

ARKANSAS REGISTER

Proposed Rule Cover Sheet



Secretary of State
John Thurston
500 Woodlane Street, Suite 026
Little Rock, Arkansas 72201-1094
(501) 682-5070
www.sos.arkansas.gov



Name of Department _____

Agency or Division Name _____

Other Subdivision or Department, If Applicable _____

Previous Agency Name, If Applicable _____

Contact Person _____

Contact E-mail _____

Contact Phone _____

Name of Rule _____

Newspaper Name _____

Date of Publishing _____

Final Date for Public Comment _____

Location and Time of Public Meeting _____

Jennifer Ivory

From: legalads@arkansasonline.com
Sent: Wednesday, June 21, 2023 12:40 PM
To: Jennifer Ivory
Subject: Re: Legal Notice in APSC Docket No. 23-021-R

Will run Sun 7/2 and 7/9.

For future ads, MS Word is fine. No need to send a PDF unless there are signatures, seals, or handwriting I need to see.

Thank you.

Gregg Sterne, Legal Advertising
Arkansas Democrat-Gazette
legalads@arkansasonline.com

From: "Jennifer Ivory" <Jennifer.Ivory@arkansas.gov>
To: "legalads" <legalads@arkansasonline.com>
Cc: "Karen Shook" <Karen.Shook@arkansas.gov>
Sent: Wednesday, June 21, 2023 11:44:36 AM
Subject: Legal Notice in APSC Docket No. 23-021-R

Hi Gregg,

Hope you are having a nice day. I have a notice for the Arkansas Public Service Commission that needs to run in the paper.

Attached is the legal notice that needs to run statewide at least once a week for two consecutive weeks published either the weeks of July 2nd & 9th, or July 9th & 16th. However, we would prefer July 2nd & 9th. We just need our second weekly publication to be no later than thirty days prior to the hearing date of August 31, 2023. Our account # is L800748.

Please confirm the intended run dates. Please direct the Statement of Legal Advertising and invoice to the Attention of Karen Shook. After the legal notice has run, please send the proof of publication to Karen Shook at karen.shook@arkansas.gov.

Glad to be working with you.

Thanks,

Jennifer

Jennifer Ivory, Esq.
Secretary of the Commission
Arkansas Public Service Commission

1000 Center Street
PO Box 400
Little Rock, AR 72201
Phone: 501-682-5782
Fax: 501-682-1717
Email: jennifer.ivory@arkansas.gov

**QUESTIONNAIRE FOR FILING PROPOSED RULES WITH
THE ARKANSAS LEGISLATIVE COUNCIL**

DEPARTMENT _____
 BOARD/COMMISSION _____
 BOARD/COMMISSION DIRECTOR _____
 CONTACT PERSON _____
 ADDRESS _____
 PHONE NO. _____ EMAIL _____
 NAME OF PRESENTER(S) AT SUBCOMMITTEE MEETING _____

 PRESENTER EMAIL(S) _____

INSTRUCTIONS

In order to file a proposed rule for legislative review and approval, please submit this Legislative Questionnaire and Financial Impact Statement, and attach (1) a summary of the rule, describing what the rule does, the rule changes being proposed, and the reason for those changes; (2) both a markup and clean copy of the rule; and (3) all documents required by the Questionnaire.

If the rule is being filed for permanent promulgation, please email these items to the attention of Rebecca Miller-Rice, miller-ricer@blr.arkansas.gov, for submission to the Administrative Rules Subcommittee.

If the rule is being filed for emergency promulgation, please email these items to the attention of Director Marty Garrity, garritym@blr.arkansas.gov, for submission to the Executive Subcommittee.

Please answer each question completely using layman terms.

1. What is the official title of this rule?

2. What is the subject of the proposed rule? _____
3. Is this rule being filed under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, please attach the statement required by Ark. Code Ann. § 25-15-204(c)(1).

If yes, will this emergency rule be promulgated under the permanent provisions of the Arkansas Administrative Procedure Act? Yes No

4. Is this rule being filed for permanent promulgation? Yes No

If yes, was this rule previously reviewed and approved under the emergency provisions of the Arkansas Administrative Procedure Act? Yes No

If yes, what was the effective date of the emergency rule? _____

On what date does the emergency rule expire? _____

5. Is this rule required to comply with a *federal* statute, rule, or regulation? Yes No

If yes, please provide the federal statute, rule, and/or regulation citation.

6. Is this rule required to comply with a *state* statute or rule? Yes No

If yes, please provide the state statute and/or rule citation.

7. Are two (2) rules being repealed in accord with Executive Order 23-02? Yes No

If yes, please list the rules being repealed.

If no, please explain.

8. Is this a new rule? Yes No

Does this repeal an existing rule? Yes No

If yes, the proposed repeal should be designated by strikethrough. If it is being replaced with a new rule, please attach both the proposed rule to be repealed and the replacement rule.

Is this an amendment to an existing rule? Yes No

If yes, all changes should be indicated by strikethrough and underline. In addition, please be sure to label the markup copy clearly as the markup.

9. What is the state law that grants the agency its rulemaking authority for the proposed rule, outside of the Arkansas Administrative Procedure Act? Please provide the specific Arkansas Code citation(s), including subsection(s).

10. Is the proposed rule the result of any recent legislation by the Arkansas General Assembly?
Yes No

If yes, please provide the year of the act(s) and act number(s).

11. What is the reason for this proposed rule? Why is it necessary?

12. Please provide the web address by which the proposed rule can be accessed by the public as provided in Ark. Code Ann. § 25-19-108(b)(1).

13. Will a public hearing be held on this proposed rule? Yes No

If yes, please complete the following:

Date: _____

Time: _____

Place: _____

Please be sure to advise Bureau Staff if this information changes for any reason.

14. On what date does the public comment period expire for the permanent promulgation of the rule? Please provide the specific date. _____

15. What is the proposed effective date for this rule? _____

16. Please attach (1) a copy of the notice required under Ark. Code Ann. § 25-15-204(a)(1) and (2) proof of the publication of that notice.
This section does not apply to the APSC but the rules are being published in accord with APSC Rules on July 2 & 9. (proof of publication will be provided once received by us after publication).

17. Please attach proof of filing the rule with the Secretary of State, as required by Ark. Code Ann. § 25-15-204(e)(1)(A).
This section does not apply to the APSC but the rules will be provided to SOS (proof of filing will be provided once it is sent).

18. Please give the names of persons, groups, or organizations that you anticipate will comment on these rules. Please also provide their position (for or against), if known.

19. Is the rule expected to be controversial? Yes No

If yes, please explain.

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY.

DEPARTMENT _____
BOARD/COMMISSION _____
PERSON COMPLETING THIS STATEMENT _____
TELEPHONE NO. _____ **EMAIL** _____

To comply with Ark. Code Ann. § 25-15-204(e), please complete the Financial Impact Statement and email it with the questionnaire, summary, markup and clean copy of the rule, and other documents. Please attach additional pages, if necessary.

TITLE OF THIS RULE _____

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes No

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes No

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes No

If no, please explain:

(a) how the additional benefits of the more costly rule justify its additional cost;

(b) the reason for adoption of the more costly rule;

(c) whether the reason for adoption of the more costly rule is based on the interests of public health, safety, or welfare, and if so, how; and

(d) whether the reason for adoption of the more costly rule is within the scope of the agency's statutory authority, and if so, how.

4. If the purpose of this rule is to implement a *federal* rule or regulation, please state the following:
 - (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, private entity, or private business subject to the proposed, amended, or repealed rule? Please identify those subject to the rule, and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

6. What is the total estimated cost by fiscal year to a state, county, or municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes No

If yes, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

ARKANSAS PUBLIC SERVICE COMMISSION

IN THE MATTER OF A RULEMAKING TO)
IMPLEMENT THE REQUIREMENTS OF THE) DOCKET NO. 23-021-R
COST SHIFTING PREVENTION ACT OF 2023) ORDER NO. 3

ORDER

On April 14, 2023, the Arkansas Public Service Commission (Commission) issued Order No. 1, which opened this Docket to initiate a rulemaking pursuant to Act 278 of 2023 and requested preliminary comments containing responses to certain questions to facilitate, inform, and expedite the Commission’s development of revised Net-Metering Rules (NMRs).

