

Illinois Net Metering Statute: 220 ILCS 5/16-107.5

(Source: P.A. 95-420, eff. 8-24-07.)

(a) The Legislature finds and declares that a program to provide net electricity metering, as defined in this Section, for eligible customers can encourage private investment in renewable energy resources, stimulate economic growth, enhance the continued diversification of Illinois' energy resource mix, and protect the Illinois environment.

(b) As used in this Section, (i) "eligible customer" means a retail customer that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of not more than 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements; (ii) "electricity provider" means an electric utility or alternative retail electric supplier; (iii) "eligible renewable electrical generating facility" means a generator powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy; and (iv) "net electricity metering" (or "net metering") means the measurement, during the billing period applicable to an eligible customer, of the net amount of electricity supplied by an electricity provider to the customer's premises or provided to the electricity provider by the customer.

(c) A net metering facility shall be equipped with metering equipment that can measure the flow of electricity in both directions at the same rate. For eligible residential customers, this shall typically be accomplished through use of a single, bi-directional meter. If the eligible customer's existing electric revenue meter does not meet this requirement, the electricity provider shall arrange for the local electric utility or a meter service provider to install and maintain a new revenue meter at the electricity provider's expense. For non-residential customers, the electricity provider may arrange for the local electric utility or a meter service provider to install and maintain metering equipment capable of measuring the flow of electricity both into and out of the customer's facility at the same rate and ratio, typically through the use of a dual channel meter. For generators with a nameplate rating of 40 kilowatts and below, the costs of installing such equipment shall be paid for by the electricity provider. For generators with a nameplate rating over 40 kilowatts and up to 2,000 kilowatts capacity, the costs of installing such equipment shall be paid for by the customer. Any subsequent revenue meter change necessitated by any eligible customer shall be paid for by the customer.

(d) An electricity provider shall measure and charge or credit for the net electricity supplied to eligible customers or provided by eligible customers in the following manner:

(1) If the amount of electricity used by the customer during the billing period exceeds the amount of electricity produced by the customer, the electricity provider shall charge the customer for the net electricity supplied to and used by the customer as provided in subsection (e) of this Section.

(2) If the amount of electricity produced by a customer during the billing period exceeds the amount of electricity used by the customer during that billing period, the electricity provider supplying that customer shall apply a 1:1 kilowatt-hour credit to a subsequent bill for service to the customer for the net electricity supplied to the electricity provider. The electricity provider shall continue to carry over any excess kilowatt-hour credits earned and apply those credits to subsequent billing periods to offset any customer-generator consumption in those billing periods until all credits are used or until the end of the annualized period.

(3) At the end of the year or annualized over the period that service is supplied by means of net metering, or in the event that the retail customer terminates service with the electricity provider prior to the end of the year or the annualized period, any remaining credits in the customer's account shall expire.

(e) An electricity provider shall provide to net metering customers electric service at non-discriminatory rates that are identical, with respect to rate structure, retail rate components, and any monthly charges, to the rates that the customer would be charged if not a net metering customer. An electricity provider shall not charge net metering customers any fee or charge or require additional equipment, insurance, or any other requirements not specifically authorized by interconnection standards authorized by the Commission, unless the fee, charge, or other requirement would apply to other similarly situated customers who are not net metering customers. The customer will remain responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the net amount of electricity used by the customer. Subsections (c) through (e) of this Section shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth different prices, terms, and conditions for the provision of net metering service, including, but not limited to, the provision of the appropriate metering equipment for non-residential customers.

(f) Notwithstanding the requirements of subsections (c) through (e) of this Section, an electricity provider must require dual-channel metering for non-residential customers operating eligible renewable electrical generating facilities with a nameplate rating over 40 kilowatts and up to 2,000 kilowatts. In such cases, electricity charges and credits shall be determined as follows:

(1) The electricity provider shall assess and the customer remains responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the gross amount of kilowatt-hours supplied to the eligible customer by the electricity provider.

(2) Each month that service is supplied by means of dual-channel metering, the electricity provider shall compensate the eligible customer for any excess kilowatt-hour credits at the electricity provider's avoided cost of electricity supply over the monthly period or as otherwise specified by the terms of a power-purchase agreement negotiated between the customer and electricity provider.

(3) For all eligible net metering customers taking service from an electricity provider under contracts or tariffs employing time of use rates, any monthly consumption of electricity shall be calculated according to the terms of the contract or tariff to which the same customer would be assigned to or be eligible for if the customer was not a net metering customer. When those same customer-generators are net generators during

any discrete time of use period, the net kilowatt-hours produced shall be valued at the same price per kilowatt-hour as the electric service provider would charge for retail kilowatt-hour sales during that same time of use period.

