounting for the effect  
that public subsidies have on the price of the  
alternative energy credit. The commission shall determine  
when there is significant competition among Tier I  
alternative energy sources that the acts authorized by  
this subpart are no longer necessary. PROCESS FOR A <—  
PERIOD OF THREE YEARS FROM THE EFFECTIVE DATE OF THIS  
SUBPARAGRAPH.

(iv) (V) An electric distribution company or <—  
commission-approved alternative supplier shall enter into  
a contract with energy efficiency and other demand-side  
resources, instead of electric generation facilities, to  
meet any increases in energy usage and peak demand so  
long as the cost of energy efficiency and demand-side  
resources is less than the cost of electric generation.  
To the extent that electric generation is necessary to  
meet additional load growth, the electric distribution  
company or commission-approved alternative supplier shall  
make a good faith effort to procure electricity from  
alternative energy sources specified in the Alternative  
Energy Portfolio Standards Act.

(v) (VI) An electric distribution company or <—  
commission-approved alternative supplier may enter into a  
contract approved by the commission to enable the



1 construction of new electric generation resources upon a  
2 determination by the commission that new electric  
3 generation resources are required to ensure reliability.  
4 The commission shall ensure that a contract for new  
5 electric generation resources are the lowest cost option  
6 for ensuring reliability.

7 ~~(vi) The portfolio of resources acquired pursuant to~~ <—  
8 ~~this subsection shall be acquired separately for~~  
9 ~~residential customers, small business customers and large~~  
10 ~~customers as those customer classes are defined by the~~  
11 ~~commission for each electric distribution company or~~  
12 ~~commission approved alternative supplier.~~

13 (vii) For the purposes of this paragraph "long-term  
14 contract" shall be defined as a contract length of more <—  
15 than three years. OF ANY LENGTH AS NEGOTIATED BY THE <—  
16 PARTIES BUT AT LEAST THREE YEARS IN DURATION. "Short-term  
17 contract" shall be defined as a contract length of three  
18 years or less.

19 (4) If a customer that chooses an alternative supplier  
20 and subsequently desires to return to the local distribution  
21 company for generation service, the local distribution  
22 company shall treat that customer exactly as it would any new  
23 applicant for energy service.

24 (5) No later than January 1, 2011, an electric  
25 distribution company or commission-approved alternative  
26 supplier shall provide a rate that shall change no more  
27 frequently than on an annual basis as the default option for  
28 residential and small business customers.

29 (6) One year from the effective date of this paragraph  
30 or at the end of the applicable generation rate cap period,

1 whichever is later, an electric distribution company and  
2 commission-approved alternative supplier shall offer a time-  
3 of-use pilot rate to residential and small business customers  
4 voluntarily choosing to be part of the pilot program. An  
5 electric distribution and commission-approved alternative  
6 supplier shall provide to the commission a description of its  
7 time-of-use pilot rate program and shall annually report on  
8 the participation in the pilot program and the efficacy of  
9 the pilot program in affecting energy demand and consumption.

10 ~~(7) Within six years of the effective date of this~~ <—  
11 ~~paragraph, an electric distribution company shall furnish its~~  
12 ~~customers with technology capable of allowing all customers~~  
13 ~~to participate in pricing programs that reflect time of use.~~  
14 ~~The electric distribution company may recover the net costs~~  
15 ~~associated with technology required to implement time of use~~  
16 ~~rates. Cost recovery shall reflect the operating cost savings~~  
17 ~~to the electric distribution company from the introduction of~~  
18 ~~technology to implement time of use rates. Customer~~  
19 ~~participation in time of use pricing shall be voluntary.~~

20 ~~(8) By January 1, 2011, or at an electric distribution~~  
21 ~~company or commission approved alternative supplier's next~~  
22 ~~default service offering, whichever is sooner, the electric~~  
23 ~~distribution company or commission approved alternative~~  
24 ~~supplier may offer large customers any rate including, but~~  
25 ~~not limited to, a cost based rate for any duration agreed~~  
26 ~~upon by the electric distribution company or commission-~~  
27 ~~approved alternative supplier and the large customer.~~  
28 ~~Contract rates entered into pursuant to this paragraph shall~~  
29 ~~be subject to review by the commission in order to ensure~~  
30 ~~that no costs related to the rates are borne by other~~