On May 19, 2023, the following Parties filed Preliminary Initial Comments: Craighead Electric Cooperative Corporation; Mississippi County Electric Cooperative, Inc.; Ashley-Chicot Electric Cooperative; Farmers Electric Cooperative Corporation; First Electric Cooperative Corporation; Ouachita Electric Cooperative Corporation; Ozarks Electric Cooperative Corporation; North Arkansas Electric Cooperative, Inc.; Arkansas Valley Electric Cooperative Corporation; Carroll Electric Cooperative Corporation (Carroll); Arkansas Advanced Energy Association, Inc. (AAEA); Entegriy Energy Partners, LLC (Entegriy); Arkansas Electric Cooperative Corporation (AECC); Clay County Electric Cooperative Corporation; Woodruff Electric Cooperative Corporation; Rich Mountain Electric Cooperative, Inc., Southwest Arkansas Electric Cooperative Corporation; South Central Arkansas Electric Cooperative, Inc.; Petit Jean Electric Cooperative Corporation; C&L Electric Cooperative Corporation; Entergy Arkansas, LLC (EAL); Oklahoma Gas and Electric Company (OG&E); Scenic Hill Solar, LLC (Scenic

Hill); University of Arkansas System (UA); and Southwestern Electric Power Company (SWEPCO).

On June 1, 2023, the following Parties filed Preliminary Reply Comments: AAEA, Entegriy, OG&E, Carroll, the General Staff of the Commission, SWEPCO, AECC, Scenic Hill, EAL, and UA.

Based on Act 278 of 2023 and the preliminary comments filed by the Parties, the Commission hereby proposes the revised NMRs attached herein. Both a blacklined and clean copy are attached. The Parties are invited to comment on the proposed NMRs pursuant to the schedule established by Order No. 1.

To aid the Electric Utilities, their customers, and the Commission in administering Net-Metering, the Commission is proposing to continue to require standard Net-Metering tariffs as part of its NMRs. However, the proposed NMRs acknowledge that some deviations to the standard tariffs may be necessary and provide a process to consider those deviations. Based in part on the preliminary comments, the Commission is proposing two separate standard Net-Metering tariffs: (1) A “Legacy Net-Metering Tariff” for applicable to the Net-Metering Facilities of Net-Metering Customers who qualify for legacy status pursuant to NMR Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A); and (2) A Standard Net-Metering Tariff applicable to the Net-Metering Facilities of Net-Metering Customers who do not qualify for legacy status.

The Commission further notes that it is proposing rules for the “Facilities Agreement” referenced in Ark. Code Ann. § 23-18-604(c)(11)(A). However, the Commission’s proposed NMRs do not require all utilities to adopt the same standard Facilities Agreement. As such, the Electric Utilities may continue to use a company-

specific Facilities Agreement so long as it is filed as a part of the utility's tariff and otherwise meets the requirements of the revised rules as they relate to the Facilities Agreement.

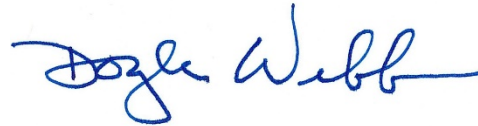
Comments on the proposed NMRs are due in accordance with the schedule set in Order No. 1.

The Secretary of the Commission is hereby directed to:

1. Serve a copy of this Order, with the attached proposed rules, on all Parties to this Docket;
2. Provide newspaper notice of this rulemaking in accordance with the Commission's *Rules of Practice and Procedure* (RPPs) Rule 2.03(b)(2);
3. File proof of notice by publication in accordance with RPP Rule 4.03(c)(1);
4. Transmit the appropriate documents to the Governor in accordance with Executive Order 15-02, with a copy filed in this Docket; and
5. Transmit the appropriate documents to the Arkansas Legislative Council and the Joint Interim Committee on Insurance and Commerce of the Arkansas General Assembly in accordance with RPP Rule 2.03(b)(1), with copies filed in this Docket.

BY ORDER OF THE COMMISSION.

This 19th day of June, 2023.



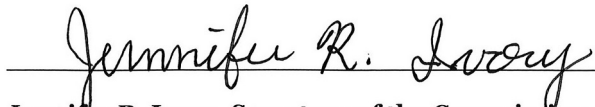
Doyle Webb, Chairman



Justin Tate, Commissioner



Katie Anderson, Commissioner



Jennifer R. Ivory, Secretary of the Commission

I hereby certify that this order, issued by
the Arkansas Public Service Commission, has been
served on all parties of record on this date by the
following method:

- U.S. mail with postage prepaid using the mailing
address of each party as indicated in the official
docket file, or
 Electronic mail using the email address of each
party as indicated in the official docket file

ATTACHMENT 1 TO ORDER NO. 3

BLACKLINED VERSION OF PROPOSED RULES

ARKANSAS PUBLIC SERVICE COMMISSION



NET-METERING RULES

Last Revised: ~~XXX~~June 1, 2020

Order No. ~~XX~~28

Docket No. ~~23-021-R16-~~

~~027-R~~ Effective: ~~XX-11-~~

~~20-2020~~

NET-METERING RULES ADMINISTRATIVE HISTORY

<u>Docket</u>	<u>Date</u>	<u>Order No.</u>	<u>Subject Matter of Docket/ Order</u>
02-046-R	07/26/02	4	Adopted rules relating to the terms and conditions of – Net-Metering.
06-105-U	11/27/07	8	Amended definitions; Rules 1.02, 2.01, and 2.04; Section 1 of the Standard Interconnection Agreement, Appendix A; and X.1.1, X.2.3, and X.2.4 of the Net-Metering Tariff, Appendix B.
	11/29/07	10	Amended Rule 4.02 to delete reference to Docket No. 86-033-A.
	11/30/07	11	Amended the Standard Interconnection Agreement, Appendix A to add e-mail address lines to the signature block.
	12/19/07	12	Errata order correcting clerical errors in the amendments adopted in Order No. 8.
12-001-R	06/15/12	6	Amended Section 7 of the Standard Interconnection Agreement, Appendix A to exempt state governmental agencies and entities, local governmental entities, and federal entities from the indemnity requirement.
12-060-R	09/03/13	7	Amended Rule 2.04 to provide for meter aggregation, incorporated the provisions of Act 1221 of 2013 concerning the carryover of net-metering credits, and added a definition of Net-Metering Customer to track the definition in Ark. Code Ann. § 23-18-603.
	10/11/13	10	Updated the Net-Metering Tariff to reflect the amendments adopted in Order No. 7.
16-027-R	03/08/17	10	Revised Rules to comply with Act 827 of 2015.
	08/16/17	14	Errata Order.
	06/01/20	28, 33	Revised Rules to comply with Act 464 of 2019.
<u>23-021-R</u>	<u>XX/XX/23</u>	<u>X</u>	<u>Revised Rules to comply with Act 278 of 2023</u>

NET-METERING RULES

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APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES A-1

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SECTION 1. GENERAL PROVISIONS

Rule 1.01 Definitions

The following definitions shall apply throughout the Net-Metering Rules (NMRs) except as otherwise required by the context, and any references to the NMRs shall include these definitions:

(a) Additional Meter

A meter associated with the Net-Metering Customer's account that the Net-Metering Customer may credit with Net Excess Generation or Net-Metering Surplus from the Generation Meter. Additional Meter(s): 1) shall be under common ownership within a single Electric Utility's service area; 2) shall be used to measure the Net-Metering Customer's requirements for electricity; 3) may be in a different class of service than the Generation Meter; 4) shall be assigned to one, and only one, Generation Meter; 5) shall not be a Generation Meter; and 6) shall not be associated with unmetered service.

(b) Annual Billing Cycle

The normal annual fiscal accounting period used by the Electric Utility.

(c) Avoided Cost

As defined in Ark. Code Ann. § 23-18-603(1).

(d) Billing Period

The billing period for net-metering will be the same as the billing period under the Net-Metering eCustomer's applicable standard rate schedule.

(e) Biomass Resource

A resource that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

(f) Commission

The Arkansas Public Service Commission.

(g) Distribution Cooperative

A member-owned Electric Utility that purchases all of the electricity it distributes to its members from the Arkansas Electric Cooperative Corporation.

(g)(h) Electric Utility

As defined in Ark. Code Ann, § 23-18-603(3). A person who acts as a lessor or service provider as described in Ark. Code Ann. § 23-18-603(97)(A)(ii) or (iii) shall not be considered an Electric Utility.

