



- 1           (3) Electric utility. – A public utility, as defined in G.S. 62-3(23), a  
2           municipally owned and operated utility, or an electric cooperative that  
3           delivers electricity to customers.
- 4           (4) Net metering. – Using a single meter to measure the difference  
5           between the electricity supplied by an electric utility and the electricity  
6           generated by a customer-generator that is fed back to the electric utility  
7           over the applicable billing period.
- 8           (5) Net metering facility. – A facility for the production of electricity that:  
9           a. Uses solar, wind, biomass, biogas, or hydroelectric energy to  
10           generate electricity.  
11           b. Has a generating capacity of not more than 20 kilowatts, if a  
12           residential facility.  
13           c. Has a generating capacity of not more than 100 kilowatts, if a  
14           commercial, industrial, or institutional facility.  
15           d. Has a generating capacity of not more than one megawatt, if a  
16           farm-based facility.  
17           e. Is located on the customer-generator's premises.  
18           f. Has the ability to be operated in parallel with an electric utility's  
19           existing transmission and distribution facilities.  
20           g. Is intended primarily to offset part or all of the customer-  
21           generator's requirements for electricity.

22 **"§ 62-109.3. Electric utility's responsibilities.**

- 23       (a) Every electric utility that offers residential and commercial service:  
24       (1) Shall offer to make net metering available to eligible customer-  
25       generators.  
26       (2) Shall allow net metering facilities to be interconnected using a single  
27       standard kilowatt-hour meter.  
28       (3) Shall offer to the customer-generator a tariff or contract, that is  
29       identical, in energy rates, rate structure, and monthly charges, to the  
30       contract or tariff that the customer would be assigned if the customer  
31       were not an eligible customer-generator, but shall not charge the  
32       customer-generator any additional standby, capacity, interconnection,  
33       or other fee or charge.  
34       (4) May, at its own expense and with the consent of the customer-  
35       generator, install additional metering equipment to separately monitor  
36       the flow of electricity in each direction provided that the net effect on  
37       billing is exactly the same as it would be if a single standard kilowatt-  
38       hour meter was installed.
- 39       (b) An electric utility is not required to provide net metering to additional  
40       customer-generators in its service territory when the combined total peak generation  
41       capacity of all customer-generators reaches one percent (1%) of the aggregate customer  
42       peak demand in the service territory.

43 **"§ 62-109.4. Net energy measured.**

1 Consistent with the other provisions of this Article, the net energy measurement  
2 shall be calculated as follows:

- 3 (1) The electric utility shall measure the net electricity produced or  
4 consumed during the billing period, in accordance with normal  
5 metering practices of customers in the same rate class.
- 6 (2) If the electricity supplied by the electric utility exceeds the electricity  
7 generated by the customer-generator and fed back to the electric utility  
8 during the billing period, the customer-generator shall be billed for the  
9 net electricity supplied by the electric utility, in accordance with  
10 normal metering and billing practices.
- 11 (3) If electricity generated by the customer-generator equals or exceeds  
12 the electricity supplied by the electric utility, the customer-generator:  
13 a. Shall be billed for the appropriate customer charges for that  
14 month, if any, in accordance with the requirements of this  
15 Article.  
16 b. Shall be credited for the excess kilowatt-hours generated during  
17 the month, and the kilowatt-hour credit shall appear on the  
18 customer-generator's bill for the following month.
- 19 (4) For the billing cycle ending in December of each year, any remaining  
20 unused kilowatt-hour credit accumulated during the previous year shall  
21 be granted to the electric utility for distribution to customers enrolled  
22 in the utility's low-income assistance programs, without any  
23 compensation to the customer-generator.

24 **"§ 62-109.5. Net metering facility installed.**

25 (a) Each net metering facility shall be designed and installed to meet all  
26 applicable safety and performance standards established by the National Electrical Code  
27 and local electrical codes, the Institute of Electrical and Electronics Engineers, and  
28 Underwriters Laboratories.

29 (b) An electric utility may not require a customer-generator whose net metering  
30 facility meets the standards provided in subsection (a) of this section to:

- 31 (1) Comply with additional safety or performance standards.  
32 (2) Perform or pay for additional tests.  
33 (3) Purchase liability insurance in excess of one hundred thousand dollars  
34 (\$100,000) for residential facilities and three hundred thousand dollars  
35 (\$300,000) for nonresidential facilities.  
36 (4) Sign any unfair or unreasonable indemnification agreement.

37 **"§ 62-109.6. Duties of Commission and governing body.**

38 (a) The Commission, in the case of a public utility, or the appropriate governing  
39 body, in the case of other electric utilities, after appropriate notice and opportunity for  
40 comment, shall develop a standard application for use by eligible customer-generators  
41 who want to net meter. The application shall contain: (i) relevant contact information  
42 for the customer-generator; (ii) the name and license number for the electrical contractor  
43 who installed the net metering facility; and (iii) a statement that the facility meets  
44 applicable safety and performance standards as required by G.S. 62-109.5(a).

1       (b) The Commission, in the case of a public utility, or the appropriate governing  
2 body, in the case of other electric utilities, after appropriate notice and opportunity for  
3 comment, shall consider interconnection rules for non-net metered facilities under 20  
4 megawatts and regulatory structures that promote distributed generation, including  
5 rates.

6 **"§ 62-109.7. Application for net metering; inspection.**

7       (a) Upon receipt of an application for net metering, the utility shall have 10  
8 business days to respond to the customer-generator in writing with questions,  
9 modifications, or notices. If the utility fails to respond as required by this section, and  
10 the customer-generator's application has been filled out completely as required by G.S.  
11 62-109.6(a), the customer-generator may interconnect with the utility grid without  
12 obtaining approval from the utility.

13       (b) If the utility wants to inspect the facility, the utility shall provide notice to the  
14 customer-generator within 10 business days of receipt of the application, and the  
15 inspection shall be completed within 20 business days of receipt of the application. If  
16 the utility wants to install additional meters as authorized in G.S. 62-109.3(4), the utility  
17 shall provide notice of its intention to the customer-generator within 10 business days of  
18 receipt of the application, and the meters shall be installed within 20 business days of  
19 receipt of the application."

20               **SECTION 2.** The Commission shall have four months from the effective  
21 date of this act to adopt rules to carry out the purposes of this Article.

22               **SECTION 3.** This act becomes effective on September 1, 2003.