(g) For purposes of federal and State laws providing renewable energy credits or greenhouse gas credits, the eligible customer shall be treated as owning and having title to the renewable energy attributes, renewable energy credits, and greenhouse gas emission credits related to any electricity produced by the qualified generating unit. The electricity provider may not condition participation in a net metering program on the signing over of a customer's renewable energy credits; provided, however, this subsection (g) shall not be construed to prevent an arms-length agreement between an electricity provider and an eligible customer that sets forth the ownership or title of the credits.

(h) Within 120 days after the effective date of this amendatory Act of the 95th General Assembly, the Commission shall establish standards for net metering and, if the Commission has not already acted on its own initiative, standards for the interconnection of eligible renewable generating equipment to the utility system. The interconnection standards shall address any procedural barriers, delays, and administrative costs associated with the interconnection of customer-generation while ensuring the safety and reliability of the units and the electric utility system. The Commission shall consider the Institute of Electrical and Electronics Engineers (IEEE) Standard 1547 and the issues of (i) reasonable and fair fees and costs, (ii) clear timelines for major milestones in the interconnection process, (iii) nondiscriminatory terms of agreement, and (iv) any best practices for interconnection of distributed generation.

(i) All electricity providers shall begin to offer net metering no later than April 1, 2008.

(j) An electricity provider shall provide net metering to eligible customers until the load of its net metering customers equals 1% of the total peak demand supplied by that electricity provider during the previous year. Electricity providers are authorized to offer net metering beyond the 1% level if they so choose. The number of new eligible customers with generators that have a nameplate rating of 40 kilowatts and below will be limited to 200 total new billing accounts for the utilities (Ameren Companies, ComEd, and MidAmerican) for the period of April 1, 2008 through March 31, 2009.

(k) Each electricity provider shall maintain records and report annually to the Commission the total number of net metering customers served by the provider, as well as the type, capacity, and energy sources of the generating systems used by the net metering customers. Nothing in this Section shall limit the ability of an electricity provider to request the redaction of information deemed by the Commission to be confidential business information. Each electricity provider shall notify the Commission when the total generating capacity of its net metering customers is equal to or in excess of the 1% cap specified in subsection (j) of this Section.

(l) Notwithstanding the definition of "eligible customer" in item (i) of subsection (b) of this Section, each electricity provider shall consider whether to allow meter aggregation for the purposes of net metering on:

(1) properties owned or leased by multiple customers that contribute to the operation of an eligible renewable electrical generating facility, such as a

community-owned wind project or a community methane digester processing livestock waste from multiple sources; and

(2) individual units, apartments, or properties owned or leased by multiple customers and collectively served by a common eligible renewable electrical generating facility, such as an apartment building served by photovoltaic panels on the roof.

For the purposes of this subsection (l), "meter aggregation" means the combination of reading and billing on a pro rata basis for the types of eligible customers described in this Section.

(m) Nothing in this Section shall affect the right of an electricity provider to continue to provide, or the right of a retail customer to continue to receive service pursuant to a contract for electric service between the electricity provider and the retail customer in accordance with the prices, terms, and conditions provided for in that contract. Either the electricity provider or the customer may require compliance with the prices, terms, and conditions of the contract.

Illinois Net Metering Rules: 83 Ill. Admin. Code Part 465

An emergency rule is currently in effect. The proposed general rule, shown below, will take effect upon the conclusion of the notice period required under Illinois rulemaking laws.

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AUTHORITY: Implementing Section 16-107.5 of the Public Utilities Act [220 ILCS 5/16-107.5] and authorized by Sections 16-107.5 and 10-101 of the Public Utilities Act [220 ILCS 5/16-107.5, 220 ILCS 5/10-101].

SOURCE: Emergency rules adopted at 32 Ill. Reg. 202, effective December 22, 2007, for a maximum of 150 days; adopted at 32 Ill. Reg. _____, effective _____.

Section 465.5 Definitions

Terms defined in Section 16-102 of the Public Utilities Act (Act)[220 ILCS 5/16-102] shall have the same meaning for purposes of this Part as they have under Section 16-102 of the Act, unless further defined in this Part.

“Annual period” means the period of 12 consecutive monthly billing periods ending on the last day of either the net metering customer’s April monthly billing period or its October monthly billing period, whichever was selected by the customer in connection with its application for net metering.