(h)(i) Energy Storage Device

A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time.

(j) Facilities Agreement

An agreement that provides the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Ark. Code Ann. § 23-18-604(c)(1)(A), including all applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii).

(k) Facilities Study

A Facilities Study is an extensive engineering study conducted by an Electric Utility, detailing the electric system infrastructure and the impacts to the transmission and/or distribution systems that would result if a proposed interconnection request were connected without project modifications or electric system modifications. The purpose of a Facilities Study is to determine the required modifications to the Electric Utility's transmission and/or distribution system to mitigate any potential adverse system impacts, including the cost and the time required to build and install such modifications as necessary to accommodate an interconnection request.

(l) Fuel Cell Resource

A resource that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

(m) Generation Meter

The meter associated with the Net-Metering Customer's account to which the Net-Metering Facility is physically attached.

(k)(n) Geothermal Resource

A resource in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

(h)(o) Hydroelectric Resource

A resource in which the prime mover is a water wheel. The water wheel is driven by falling water.

(p) Locational Marginal Price

Locational Marginal Price is a market-based pricing mechanism used in electricity markets to determine the cost of electricity at a specific location on the power grid. It reflects the cost of supplying electricity at a particular point, taking into account the cost of generation, transmission losses, and congestion on the power grid.

(m)(q) Micro Turbine Resource

A resource that uses a small combustion turbine to produce electricity.

(r) Monthly Grid Charge

As defined in Ark. Code Ann, § 23-18-603(4).

(n)(s) Net Excess Generation

As defined in Ark. Code Ann, § 23-18-603(65).

(tø) Net-Metering

As defined in Ark. Code Ann, § 23-18-603(76).

(up) Net-Metering Customer

As defined in Ark. Code Ann, § 23-18-603(97).

(vø) Net-Metering Facility

As defined in Ark. Code Ann, § 23-18-603(108).

(wø) Net-Metering Surplus

As defined in Ark. Code Ann, § 23-18-603(8).

(x) Parallel Operation

The operation of on-site generation by a customer while the customer is connected to the Electric Utility's distribution system.

~~(s)~~ Qualifying Facility

~~As defined in Ark. Code Ann. § 23-3-702(4).~~

~~(t)~~ Quantifiable Benefits

~~As defined in Ark. Code Ann. § 23-18-603(9).~~

~~(ty)~~ Renewable Energy Credit

As defined in Ark. Code Ann, § 23-18-603(11~~0~~).

~~(vz)~~ Residential Use

Service provided under an Electric Utility's standard rate schedules applicable to residential service.

~~(waa)~~ Solar Resource

A resource in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

~~(xbb)~~ Wind Resource

A resource in which an electric generator is powered by a wind-driven turbine.

Rule 1.02 Purpose

The purpose of these Net-Metering Rules is to establish rules for net energy metering and interconnection.

Rule 1.03 Statutory Provisions

- A. These Rules are developed pursuant to the [Cost Shifting Prevention Act of 2023](#) ~~Arkansas Renewable Energy Development Act of 2001~~ (Ark. Code Ann. § 23-18-
- B. These Rules are promulgated pursuant to the Commission's authority under Ark. Code Ann. §§ 23-2-301, 23-2-304(a)(3), ~~and 23-2-305~~ [and 23-18-604\(b\)\(1\)](#).
- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

Rule 1.04 Other Provisions

- A. These Rules apply to all Electric Utilities, as defined in these Rules, that are jurisdictional to the Commission.

- B. The Net-Metering Rules are not intended to, and do not affect or replace any Commission approved general service regulation, policy, procedure, rule, or service application of any utility which addresses items other than those covered in these Rules.
- C. Net-Metering Customers taking service under the provisions of the Net-Metering ~~t~~Fariff may not simultaneously take service under the provisions of any other alternative source generation ~~or~~, cogeneration, or interruptible service tariffs except as provided ~~herein~~in Ark. Code Ann. § 23-18-603(9)(B)(i) and (ii).
- D. When calculating a Net-Metering Customer's "highest monthly usage" pursuant to Ark. Code Ann. § 23-18-603(10), an Electric Utility shall consider the Net-Metering Customer's energy usage in kWh.

SECTION 2. NET-METERING REQUIREMENTS

Rule 2.01 Electric Utility Requirements

An Electric Utility shall allow Net-Metering Facilities to be interconnected using, at a minimum, a single standard two-channel digital meter capable of registering the flow of electricity in two (2) directions that separately measures the electric energy in kilowatt hours kWh that is:

- A. Supplied by an Electric Utility to the Net-Metering Customer; and
- B. Generated by the Net-Metering Customer's Net-Metering Facility and fed back to an Electric Utility.

Rule 2.02 Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity supplied by the Electric Utility to each Net-Metering Customer and also to accurately measure the electricity generated by each Net-Metering Customer that is fed back to the Electric Utility over the applicable Billing Period. If nonstandard metering equipment is required, the customer is responsible for the cost differential between the required metering equipment and the utility's standard two-channel digital metering equipment for the customer's current rate schedule.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be as defined in the Commission's Special Rules - Electric. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net-Metering Facility is placed in operation in accordance with these Rules.

Rule 2.03 Cost Recovery and New or Additional Charges

- A. Any new or additional charge which would increase a Net-Metering Customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Commission for approval. ~~The filing shall be supported by the cost/benefit analysis described in Ark. Code Ann. § 23-18-604(b)(4).~~ in its Net-Metering tariffs, including (but not limited to) the following:
 - 1. a charge to recover any cost of the standard two-channel digital meter that is not otherwise included in the rates paid by the Net-Metering Customer; and
 - 2. a standard one-time fee to recover administrative and related interconnection review costs.
- B. An Electric Utility may recover any Net-Metering Surplus or the dollar value of any Net-Excess Generation applied to the bills of Net-Metering Customers in

the same manner that the Electric Utility recovers the cost of fuel and purchased energy.

- C. Each Electric Utility shall follow its Net-Metering tariff or other applicable rate schedules as approved by the Commission to ensure that each Net-Metering Customer pays either the entire costs of an Electric Utility's facilities and associated expenses or the appropriate portion of the costs and associated expenses required to:
1. Provide service to the Net-Metering Customer; and
 2. Enable the Net-Metering Customer's use of the Electric Utility facilities.

Rule 2.04 Billing for Net Metering

- A. Each Electric Utility shall elect in its standard Net-Metering tariff one of the rate structures outlined under Ark. Code. Ann. § 23-18-606.
- B. Each Electric Utility shall bill Net-Metering Customers under either of two different Net-Metering tariffs as outlined in the Appendix B standard Net-Metering tariffs:
1. For Net-Metering Customers who qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.~~bill these Net Metering Customers under the 1:1 net-metering rate structure, terms, and conditions in effect before December 31, 2022.~~
 2. For Net-Metering Customers who do not qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall bill these Net-Metering Customers under one of the alternative rate structures elected by the Electric Utility pursuant to Ark. Code. Ann. § 23-18-606.
- ~~A. On a monthly basis, the Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules. Under Net Metering, only the kilowatt hour (kWh) units of a customer's bill are netted, except as provided herein.~~
- ~~1. For Net-Metering Customers who receive service under a rate that does not~~

include a demand component:

~~a. Except as provided in Rule 2.04 A.1.b, an Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kilowatt hours or kilowatt hours multiplied by the applicable retail rate that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~b. After December 31, 2022, an Electric Utility or any other party authorized by law may file an application to establish an alternative net-metering class and rate structure pursuant to Ark. Code Ann. § 23-18-604(b)(2)(B)-(D). The application shall include a cost of service study and substantial evidence that the Electric Utility's proposed rate structure is in the public interest and will not result in an unreasonable allocation of or increase in costs to the Electric Utility's other customers.~~

~~2. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity of 1,000 kW or less:~~

~~An Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~3. For Net Metering Customers who receive service under a rate that includes a demand component with a generating capacity over 1,000 kW and up to 20 MW and who receive approval to exceed the statutory limits under Ark. Code Ann. § 23-18-604(b)(9):~~

~~a. An Electric Utility shall credit a Net Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net Metering Customer has received from or fed back to the electric utility during the billing period.~~

