

(g) FOR AN ELIGIBLE CUSTOMER-GENERATOR WHOSE FACILITY IS SIZED TO PRODUCE ENERGY IN EXCESS OF THE ELIGIBLE CUSTOMER-GENERATOR'S ANNUAL ENERGY CONSUMPTION, THE COMMISSION:

(1) MAY REQUIRE THE ELIGIBLE CUSTOMER-GENERATOR TO INSTALL A DUAL METER THAT IS CAPABLE OF MEASURING THE FLOW OF ELECTRICITY IN TWO DIRECTIONS; AND

(2) SHALL DEVELOP A CREDIT FORMULA THAT:

(I) EXCLUDES RECOVERY OF TRANSMISSION AND DISTRIBUTION COSTS; AND

(II) PROVIDES THAT THE CREDIT MAY BE CALCULATED USING A METHOD OTHER THAN A KILOWATT BASIS, INCLUDING A METHOD THAT ALLOWS A DOLLAR FOR DOLLAR OFFSET OF ELECTRICITY SUPPLIED BY THE GRID COMPARED TO ELECTRICITY GENERATED BY THE ELIGIBLE CUSTOMER-GENERATOR.

(H) (1) (i) Except as provided in subparagraph (ii) of this paragraph, the generating capacity of an electric generating system used by an eligible customer-generator for net metering may not exceed 200 kilowatts.

(ii) 1. An eligible customer-generator may petition the Commission to use an electric generating system with a capacity not exceeding 500 kilowatts.

2. The Commission may approve a petition for use of an electric generating system with a capacity not exceeding 500 kilowatts for net metering if the Commission finds that the project meets public safety and reliability requirements and is in the public interest.

(2) An electric generating system used by an eligible customer-generator for net metering shall meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and Underwriters Laboratories.

(3) The Commission may adopt by regulation additional control and testing requirements for eligible customer-generators that the Commission determines are necessary to protect public safety and system reliability.

(4) An electric company may not require an eligible customer-generator whose electric generating system meets the standards of paragraphs (2) and (3) of this subsection to:

- (i) install additional controls;
- (ii) perform or pay for additional tests; or
- (iii) purchase additional liability insurance.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2006.