~~customers or customer classes.~~

(7) AN EVALUATION, BY THE COMMISSION, OF THE RESULTS OF  
THE PILOT PROGRAM WILL DETERMINE WHETHER, OR TO WHAT EXTENT,  
THE BROADER DEPLOYMENT OF TIME-OF-USE METER TECHNOLOGY WOULD  
BE COST EFFECTIVE. WHERE TIME-OF-USE METER TECHNOLOGY IS  
DETERMINED BY THE COMMISSION TO BE COST EFFECTIVE, ELECTRIC  
DISTRIBUTION COMPANIES SHALL FURNISH THE SAME, WITHIN SIX  
YEARS OF THE EFFECTIVE DATE OF THIS PARAGRAPH, TO CUSTOMERS  
VOLUNTARILY CHOOSING TO PARTICIPATE IN TIME-OF-USE RATES.  
DEFAULT SERVICE PROVIDERS SHALL BE ENTITLED TO FULL AND  
CURRENT RECOVERY, UNDER SECTION 1307 (RELATING TO SLIDING  
SCALE OF RATES; ADJUSTMENTS) AUTOMATIC ADJUSTMENT CLAUSE, OF  
NET COSTS INCURRED IN CONNECTION WITH THE DEVELOPMENT,  
IMPLEMENTATION AND OPERATION OF A PILOT PROGRAM OR ANY OTHER  
DEPLOYMENT OF TIME-OF-USE METER TECHNOLOGY, INCLUDING A  
RETURN ON AND OF ITS INVESTMENT IN ANY FACILITIES INSTALLED,  
EMPLOYED OR PREMATURELY RETIRED IN CONNECTION WITH THE  
DEPLOYMENT OF TIME-OF-USE METER TECHNOLOGY.

(8) THE DEFAULT SERVICE PROVIDER MAY, IN ITS SOLE  
DISCRETION, OFFER CUSTOMERS WITH A MAXIMUM REGISTERED DEMAND  
OVER 500 KW A RATE FOR ANY DURATION AGREED UPON BY THE  
DEFAULT SERVICE PROVIDER AND THE CUSTOMER WITH A MAXIMUM  
REGISTERED DEMAND OVER 500 KW. CONTRACT RATES ENTERED INTO  
PURSUANT TO THIS SECTION SHALL BE SUBJECT TO REVIEW BY THE  
COMMISSION IN ORDER TO ENSURE THAT ALL COSTS RELATED TO SUCH  
RATES ARE BORNE EXCLUSIVELY BY THE CUSTOMER RECEIVING THE  
CONTRACT RATE AND THAT NO COSTS RELATED TO SUCH RATES ARE  
BORNE BY OTHER CUSTOMERS OR CUSTOMER CLASSES.

(9) The commission shall require an electric  
distribution company to offer customers the choice of

1 phasing-in over a period of up to three years any generation  
2 rate increases resulting from the end of existing generation  
3 rate caps which are approved by the commission.

4 (f) Retail electricity surcharge.--

5 (1) Each electric distribution company shall apply and  
6 collect a charge of \$0.0005 per kWh for each kWh of retail  
7 electricity sold in this Commonwealth and shall pay that  
8 charge to the State Treasurer through the Department of  
9 Revenue on a quarterly basis within 30 days after the close  
10 of the quarter in which collected.

11 ~~(2) Notwithstanding the provisions in paragraph (1), in~~ <—  
12 ~~no event shall the annual payment from any single customer~~  
13 ~~exceed \$10,000.~~

14 (2) NOTWITHSTANDING THE PROVISIONS IN PARAGRAPH (1), IN <—  
15 NO EVENT SHALL THE ANNUAL PAYMENT FROM ANY SINGLE LEGAL  
16 ENTITY EXCEED \$10,000. FOR PURPOSES OF THIS PARAGRAPH, EACH  
17 INDIVIDUAL FEDERAL AGENCY AND EACH INDIVIDUAL COMMONWEALTH  
18 EXECUTIVE AGENCY, INDEPENDENT AGENCY OR STATE-AFFILIATED  
19 AGENCY SHALL CONSTITUTE A DISTINCT LEGAL ENTITY. THE  
20 COMMISSION SHALL ADOPT GUIDELINES WITHIN SIX MONTHS OF THE  
21 EFFECTIVE DATE OF THIS SUBSECTION FOR AVOIDING PAYMENTS IN  
22 EXCESS OF \$10,000 OR FOR REFUNDING OR CREDITING PAYMENTS IN  
23 EXCESS OF \$10,000.

24 (3) The State Treasurer shall transfer all funds  
25 received pursuant to this subsection to the Energy  
26 Development Fund within 30 days of receipt of the funds.

27 (4) The charge shall appear as a separate charge on the  
28 distribution bill of each retail electricity customer. The  
29 charge shall be applied beginning 90 days after the effective  
30 date of this subsection and shall expire on the 30th

1 anniversary of the date it was first applied.

2 (5) Funds collected under this subsection shall be used  
3 TO PAY THE PRINCIPLE AND INTEREST ON BONDS ISSUED by the <—  
4 Pennsylvania Energy Development Authority IN ACCORDANCE WITH <—  
5 THE PROVISION OF ARTICLE XXVIII-C OF THE ACT OF APRIL 9, 1929  
6 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF 1929.  
7 PROCEEDS OF THE BONDS SHALL BE PROVIDED TO, AND USED BY, THE  
8 PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY, THE Redevelopment  
9 Capital Assistance Program and the Ben Franklin Technology  
10 Development Authority for the following purposes:

11 (i) To fulfill the obligations of a bond for  
12 alternative energy projects, including:

13 (A) Funding for alternative and renewable energy  
14 projects, including alternative and renewable  
15 transportation fuels.

16 (B) Funding for the purchase of tradable  
17 instruments, including, but not limited to,  
18 alternative and renewable energy credits.