~~b. An Electric Utility shall also bill the Net Metering Customer a grid charge.~~

~~c. The grid charge rate shall initially be set at zero effective June 1, 2020.~~

~~d. After the effective date of these NMRs, an Electric Utility may file an application to revise the grid charge rate. The application shall include a cost of service study and evidence demonstrating that an unreasonable cost shift to non-Net Metering Customers is occurring or has already occurred on a cumulative basis rather than on the basis of an individual~~

~~Net Metering Customer's proposed facility(ies) and that the Electric Utility's proposed grid charge rate is in the public interest. Once approved, the Electric Utility shall bill these Net Metering Customers in accordance with the Electric Utility's approved grid charge.~~

~~B. If the kWh supplied by the Electric Utility exceeds the kWh generated by the Net Metering Facility and fed back to the Electric Utility during the Billing Period, the Net Metering Customer shall be billed for the net kWh supplied by the Electric Utility in accordance with the rates and charges under the customer's standard rate schedule.~~

~~C. If the kWh generated by the Net Metering Facility and fed back to the Electric Utility exceed the kWh supplied by the Electric Utility to the Net Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Net Metering Customer with any accumulated Net Excess Generation as measured in kilowatt hours pursuant to Rule 2.04(A)(1)(a) or kilowatt hours multiplied by the applicable rate established by the Commission pursuant to Rule 2.04(A)(1)(b) in the next applicable Billing Period. If the Net-Metering Customer has any accumulated Net-Metering Surplus or Net-Excess Generation during the applicable Billing Period:~~

1. The Net-Metering Surplus or Net Excess Generation shall first be credited to the Net-Metering Customer's Generation Meter.
2. After application of subsection C.1. and upon request of the Net-Metering Customer pursuant to subsection D., any remaining Net-Metering Surplus or Net Excess Generation shall be credited to one or more of the Net-Metering Customer's Additional Meters in the rank order provided by the Net-Metering Customer.
3. The Net-Metering Surplus or Net Excess Generation shall be credited as described in subsections C.1. and C.2. during subsequent Billing Periods. The amount of Net Excess Generation —credits remaining in a Net-Metering Customer's account at the close of a Billing Period shall not expire and shall be carried forward to subsequent Billing Periods indefinitely.
 - a. For Net Excess Generation credits older than 24 months, a Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation Credits in the Net-Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum determined by the Commission if the sum to be paid to the Net-Metering Customer is at least \$100.
 - b. An Electric Utility shall purchase at the Electric Utility's Avoided Cost, plus any additional sum determined by the Commission, any Net Excess Generation credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:
 - i. ceases to be a customer of the Electric Utility;

- ii. ceases to operate the Net-Metering Facility; or
 - iii. transfers the Net-Metering Facility to another person.
- D. Upon request from a Net-Metering Customer, an Electric Utility must apply Net-Metering Surplus or Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:
- 1. The Net-Metering Customer must give at least 30 days' notice to the Electric Utility of its request to apply Net Excess Generation to the Additional Meter(s).
 - 2. The Additional Meter(s) must be identified at the time of the request.
 - 3. In the event that more than one of the Net-Metering Customer's Additional Meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which Net Excess Generation is to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.
 - 4. At the time an Electric Utility processes a request for applying any remaining Net-Metering Surplus or Net Excess Generation as a credit to one (1) or more of a Net-metering Customer's meters in the rank order provided by the Net-metering Customer pursuant to Ark. Code Ann. § 23-18-604(c), the Electric Utility shall synchronize the billing cycles of each additional customer meter with the customer's primary net-metering meter.
- E. ~~E. Any Renewable Energy Credit created as a result of electricity supplied by a Net Metering Customer is the property of the Net Metering Customer that generated the Renewable Energy Credit. Any Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.~~

Rule 2.05 Meter Aggregation

- A. Except as provided in subsections (B) and (C) of this Rule 2.05, an ~~E~~lectric ~~U~~tility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- B. Pursuant to Ark. Code Ann. § 23-18-604(d), Aa at the Net-Metering Customer's discretion, an Electric Utility ~~may~~ shall apply net-metering credits ~~from a Net-Metering Facility to any separate meter locations if the Net Metering Facility and the separate meter locations are under common ownership within a single Electric Utility's service area for Net-Metering Customers who are billed under Ark. Code Ann. § 23-18-606(a)(2)(A)-(G) or the Net-Metering Surplus for all other customers from a Net-Metering Customer's Net-Metering Facility to the bill for another meter location of the Net-Metering Customer if the Net-Metering Facility and the separate meter location are under common ownership~~

of the same Net-Metering Customer within a single Electric Utility's allocated service territory, subject to the limitations and exceptions provided in Ark. Code Ann. 23-18-604(d).

- ~~C. Subsection (B) of this Rule 2.05 does not apply if more than two (2) customers that are governmental entities or other entities that are exempt from state and federal income tax defined under § 23-18-607(7)(C) co-locate at a site hosting the Net Metering Facility.~~
- D. A Net-Metering Customer seeking to aggregate multiple accounts under common ownership shall submit a request to the Electric Utility identifying the accounts that are under common ownership. The request shall include the following documents:
1. Standard Application Form and Affidavit as approved by the Commission.
 2. Sworn Affidavit: The Net-Metering Customer shall submit a sworn affidavit by a person with personal knowledge affirming that the Net-Metering Customer is in fact the legal owner or authorized representative responsible for paying the bill for all accounts listed in the application form.

Rule 2.06 Application to Exceed Generating Capacity Limit

- ~~A. 1. A Net Metering Customer shall file an application with the Commission seeking approval to install a Net Metering Facility with a generating capacity of more than 1,000 kW for non residential use under Ark. Code Ann. §§ 23-18-604(b)(9) as appropriate.~~
- ~~2. For purposes of Rule 2.06(A)(1), "generation capacity" includes the aggregate ability to produce electricity from all Net Metering Facilities under common ownership that are located within a single utility's service territory.~~
- ~~B. The application shall be filed in conformance with Section 3 of the Commission's Rules of Practice and Procedure and shall, at a minimum, include:~~
- ~~1. Evidence that the Net Metering Facility in excess of 1,000 kW satisfies the requirements of Ark. Code Ann. §§ 23-18-604(b)(9);~~
 - ~~2. A description of the proposed Net Metering Facility for each discrete location including:~~
 - ~~a. Project proposal;~~
 - ~~b. Project location (street address, town, utility service area);~~

- ~~e. Generator type (wind, solar, hydro, energy storage device, etc.);~~
 - ~~d. Generator rating in kW (DC or AC);~~
 - ~~e. Capacity factor;~~
 - ~~f. Point of interconnection with the Electric Utility;~~
 - ~~g. Single Phase or Three Phase interconnection;~~
 - ~~h. Planned method of interconnection consistent with Rule 3.01.B;~~
 - ~~i. Expected facility performance calculated using an industry recognized simulation model (PVWatts, etc.);~~
- ~~3. Evidence that the electrical energy produced by the Net Metering Facility is not intended to exceed the amount necessary to offset part or all of the Net Metering Customer requirements for electricity in the form of:~~
- ~~a. The monthly electric bills for the 12 months prior to the application for the Generation Meter and Additional Meter(s), if any, to be credited with Net Excess Generation or~~
 - ~~b. In the absence of historical data reasonable estimates for the class and character of service may be made; and~~
- ~~4. A copy of the Preliminary Interconnection Review Request submitted to the Electric Utility and the results of the utility's interconnection site review conducted pursuant to Rule 3.03.~~

Rule 2.067 Grandfathering Legacy Status for Net-Metering Rate Structures, Terms, and Conditions

- A. Net Metering Facilities for residential use or for other than residential use that does not exceed one thousand (1,000) kW. A Net-Metering Facility of a Net-Metering Customer shall remain under the rate structure terms, and conditions in effect before December 31, 2022, until June 1, 2040, if the Net-Metering Customer has qualified under Ark. Code Ann. § 23-18-604(c)(11)(A) by having done one of the following::
- 1. Submitted a Standard Interconnection Agreement to the Electric Utility before September 30, 2024;
 - 2. Submitted a Facilities Agreement to establish an account with an Electric Utility and paid all costs of constructing the Electric Utility facilities necessary to interconnect the Net-Metering Facility before September 30, 2024; or
 - 3. Filed a complaint with the Commission addressing a disputed Facilities Agreement to establish an account with an Electric Utility after the presentation by the Electric Utility to the Net-Metering Customer of the

Facilities Agreement and the required costs of constructing the facilities necessary to interconnect the Net-Metering Facility before September 30, 2024.