"Avoided costs" means the incremental costs to the electricity provider of electric energy or capacity or both which, but for the purchase from an eligible customer, the electricity provider would generate itself or purchase from another source.

“Electric utility” means a public utility, as defined in Section 5/3-105 [220 ILCS 5/3-105] of the Act, that has a franchise, license, permit or right to furnish or sell electricity or light, except when used solely for communications purposes, to “Retail customers” within a “Service area” as both of these terms are defined in Section 5/16-102 of the Act.

"Electricity provider" means an electric utility, whether providing services within or outside of its service area, or an alternative retail electric supplier.

“Eligible customer” or "customer" means a retail customer that owns or operates a solar, wind, or other eligible renewable electrical generating facility with a rated capacity of up to 2,000 kilowatts that is located on the customer's premises and is intended primarily to offset the customer's own electrical requirements.

“Eligible renewable electrical generating facility” means a generator up to 2,000 kilowatts powered by solar electric energy, wind, dedicated crops grown for electricity generation, anaerobic digestion of livestock or food processing waste, fuel cells or microturbines powered by renewable fuels, or hydroelectric energy.

“Net electricity metering” (or “Net metering”) means measurement during the billing period applicable to an eligible customer of the net amount of electricity supplied by an electricity provider to the customer’s premises or provided to the electricity provider by the customer.

“Net purchaser of electricity” means that the total amount of generation produced by the customer is less than the customer’s total usage during the applicable billing period.

“Net seller of electricity” means that the total amount of generation produced by the customer is greater than the customer’s total usage during the applicable billing period.

“Time of use rate” means any contract or tariff under which ~~where~~ the kWh price for electric power and energy supply is not uniform over all of the hours in a billing period.

Section 465.10 Application of Part 465

This Part shall apply to all Illinois electric utilities and alternative retail electric suppliers as defined in the Act that are required to provide net metering services in accordance with Section 16-107.5 of the Act [220 ILCS 5/16.107.5].

Section 465.20 Purpose of Part

The purpose of this Part is to establish standards for net metering in accordance with the requirements of Section 16-107.5 of the Act. Nothing in this Part is intended to conflict with or supersede 83 Ill. Adm. Code 452.

Section 465.30 Tariffs

Each electric utility subject to Section 16-107.5 of the Act shall file a tariff with the Illinois Commerce Commission (Commission) in compliance with Section 16-107.5 of the Act and this Part.

Section 465.35 Net Metering Application and Enrollment Procedures

- a) Each electricity provider shall establish an application form and procedures to enable eligible customers to participate in the net metering program offered by the electricity provider.
- b) An electricity provider may establish an enrollment cap of 1% of the peak demand supplied by the electricity provider in the previous calendar year in accordance with Section 16-107.5(j) of the Act. Nothing in this Part alters the authority of electricity providers to offer net metering beyond the limitations in Section 16-107.5(j) of the Act, if they so choose. Applicable electric utilities (e.g., Illinois Power Company, Central Illinois Light Company, Central Illinois Public Service Company, Commonwealth Edison Company and MidAmerican Energy Company) shall limit the number of eligible customers with generators that have a nameplate rating of 40 kilowatts and below to 200 new billing accounts until March 31, 2009.
- c) Each electricity provider shall establish an open enrollment period to receive net metering applications during the first month that net metering is available. If an electricity provider receives applications in excess of any applicable limits set forth in subsection (b), that provider shall determine enrollment priority by lottery. Applications will not be accepted prior to the start of the open enrollment period. This subsection does not prohibit an electricity provider from providing an initial preference for customers that are already participating in net billing or other programs similar to net metering that are offered by that provider.
- d) After the end of the open enrollment period, or after any applicable limit provided for in subsection (b) have been met, whichever comes first, net metering enrollment priority shall be established on a first-come, first-served basis, according to an electricity provider's date stamp indicating receipt of a completed net metering application.

Applicants that applied during the open enrollment period that did not establish enrollment priority during the open enrollment period shall have their enrollment priority established in accordance with this subsection (d) based upon the date stamp of the application submitted during the open enrollment period.