19 (C) Funding for demand-side management measures  
20 for all customer classes, including, but not limited  
21 to, energy efficiency building construction,  
22 equipment and renovation.

23 (D) Rebates or grants for solar photovoltaic,  
24 other solar electric or solar thermal installations.

25 THE PENNSYLVANIA ENERGY DEVELOPMENT AUTHORITY SHALL <—  
26 ESTABLISH REBATE AND GRANT LEVELS FOR RESIDENTIAL AND  
27 NONRESIDENTIAL SOLAR PHOTOVOLTAIC ENERGY SYSTEMS  
28 BETWEEN 1KW AND 2MW AND FOR SOLAR THERMAL  
29 APPLICATIONS AND TECHNOLOGIES. REBATE LEVELS MAY BE  
30 ADJUSTED PERIODICALLY. APPLICATIONS FOR REBATES MAY

1 BE MADE AT ANY TIME.

2 (E) Production grants or rebates to solar  
3 equipment manufacturers.

4 (F) Funding for weatherization and other usage  
5 reduction measures for low-income electricity and  
6 natural gas customers.

7 (G) To acquire, through purchase or otherwise,  
8 hold, sell, transfer and redistribute electric power,  
9 natural gas, liquid fuel, transportation fuel and any  
10 other energy commodity.

11 (H) FIFTEEN MILLION DOLLARS FOR REBATES OR <—  
12 GRANTS FOR SOLAR PHOTOVOLTAIC, OTHER SOLAR ELECTRIC  
13 OR SOLAR THERMAL INSTALLATIONS.

14 (I) TEN MILLION DOLLARS FOR FUNDING FOR  
15 WEATHERIZATION AND OTHER USAGE REDUCTION MEASURES FOR  
16 LOW-INCOME ELECTRICITY AND NATURAL GAS CUSTOMERS.

17 (J) TEN MILLION DOLLARS FOR THE HAZARDOUS SITES  
18 CLEANUP FUND ESTABLISHED IN SECTION 602.3 OF THE ACT  
19 OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX  
20 REFORM CODE OF 1971.

21 (K) TEN MILLION DOLLARS FOR THE LOW-INCOME HOME  
22 ENERGY ASSISTANCE ACT OF 1981 (PUBLIC LAW 97-35, 42  
23 U.S.C. § 8626A).

24 (II) REASONABLE ADMINISTRATIVE COSTS ASSOCIATED WITH  
25 UTILIZING THE FUNDS.

26 ~~(2) Reasonable administrative costs associated with~~ <—  
27 ~~utilizing the funds.~~

28 (6) THE COMMONWEALTH DOES HEREBY PLEDGE AND AGREE TO ANY <—  
29 HOLDER OF BONDS AND ANY RELATED CONTRACTUAL OBLIGEE TO BE  
30 PAID WITH OR SECURED BY THE FUNDS COLLECTED UNDER THIS

1 SECTION THAT THE COMMONWEALTH WILL NOT IMPAIR, REDUCE OR  
2 ELIMINATE THE CHARGE IMPOSED BY THIS SECTION OR ANY OTHER  
3 SECURITY PLEDGED TO THE REPAYMENT OF SUCH BONDS OR THE  
4 PAYMENT OF THE RELATED CONTRACTUAL OBLIGATION UNTIL ALL SUCH  
5 BONDS THEN ISSUED, TOGETHER WITH THE INTEREST THEREON, ARE  
6 FULLY PAID OR DEFEASED AND ALL SUCH CONTRACTUAL PAYMENT  
7 OBLIGATIONS ARE SATISFIED.

8 (7) ONLY THE ENTITIES SPECIFIED IN THIS SUBSECTION SHALL  
9 HAVE THE AUTHORITY TO ADMINISTER OR ENFORCE THE PROVISIONS OF  
10 THIS SUBSECTION.

11 Section 4. Title 66 is amended by adding a section to read:

12 § 2813. Micro-grids.

13 Customers may have their electricity supplied by micro-grids  
14 subject to the following:

15 (1) A micro-grid shall be limited to four customers.  
16 Micro-grids seeking to supply electricity to more than four  
17 customers may be approved by the commission on a case-by-case  
18 basis. The commission shall approve such requests if the  
19 micro-grid, while serving more than four customers, provides  
20 a private rather than a public service.

21 (2) The commission shall promulgate regulations on the  
22 fees related to micro-grid interconnection, standby power and  
23 other services related to the reliable and safe functioning  
24 of micro-grids. Fees associated with this section shall be  
25 the lowest cost necessary to ensure adequate system  
26 reliability and safety.

27 (3) Micro-grids may sell power, EITHER THROUGH NET  
28 METERING, IF CONSISTENT WITH THE COMMISSION'S NET METERING  
29 REQUIREMENTS, OR TO THE ELECTRIC TRANSMISSION SYSTEM back to  
30 the electric transmission and distribution system at the spot

<—

1     or hourly wholesale price of electricity at the nearest  
2     appropriate node that is part of the regional transmission  
3     organization.

4     Section 5. This act shall take effect immediately.