- ~~1. The Net Metering Facility of a Net Metering Customer who submits a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, shall remain under the Net Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net Metering Customer, for a period of twenty (20) years beginning June 1, 2020.~~
- B. Further, for the purpose of qualifying for legacy status under Rule 2.06(A)(2), a Net-Metering Customer will be deemed to have paid “all costs of constructing Electric Utility Facilities necessary to interconnect the Net-Metering Facility” if the Net-Metering Customer pays all such costs as designated in the Facilities Agreement initially presented to the Net-Metering Customer by an Electric Utility. If the Electric Utility adjusts the cost estimate for the Facilities Agreement and requests the Net-Metering Customer to pay additional costs subsequent to the initial presentation of the Facilities Agreement, such subsequent cost adjustment shall be paid by the Net-Metering Customer but shall not defeat the Net-Metering Customer’s qualification for legacy status under Rule 2.06(A).
- C. 2.—A Net-Metering Facility may be upgraded and retain grandfathered legacy status so long as the Net-Metering Facility still meets the statutory definition under Ark. Code Ann. § 23-18-603(108).
- ~~B. Net Metering Facilities for which approval is required to exceed one thousand (1,000) kW:~~
 - ~~1. If a Net Metering Customer (a) requests approval to exceed the statutory limit for a Net Metering Facility pursuant to Ark. Code Ann. § 23-18-604(b)(9), and (b) has submitted a Standard Interconnection Agreement to the Electric Utility before December 31, 2022, the Net Metering Customer may request that the Net Metering Facility remain under the Net Metering rate structure in effect when the Standard Interconnection Agreement was signed by the Net-Metering Customer. The request will be considered on a case-by-case basis for a grandfathering period up to twenty (20) years. The request to be grandfathered shall be made when the request to exceed the statutory limit is made.~~
 - ~~2. If a Net Metering Customer proposes to upgrade a Net Metering Facility under 1,000 kW and add additional generating capacity by either (a) an upgrade to the existing Net Metering Facility, or (b) an additional Net-Metering Facility, and such upgrade would cause the total generating capacity to exceed 1,000 kW, then the original capacity of the Net Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net Metering rate structure in effect when the Standard~~

~~Interconnection Agreement for the additional capacity is signed by the Net-Metering Customer.~~

- ~~3. If a Net Metering Customer proposes to upgrade a Net Metering Facility for which approval was previously granted by the Commission pursuant to Ark. Code Ann. § 23-18-604(b)(9) and add additional generating by either (a) an upgrade to the existing Net Metering Facility, or (b) an additional Net-Metering Facility, then the original capacity of the Net Metering Facility shall retain any grandfathered status and the additional capacity shall be subject to the Net Metering rate structure in effect when the Standard Interconnection Agreement for the additional capacity is signed by the Net Metering Customer.~~
- ~~4. The cost of any additional metering equipment required under subsections B.2. or B.3. above shall be borne by the Net Metering Customer.~~

DC. The Electric Utility need not have approved and signed the Standard Interconnection Agreement or Facilities Agreement for the date of eligibility for grandfathering legacy status to be established: under Rule 2.06(A) and Ark. Code Ann. § 23-18-604(c)(11)(A).

ED. The grandfather legacy status period shall attach to the Net-Metering Facility on the premises rather than the Net-Metering Customer.

FE. If the Net-Metering Customer sells a premises with a Net-Metering Facility, the Standard Interconnection Agreement and Facilities Agreement may be transferred to the new Net-Metering Customer and the grandfather legacy status period shall continue for the remainder of the twenty (20) year term, assuming no other triggering event occurs.

GF. A Net-Metering Customer may not transfer a Net-Metering Facility to a new premises or location and continue to operate under the grandfather legacy status period.

HG. Maintenance and repair of existing Net-Metering Facilities shall not be a triggering event which ends the grandfather legacy status period.

IH. A Net-Metering Facility grandfathered qualifying for legacy status under this Rule remains subject to any other change or modification in rates, terms, or conditions approved by the Commission.

Rule 2.078 Leases and Safe Harbor for Service Agreements

- A. A Net-Metering Customer entering into a lease for a Net-Metering Facility shall provide to the Electric Utility a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the lease is in compliance with all Commission Rules and Ark. Code Ann. § 23-18-603(97)(AB)(ii).

- B. A Net-Metering Customer entering into a service agreement for a Net-Metering Facility who is relying on Ark. Code Ann. § 23-18-603~~(97)~~~~(A)~~ to qualify for net metering shall submit a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the customer qualifies for safe-harbor protection as provided by Ark. Code Ann. § 23-18-603~~(97)~~~~(A)~~~~(iii)~~~~(a)~~ and 26 U.S.C. § 7701(e)(3)(A) and that the service agreement is in compliance with all Commission Rules.
- C. Disputes over compliance with Subsection (A) or (B) above shall be submitted to Staff for review and attempted resolution. Thereafter, a Net-Metering Customer or Electric Utility ~~that who~~ disagrees with Staff's resolution may petition the Commission to resolve the dispute. Electric Utilities shall presume that any person who submits a completed Notice and Affidavit form is in compliance with the Commission's Rules and the provisions under Ark. Code Ann. § 23-18-603~~(97)~~~~(B)~~ ~~or (C)~~ until the Commission makes a finding otherwise. _

Rule 2.08 Annual Avoided-Cost Redetermination

- A. If an Electric Utility elects to use the rate structure outlined in Ark. Code Ann. § 23-18-606(a)(1), the Electric Utility shall file a revised Net-Metering tariff on or before January 15 of each calendar year, to be effective on March 1 of the same year, updating the Avoided Cost to reflect the twelve-month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator (MISO) or Southwest Power Pool (SPP) Independent System Operator Market.
- B. The Electric Utility shall use the historic hourly average real-time Locational Marginal Price for the prior calendar year for the purpose of calculating the annual Avoided Cost rate updates in its Net-Metering tariff. Any Electric Utility whose load zone encompasses both MISO and SPP shall use a blended rate to calculate the Avoided Cost. A Distribution Cooperative shall calculate its Avoided Cost rate based on the load zones applicable to the wholesale power it purchases from the Arkansas Electric Cooperative Corporation.

SECTION 3. INTERCONNECTION OF NET- METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS

Rule 3.01 Requirements for Initial Interconnection of a Net-Metering Facility

- A. A Net-Metering Customer and owner of the Net-Metering Facility, if different, shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the Electric #Utility's facilities.
- B. A Net-Metering Facility shall be capable of operating in parallel and safely commencing the delivery of power into the utility system at a single point of interconnection. To prevent a Net-Metering Facility from back-feeding a de-energized line, a Net-Metering Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the Electric Utility and clearly labeled. This requirement for a manual disconnect switch shall be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and tested by utility personnel.
- C. The Net-Metering Customer and owner of the Net-Metering Facility, if different, shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Net-Metering eCustomer intends to interconnect the Net-Metering Facilities to the Electric #Utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed for the notification to be valid. The Net-Metering eCustomer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Net-Metering eCustomer upon request.
- D. Following notification by the Net-Metering Customer or owner as specified in Rule 3.01.C., the Electric #Utility shall review the plans ~~of~~ for the facility and provide the results of its review to the Net-Metering eCustomer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

- E. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).
- F. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet all safety and performance standards adopted by the Electric Utility and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the Net-Metering Facility to the Electric Utility's system.
- G. If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

Rule 3.02 Requirements for Modifications or Changes to a Net-Metering Facility

- A. Prior to being made, the Net-Metering Customer or owner of the Net-Metering Facility shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Net-Metering Customer or owner of the Net-Metering Facility shall provide detailed information describing the modifications or changes to the Electric Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The utility shall review the proposed changes to the facility and provide the results of its evaluation to the customer, in writing, within thirty (30) days of receipt of the customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- B. If the Net-Metering Customer or owner of the Net-Metering Facility makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.
- C. A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Rule 3.03 Requirements for Preliminary Interconnection Site Review Request