- e) Each completed application for net metering services shall be in writing and shall include:
 - 1) The customer's name, contact information and corresponding service location where the proposed net metering generation facility or facilities are located.
 - 2) The name plate capacity rating of the proposed net metering generation facility or facilities, and
 - 3) Sufficient information to permit the electricity provider to determine whether any facility on the application qualifies as an eligible renewable electrical generating facility.
- f) Electricity providers shall provide applicants with a single point mailing address for all net metering applications, to which, a completed application must be sent. Electricity providers shall date-stamp each completed application upon receipt and completeness determination. Upon receipt of a completed and executed application, electricity providers shall, within 10 business days after receipt of an application or completion of an open enrollment period, notify an applicant as to whether it is authorized to participate the electricity provider's net metering program. An electricity provider shall state, in writing, its reasons for denying a prospective net metering customer's application. An electricity provider shall not deny a prospective net metering customer's application in a manner that violates this Part, Part 466 of the Commission's Rules or Section 16-107.5 of the Act.
- g) If an electricity provider denies an application due to the cap provided for in subsection (b), the electricity provider shall offer the applicant the opportunity to be placed on a waiting list. If space becomes available under the cap, due to either attrition among enrolled customers or an increase in the electricity provider's peak demand, wait-listed customers shall be processed before new applications.
- h) Any authorization to net meter shall remain effective for as long as the customer remains eligible to net metering and continues taking generation service from the electricity provider, subject to the limitations in subsections (h)(1) and (h)(2).
 - 1) A customer authorized to net meter under subsection (f) shall submit an executed application for interconnection, pursuant to Part 466 of the Commission's Rules, to the electric utility within 30 business days after the date of the notification from the electricity provider pursuant to subsection (f). An electricity provider may cancel such authorization if the customer has not submitted an executed application by the required date.

- 2) The following provisions apply to any electricity provider that establishes enrollment limits, as provided for in subsection (b):
 - A) The electricity provider may cancel a customer's authorization to net meter if the customer has not executed an interconnection agreement pursuant to Part 466 of the Commission's Rules with the customer's electric utility within 12 months after receiving the interconnection agreement from the electric utility.
 - B) The electricity provider must automatically extend the authorization to net meter by an additional six months for an eligible customer that has executed an interconnection agreement within 12 months after receiving the interconnection agreement from the utility but whose eligible renewable electrical generating facility has not commenced operation and passed any applicable witness test.
 - C) A customer seeking to extend the authorization to net meter for an additional six months must pay a deposit of \$25 for each kilowatt of the nameplate rating of the customer's eligible renewable electrical generating facility, which shall be refunded only if the facility commences operation and passes any applicable witness test. A customer may only receive a single six-month extension.
- i) With respect to any customer that has been authorized for net metering offered by an electricity provider that is not the electric utility providing delivery service to the customer, the electricity provider must notify the electric utility of a customer's status as a net metering customer.
- j) With respect to any customer that has had its authorization for net metering canceled by an electricity provider that is not the electric utility providing delivery service to the customer, the electricity provider must notify the electric utility of the customer's status as a canceled net metering customer.

Section 465.40 Reporting Requirements

The report required by Section 16-107.5(k) of the Act shall be filed with the Manager of the Energy Division of the Illinois Commerce Commission by April 1st of each year beginning in 2009. The report shall include all information required under Section 16-107.5(k) of the Act, including, but not limited to, the following information: the total peak demand supplied by the electricity provider during the previous year; the total generating capacity of its net metering customers; whether the electricity provider intends to limit total generating capacity of its net metering customers to 1%; and, the electricity provider's total number of net metering customers.

Section 465.50 Electricity Provider Billing for Eligible Customers

- a) Billing for all residential customers and not-residential customers with generators no greater than 40kW
 - 1) Customers taking services under rates other than time of use rates
 - A) The electric utility shall determine whether the customer is a net purchaser of electricity or a net seller of electricity during the billing period.
 - B) If the customer is a net purchaser of electricity during the billing period, the electricity provider shall assess charges on the net amount purchased at the tariffed or contract rate, as appropriate, under which, the customer is taking service from the electricity provider. To the extent that the electric utility is not the electricity provider, the electric utility shall assess charges for delivery and other provided services at the tariffed rate under which the customer is taking electric service from the electric utility.
 - C) If the customer is a net seller of electricity, the customer shall receive a credit from the electricity provider that is equal to the net kilowatt-hours supplied by the customer during the billing period. To the extent that the electric utility is not the electricity provider, the customer shall receive a credit for delivery service from the electric utility that is equal to the net kilowatt-hours delivered to the electric utility's system by the customer during the billing period. Any credits received by the customer will be carried over to subsequent billing periods. Unused credits will expire at the end of the annual period or earlier in the event the customer terminates service from the electricity provider.
 - 2) Customers taking service under time of use rates
 - A) The electric utility shall determine whether the customer is a net purchaser of electricity or a net seller of electricity during each discrete time period for which the tariffed or contract rate for electricity supply, as appropriate, is applicable. For each time period, the electricity provider shall multiply the tariffed or contract rate for electricity supply, as appropriate, by the amount purchased or sold by the customer to determine each time period's charge or credit. These amounts shall be summed to determine the net energy charge or credit for the billing period.

