

## State Corporation Commission 2022 Fiscal Impact Statement

**1. Bill Number:** SB 505

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Lewis

**3. Committee:** Commerce and Labor

**4. Title:** Electric cooperatives; net energy metering; power purchase agreements; local facilities.

**5. Summary:** Permits any customer, besides a farm or small agricultural generating facility and any customer selling power to the electric cooperative, to interconnect with an electric cooperative and enter an agreement for local facilities usage charges. The bill provides that electric cooperatives can seek approval from the State Corporation Commission at any time for a tariff for local facilities usage charges for the use of cooperative system facilities; however, the terms of an independent agreement for local facilities usage charges shall prevail if inconsistent with the approved tariff amount.

The bill permits the board of directors of an electric cooperative to approve any voluntary tariff and associated cost recovery without filing additional information with the Commission besides an informational notice. Under the bill, the Commission may administratively approve a change in rate, tariff, or term or condition of service without notice or a hearing.

The bill removes the limit on raising the cap for electric cooperatives' generating capacity beyond seven percent of system peak for the purposes of net energy metering. The bill also allows electric cooperatives to permit the use of third-party partial requirements power purchase agreements for eligible customer-generators without separate approval by the Commission; however, the cooperative is required to file a revised net energy metering compliance filing.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** None on the State Corporation Commission

**8. Fiscal Implications:** None on the State Corporation Commission

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission

**10. Technical Amendment Necessary:** None

**11. Other Comments:**

A. Macgill, 1/18/22  
FDO, 1/19/22