- A. For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility to determine the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Rule 2.06.B.4, or as otherwise requested by the customer, the Net-Metering eCustomer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Net-Metering eCustomer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Each Preliminary Interconnection Site Review Request will be considered separately and in the order in which received. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Net-Metering eCustomer upon request.
- B. Following notification by the Net-Metering eCustomer as specified in Rule 3.03.A., the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Net-Metering eCustomer, in writing, within 30 calendar days. If the Net-Metering eCustomer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Net-Metering eCustomer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it ~~shall~~ will provide the Net-Metering eCustomer with an estimated date by which it will complete the review. The Net-Metering eCustomer may request parallel processing of multiple reviews but must pay actual costs of conducting the review and any subsequent costs associated with site screening that may be required under Rule 3.03.C. In such event, the Electric Utility shall respond to the request and shall process and present the results of the multiple reviews within a reasonable time, not to exceed ninety (90) days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- C. The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The ~~Electric Utility~~ shall notify the Net-Metering eCustomer if additional site screening may be required prior to interconnection of the facility. The Net-Metering eCustomer shall be

responsible for the actual costs of conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

- D. The preliminary interconnection site review does not relieve the Net-Metering eCustomer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility. The preliminary interconnection site review process is optional for a Net-Metering Customer and may be used to seeks to determine the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities prior to installing a Net-Metering Facility. A Net-Metering Customer may choose to proceed with installing a Net-Metering Facility and submitting a Standard Interconnection Agreement without going through the preliminary interconnection site review process.
- E. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee for each Preliminary Interconnection Site Review Request submitted to recover administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its Net-Metering tariff.

Rule 3.04 Requirements for Facilities Study and Facilities Agreement

- A. Following the submission of a Preliminary Interconnection Site Review Request, a Net-Metering Customer may request that the Electric Utility conduct a Facilities Study for the purpose of determining any applicable costs of constructing Electric Utility facilities necessary to mitigate any potential adverse system impacts and interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). The Facilities Study request should be made in writing, but does not have to be made on any particular form unless the Electric Utility has an approved request form approved as part of its Net-Metering tariff.
- B. The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including protection) needed to implement system upgrades and interconnection facilities necessary to safely interconnect Net-Metering Facility to the Electric Utility's system.
- C. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee in the form of a deposit for each Facilities Study -to recover estimated administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its standard Net-Metering tariff. Any portion of the deposit not actually incurred as cost as a result of the study shall be promptly returned to the Net-Metering Customer.
- D. Each Electric Utility shall file with its Net-Metering tariff for Commission approval its standard Facilities Agreement.

- E. Following the completion of a Facilities Study, if a Net-Metering Customer elects to proceed with interconnection, the Net-Metering Customer shall execute a standard Facilities Agreement in the form filed with the Electric Utility's Net-Metering tariff and approved by the Commission.
- F. In order to be complete, the Facilities Agreement shall specify the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Ark. Code Ann. § 23-18-604(c)(1)(A), including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility, as determined by the Facilities Study.
- G. Deadlines: An Electric Utility shall not unreasonably delay providing the results of a Facilities Study and corresponding Facilities Agreement. If A Net-Metering Customer requests a Facilities Study on or before May 1, 2024, the Electric Utility shall provide the results of the Facilities Study and a corresponding Facilities Agreement no later than September 1, 2024. If an Electric Utility does not provide a Net-Metering Customer with a completed Facilities Agreement by September 1, 2024, under the scenario described above, the Electric Utility shall be deemed to have presented the Net-Metering Customer with its standard Facilities Agreement on file in its approved Net-Metering tariff with required costs of \$0.00 for the purpose of allowing the Net-Metering Customer to file a complaint with the Commission addressing a disputed Facilities Agreement under Rule 2.06 and Ark. Code. Ann. § 23-18-604 (c)(11)(A)(iii).
- H. In the event that an Electric Utility is not able to provide final interconnection costs within the deadlines outlined in Rule 3.04(G) above, the Electric Utility shall provide a good faith estimate of the appropriate portion of the costs and associated expenses required to (i) provide service to the Net-Metering Customer and (ii) enable the Net-Metering Customer's use of the Electric Utility's Facilities, including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). If the Net-Metering Customer and Electric Utility proceed with executing the Facilities Agreement based on a good faith estimate, the Electric Utility shall credit or charge the Net-Metering Customer for any difference between the estimate and actual costs once the final appropriate costs are determined.

**SECTION 4. STANDARD INTERCONNECTION AGREEMENT,
PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST,
FACILITIES AGREEMENT, AND STANDARD NET-METERING TARIFFS
FOR NET-METERING FACILITIES**

Rule 4.01 Standard Interconnection Agreement, Preliminary Interconnection Site Review Request, Facilities Agreement, and Standard Net-Metering Tariffs

Each Electric Utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A), Preliminary Interconnection Site Review Request (Appendix A-1), its standard Facilities Agreement (Appendix A-2), and ~~a two~~ Net-Metering Tariffs (Legacy and Non-Legacy) in standard tariff format (Appendix B).

- A. Facilities Agreement: Each Electric Utility shall file with its Net-Metering Tariff as Appendix A-2 its standard Facilities Agreement.
- B. Standard Net-Metering tariffs: Each Electric Utility shall file the following Net-Metering tariffs:
 - 3. A Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who qualify for legacy status pursuant to Rule 2.06; and
 - 4. A Non-Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who do not qualify for legacy status pursuant to Rule 2.06.

When filing its Net-Metering tariffs for Commission approval, an Electric Utility may propose deviations to the standard Net-Metering tariffs for the Commission's consideration. Any Electric Utility which requests a deviation from the standard Net-Metering tariffs shall specifically identify the requested deviation(s) and file supporting testimony pursuant to the Commission's Rules of Practice and Procedure.

Rule 4.02 Additional Filing and Reporting Requirements

Each Electric Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each Net-Metering Facility, the type of resource (Solar, Wind, Storage, etc.), its use (by specific rate class(es), generator capacity rating, inverter capacity rating, and if the Net-Metering Facility is associated with Additional Meters (Yes or No), as of the

end of the previous calendar year. The annual report shall be provided in spreadsheet format.

SECTION 5. RULES TO GUARD AGAINST GAMING

Rule 5.01 Gaming Defined

Gaming is defined as manipulating, misrepresenting, or otherwise configuring a Net-Metering Facility or Facilities in a manner that is intended to result in, or that actually results in, the avoidance of statutory or Commission limits or rules.

Gaming of the Net-Metering Rules includes, but is not limited to, the following actions:

- A. Adding additional capacity to an existing Net-Metering Facility without notifying the Electric Utility to which the Net-Metering Facility is interconnected; and
- ~~B. Changing the ownership, lease, or service contact of a Net-Metering Facility for the purpose of avoiding the 1,000 kW generation capacity threshold;~~
- ~~C. Failing to include any and all facilities used for Net Metering under common ownership in a single utility's service area as a single facility for generation capacity purposes pursuant to Rule 2.06, regardless of the location of the facility and the customer's decision to aggregate for meter, bill, and crediting purposes;~~
- BD. Unauthorized interconnections.

Rule 5.02 Gaming Prohibited

Gaming of the Net-Metering Rules is prohibited.

Rule 5.03 Penalties for Gaming

Any Net-Metering Customer found to be engaged in activity considered to be gaming under the Net-metering Rules may have its qualification as a Net-Metering Customer suspended or terminated by the Commission following notice and opportunity for hearing.

APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone: _____ Evening Phone: _____
Utility Customer Account Number (from electric bill) to which the Net-Metering Facility is physically attached: _____
Type of Facility (circle one)
Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information

Name: _____
Contact Person: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Evening Phone: _____
E-Mail Address: _____ Fax: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell
Micro turbine Energy Storage Device (circle all that apply)
Generator Rating (kW): _____ DC
Inverter Rating (kW): _____ AC

Describe Location of Accessible and Lockable Disconnect: _____

Inverter Manufacturer: _____ Inverter Model: _____
Inverter Location: _____ Inverter Power Rating: _____
Expected Capacity Factor: _____
Expected annual production of electrical energy (kWh) calculated using industry recognized simulation model (PVWatts, etc.): _____

Section 4. Installation Information

Attach a detailed electrical diagram of the Net-Metering Facility.
Installed by: _____
Qualifications/Credentials: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Installation Date: _____

Section 5. Certification

The system has been installed in compliance with national electric codes, including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL) and (if applicable) the local Building/Electrical Code of _____ (City/County)

Signed (Inspector): _____ Date: _____

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Net Metering Customer): _____ Date: _____

Signed (Owner if different from Customer): _____ Date: _____

Section 6. E-mail Addresses for parties

Customer's e-mail address: _____

Owner's email address (if different from Customer): _____

Utility's e-mail address: _____

(To be provided by utility.)