- B) If the customer is a net purchaser of electricity, the customer will remain responsible for all taxes, fees, and utility delivery charges that would otherwise be applicable to the net amount of electricity used by the customer.
 - C) If the customer is a net seller of electricity, the customer shall receive a monetary credit from the electricity provider that is equal to the energy credit determined for the billing period, plus kilowatt-hour based delivery charges multiplied by the net energy supplied over the billing period. When eligible customers receive service under an electricity provider's bundled service rates, the monetary credit shall be equal to the applicable kilowatt-hour based bundled service charges, multiplied by the net energy supplied over the billing period. In the event that the electricity provider is not the electric utility, the monetary credit for delivery service shall be provided by the electric utility. Any monetary credits received by the customer will be carried over to subsequent billing periods. Unused credits will expire at the end of the annual period or earlier in the event that the customer terminates service from the electricity provider. For purposes of calculating the customer's electricity bill, any credits may be used to offset other charges assessed by the electricity provider.
- b) Billing for non-residential eligible customers with generators over 40 kW and no greater than 2,000 meters.
- 1) Customers taking service under rates other than time of use rates
 - A) The electric utility shall determine whether the customer is a net purchaser of electricity or a net seller of electricity during the billing period. If the customer is a net purchaser of electricity during the billing period, the electricity provider shall apply the applicable tariffed or contract rate, as applicable, to the net amount purchased. If the customer is a net seller of electricity, the electricity provider shall compensate the customer at the electricity provider's avoided cost of electricity supply. For purposes of calculating the customer's electricity bill, any resulting credits may be used to offset other charges assessed by the electricity provider.
 - B) The electric utility shall assess delivery charges, fees and taxes on the gross amount of electricity supplied to the eligible customer, regardless of

whether the eligible customer is a net purchaser or a net seller. When an eligible customer receives service under an electricity provider's bundled service rates, delivery charges shall be the applicable bundled service rate, under which, that customer purchases electric service. For the purposes of calculating the customer's bill, any compensation to the customer may be used to offset other charges assessed by the utility.

- 2) Non-residential customers taking service under time of use rates
 - A) The electric utility shall determine whether the customer is a net purchaser of electricity or a net seller of electricity during each discrete time period. For each time period, the electricity provider shall multiply the applicable rate to the amount purchased or sold by the customer to determine each time period's charge or credit. These amounts shall be summed to determine the net energy charge or credit for each billing period.
 - B) The electric utility shall assess delivery charges, fees and taxes on the gross amount of electricity supplied to the eligible customer, regardless of whether the eligible customer is a net purchaser or a net seller. In the case of an eligible customer receiving service under an electricity provider's bundled service rates, delivery services charges shall be the applicable bundled service rate, under which, the customer purchases electric services. For the purposes of calculating the customer's bill, any compensation to the customer may be used to offset other charges assessed by the electric utility.

Section 465.60 Complaint Procedures

Complaints alleging violations of this Part shall be filed pursuant to 83 Ill. Adm. Code Part 200.

Section 465.70 Penalty Provisions

- a) Upon complaint or on the Commission's own motion, the Commission may conduct an investigation of an electricity provider's actions under any Section of this Part. The Commission may, after notice and hearing:
 - 1) order an electricity provider to cease and desist or correct any violation of, or nonconformance with, any provision of this Part;

- 2) require an electricity provider to make due reparations or refunds as permitted by statute;
 - 3) impose financial penalties for violations of, or non-conformance with, the provisions of this Part as permitted under the Act;
 - 4) take other remedial and preventive action as provided for under the Act.
- b) The remedies shall be cumulative and may be imposed in addition to other remedies.

Section 465.90 Miscellaneous Provisions

- a) In accordance with Section 16-107.5(e) and (g) of the Act, nothing in this Part is intended to prevent an arms-length agreement between an electricity provider and an eligible customer that either sets forth different prices, terms and conditions for the provision of net metering service, including, but not limited to the provision of the appropriate metering equipment for non-residential customers, or that sets forth the ownership or title of renewable energy credits. In accordance with Section 16-107.5(m) of the Act, nothing in this Part is intended to affect any existing retail contract between an alternative retail electric supplier and an eligible customer.
- b) Nothing in this Part shall be construed to impose upon an alternative retail electric supplier any additional obligation that it does not otherwise have pursuant to the Act.