Section 7. Utility Verification and Approval

Facility Interconnection Approved: _____ Date: _____

Metering Facility Verification by: _____ Verification Date: _____

II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS

This Interconnection Agreement for Net-Metering Facilities ("Agreement") is made and entered into this _____ day of _____, 20_____, by _____ ("Electric Utility") and _____ ("Customer"), a _____ (specify whether corporation or other) and _____ ("Owner"), a _____ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Net-Metering Facility

The Net-Metering Facility meets the requirements of Ark. Code Ann. § 23-18-603([108](#)) and the Arkansas Public Service Commission's *Net-Metering Rules*.

Section 2. Governing Provisions

The Parties shall be subject to the provisions of Ark. Code Ann. § 23-18-604 and the terms and conditions set forth in this Agreement, the Commission's *Net-Metering Rules*, the Commission's *General Service Rules*, and the Electric Utility's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Electric Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Electric Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Electric Utility shall have the right to disconnect and lock out the Customer's facility from the Electric Utility's electric system. The Customer's facility shall remain disconnected until such time as the Electric Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

Section 4. Interconnection

Customer shall deliver the as-available energy to the Electric Utility at the Electric Utility's meter.

Electric Utility shall furnish and install a standard kilowatt hour meter. Customer shall provide and install a meter socket for the Electric Utility's meter and any related interconnection equipment per the Electric Utility's technical requirements, including safety and performance standards.

The Customer shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Customer intends to interconnect the

Net-Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 46 of the Standard Interconnection Agreement must be completed to be valid. The Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Customer upon request.

Following submission of the Standard Interconnection Agreement by the Customer, the utility shall review the plans of the facility and provide the results of its review to the Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

To prevent a Net-Metering ~~Facility-Customer~~ from back-feeding a de-energized line, the Customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours. This requirement for a manual disconnect switch will be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the Customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by utility personnel.

Customer, at Customer's expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at Customer's expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission that are necessary to assure safe and reliable operation of the Net Metering Facility to the utility's system.

Customer shall not commence Parallel Operation of the Net-Metering Facility until the Net Metering Facility has been inspected and approved by the Electric Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Electric Utility's approval to operate the Customer's Net-Metering Facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's Net-Metering Facility.

Section 5. Modifications or Changes to the Net-Metering Facility Described in Part 1, Section 2

Prior to being made, the Customer shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part 1, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Customer shall provide detailed information describing the modifications or changes to the Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The Electric Utility shall review the proposed changes to the facility and provide the results of its evaluation to the Customer, in writing, within thirty (30) calendar days of receipt of the Customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Customer makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's *General Service Rules*.

A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Section 6. Maintenance and Permits

The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the Net-Metering Facility and interconnection facilities. The Customer shall maintain the Net-Metering Facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

Section 7. Access to Premises

The Electric Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Electric Utility may disconnect the interconnection facilities without notice if the Electric Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Electric Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

Section 8. Indemnity and Liability

The following is Applicable to Agreements between the Electric Utility and to all Customers and Owners except the State of Arkansas and any entities thereof, local governments, and federal agencies:

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages, expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering, design, construction, ownership, maintenance or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such Party's works or facilities used in

connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the Parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence. Nothing in this paragraph shall be applicable to the Parties in any agreement entered into with the State of Arkansas or any entities thereof, or with local governmental entities or federal agencies. Furthermore, nothing in this Agreement shall be construed to waive the sovereign immunity of the State of Arkansas or any entities thereof. The Arkansas State Claims Commission has exclusive jurisdiction over claims against the state.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a Party to this Agreement. Neither the Electric Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or the making of replacements, additions or betterment to, or by failure of, the Customer's facilities by the Customer or any other person or entity.

Section 9. Notices

The Net-Metering Customer shall notify the Electric Utility of any changes in the information provided herein.

All written notices shall be directed as follows:

Attention:

[Electric Utility Agent or Representative] _____

[Electric Utility Name and Address] _____

[Electric Utility Email Address] _____

Attention:

[Customer]

Name: _____

Address: _____

City: _____

Email: _____

Customer notices to Electric Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

Section 10. Term of Agreement

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

Section 11. Assignment

This Agreement and all provisions hereof shall inure to and be binding upon the respective Parties hereto, their personal representatives, heirs, successors, and assigns.

The Customer and/or Owner shall ~~not assign this Agreement or any part hereof without the prior written consent of the Electric Utility, and such unauthorized assignment may result in termination of this Agreement.~~ notify the Electric Utility if this Agreement is assigned to a new Net-Metering Customer pursuant to Rule 2.06(F).

Section 12. Net-Metering Customer and Owner Certification

I hereby certify that all of the information provided in this Agreement is true and correct, to the best of my knowledge, and that I have read and understand the Terms and Conditions of this Agreement.

Signature (Customer): _____ Date: _____

Signature (Owner if different from Customer): _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this _____ day of _____, 20__.

Customer:

Electric Utility:

By: _____

By: _____

Title: _____

Title: _____

Mailing Address:

Mailing Address:

E-mail Address:

E-mail Address:

Third-Party Owner (if applicable):

By: _____

Title: _____

Mailing Address:

E-mail Address:

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

Disclaimer

POSSIBLE FUTURE RULES OR RATE CHANGES, OR BOTH AFFECTING YOUR NET-METERING FACILITY

The following is a supplement to the Interconnection Agreement you signed with _____ [Electric Utility].

1. Electricity rates, basic charges, and service fees, set by [Electric Utility] and approved by the Arkansas Public Service Commission (Commission), are subject to change.
2. I understand that I will be responsible for paying any future increases to my electricity rates, basic charges, or service fees from [Electric Utility].
3. My Net-Metering System is subject to the current rates of [Electric Utility], and the rules and regulations of the Commission. The [Electric Utility] may change its rates in the future with approval of the Commission or the Commission may alter its rules and regulations, or both may happen. If either or both occurs, my system will be subject to those changes.

By signing below, you acknowledge that you have read and understand the above disclaimer.

Name (printed)

Signature (Customer)

Date

APPENDIX A-1

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Facility Location (if different from above): _____

Daytime Phone: _____ Evening Phone: _____

E-Mail Address: _____ Fax: _____

If the requested point of interconnection is the same as an existing electric service, provide the electric service account number: _____

Additional Customer Accounts (from electric bill) to be credited with Net Excess Generation: _____

Annual Energy Requirements (kWh) in the previous twelve (12) months for the account physically attached to the Net-Metering Facility and for any additional accounts listed (in the absence of historical data reasonable estimates for the class and character of service may be made): _____

Type of Facility (circle one)

Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information (if different from customer information)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ Evening Phone: _____

E-Mail Address: _____ Fax: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell

Micro Turbine Energy Storage Device (circle all that apply)

Generator Rating (kW): _____ DC

Inverter Rating (kW): _____ AC

Capacity Factor: _____

Expected annual production of electrical energy (kWh) of the facility calculated using industry recognized simulation model (PVWatts, etc): _____

Section 4. Interconnection Information

Attach a detailed electrical diagram showing the configuration of all generating facility equipment, including protection and control schemes.

Requested Point of Interconnection: _____

Customer-Site Load (kW) at Net-Metering Facility location (if none, so state):

Interconnection Request: Single Phase:_____ Three Phase:_____

Section 5. Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Preliminary Interconnection Site Review is true and correct.

Net-Metering Customer Signature:_____ Date: _____

Owner Signature (if different from Customer):_____ Date: _____

II. TERMS AND CONDITIONS

Section 1. Requirements for Request

For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility ~~pursuant to the requirement of Rule 2.06.B.4, or as if otherwise~~ requested by the Customer, the Customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Customer upon request.

Section 2. Utility Review

Following submission of the Preliminary Interconnection Site Review Request by the Customer the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Customer, in writing, within 30 calendar days. If the Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it ~~shall~~will provide the Customer with an estimated date by which it will complete the review. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Customer if additional site screening may be required prior to interconnection of the facility. The Customer shall be responsible for the actual costs for conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

Section 3. Application to Exceed 1,000 kW Net Metering Facility Size Limit

~~This Preliminary Interconnection Site Review Request and the results of the Electric Utility's review of the facility interconnection shall be filed with the Commission with the customer's application to exceed the 1,000 kW facility size limit pursuant to Net Metering Rule 2.06.B.4.~~

Section 34. Standard Interconnection Agreement

The preliminary interconnection site review does not relieve the Customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X. LEGACY NET-METERING

X.1. DEFINITIONS

X.1.1. Legacy Net-Metering Customer – A Net-Metering Customer whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A).

X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.

X.2. AVAILABILITY

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) _____ (list schedules) who is a Legacy Net-Metering Customer as defined herein and who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*

The provisions of the customer’s standard rate schedule are modified as specified herein.

X.2.2. Legacy Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation, co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(9)(B).

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS

X.3.1. The monthly billing rate structure, terms, and conditions outlined herein

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. Title: LEGACY NET-METERING Replacing: Sheet No.	PSC File Mark Only
Name of Company	apply until June 1, 2040, to Net-Metering Facilities of Legacy Net-Metering Customers.
Kind of Service: <u>Electric</u> Class of Service: All	
Part III. Rate Schedule No. <u>X</u>	

- X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- X.3.3. On a monthly basis, the Legacy Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules.
- X.3.4. If the kWhs supplied by the Electric Utility exceeds the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Legacy Net-Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Legacy Net-Metering Customer's standard rate schedule.
- X.3.5. If the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Legacy Net-Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Legacy Net-Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.
- X.3.6. Net Excess Generation shall first be credited to the Legacy Net-Metering Customer's meter to which the Net-Metering Facility is physically attached (Generation Meter).
- X.3.7. After application of X.3.7. and upon request of the Legacy Net-Metering Customer pursuant to X.3.9., any remaining Net Excess Generation shall be

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. Title: LEGACY NET-METERING Replacing: Sheet No.	PSC File Mark Only
Name of Company	credited to one or more of the Legacy Net-Metering Customer's meters
Kind of Service: <u>Electric</u> Class of Service: All	
Part III. Rate Schedule No. <u>X</u> (Additional Meters) in the rank order provided by the Legacy Net-Metering Customer.	

X.3.8. Net Excess Generation shall be credited as described in X.3.7. and X.3.8. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Legacy Net-Metering Customer's account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than twenty-four (24) months, a Legacy Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Legacy Net-Metering Customer's account at the Electric Utility's Avoided Cost plus any additional sum determined under the Net Metering Rules, if the sum to be paid to the Legacy Net-Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility's Avoided Cost, plus any additional sum determined under the Net Metering Rules any Net Excess Generation Credits remaining in a Legacy Net-Metering Customer's account when the Legacy Net-Metering Customer:

- 1) ceases to be a customer of the Electric Utility;
- 2) ceases to operate the Net-Metering Facility; or
- 3) transfers the Net-Metering Facility to another person.

When purchasing Net Excess Generation credits from a Legacy Net-Metering Customer, the Electric Utility shall calculate the payment based on its Avoided

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	Costs plus any additional sum determined under the Net Metering Rules for
Part III. Rate Schedule No. <u>X</u> the current year.		

~~X.3.10. Upon request from a Legacy Net-Metering Customer an Electric Utility must apply Net Excess Generation to the Legacy Net-Metering Customer's Additional Meters provided that:~~

(a) The Legacy Net-Metering Customer must give at least 30 days' notice to the Electric Utility.

(b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Legacy Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.

However, the common ownership requirement shall not apply if more than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under Ark. Code Ann. § 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.

(c) In the event that more than one of the Legacy Net-Metering

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	Customer's meters is identified, the Legacy Net-
Part III. Rate Schedule No. <u>X</u>		
<p>Metering Customer must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Legacy Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.</p>		

X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Legacy Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

[Either indicate "None" or list all charges, fees, or requirements]

X.4.2 None

OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per *[indicate per Net-Metering Customer or per service]*

X.5 RENEWABLE ENERGY CREDITS

X.5.1. Any Renewable Energy Credit created as the result of electricity supplied by a Legacy Net-Metering Customer is the property of the Legacy Net-Metering Customer that generated the Renewable Energy Credit.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No.
Title: LEGACY NET-METERING
Replacing: Sheet No.

PSC File Mark Only

Name of Company

Kind of Service: Electric Class of Service: All

Part III. Rate Schedule No. X

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

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Name of Company		
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Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X. NON-LEGACY NET-METERING

X.1. DEFINITIONS

X.1.1. Legacy Net-Metering Customer – A Net-Metering Customer whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A).

X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.

X.2. AVAILABILITY

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) _____ (list schedules) who is a Net-Metering Customer, who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*, and who does not qualify as a Legacy Net-Metering Customer.

The provisions of the customer’s standard rate schedule are modified as specified herein.

X.2.2. Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation, co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(9)(B).

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Per Ark. Code Ann. § 23-18-606(a)(1) (Note: Pursuant to Per Ark. Code Ann. § 23-18-606(a), each Electric Utility must elect either Option 1 or Option 2.)

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – AVOIDED COST

- X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(1).
- X.3.2 The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:
 - (a) Supplied by the Electric Utility to the Net-Metering Customer; and
 - (b) Fed back to the Electric Utility from the Net-Metering Customer’s Net-Metering Facility at any time during the applicable billing period.
- X.3.4 The Electric Utility shall apply the:
 - (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A);
 - (b) Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A) to the applicable net-metering customers, including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure; and
 - (c) Avoided Cost of the Electric Utility to all kWhs supplied to the Electric Utility by a Net-Metering Customer during the applicable billing period to be credited to the total bill of the Net-Metering Customer in a dollar value, excluding the customer charge and any applicable demand charge or minimum bill provision that the Net-Metering Customer shall pay each month.

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Part III. Rate Schedule No. <u>X</u>		

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net-Metering Surplus as measured in dollars during the next applicable billing period.

X.3.6 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net-Metering Surplus to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

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Part III. Rate Schedule No. <u>X</u>		

X. 3.7 Annual Avoided Cost Redetermination

The Electric Utility shall file a revised Avoided Cost on or before January 15 of each calendar year in compliance with Rule 2.08 of the Net-Metering Rules. The revised Avoided Cost shall be filed in the docket initiated for the Electric Utility and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Avoided Cost and otherwise comply with the Commission’s *Rules of Practice and Procedure*. The revised Avoided Cost shall be determined by the application of Ark. Code Ann. § 23-18-603 and the Net-Metering Rules to reflect the twelve month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator or Southwest Power Pool Independent System Operator Market. The revised Avoided Cost shall be effective for bills rendered on and after the first billing cycle of March of the filing year and shall then remain in effect for twelve (12) months.

The Avoided Cost rate for March 1, 20XX, to February 28, 20XX, is \$**X.XX**/kWh.

Option 2: Per A.C.A. 23-18-606(a)(2)

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – MONTHLY GRID CHARGE

X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(2).

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

- (a) Supplied by the Electric Utility to the Net-Metering Customer; and

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- (b) Fed back to the Electric Utility from the Net-Metering Customer's Net-Metering Facility at any time during the applicable billing period.

X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A); and
- (b) Commission-approved riders or surcharges under Ark. Code Ann. § 23-18-604(c)(1)(A), including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure.

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation during the next applicable billing period.

X.3.6 The Electric Utility shall calculate the net kWhs of the electric energy supplied by the Electric Utility to the Net-Metering Customer, less the Net Excess Generation and any Net Excess Generation carried forward from prior billing periods.

X.3.7 The Electric Utility shall apply the Commission-approved retail rate, not to exceed the kWhs supplied to the net-Metering Customer by the Electric Utility during the applicable billing period.

X.3.8 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.

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- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.3.9 After applying Net Excess Generation to any Additional Meters pursuant to X.4.7, the Electric Utility shall carry forward any remaining Net Excess Generation to the next billing period.

X.3.10 The Electric Utility shall calculate and apply the Monthly Grid Charge pursuant to Ark. Code Ann. § 23-18-607.

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X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

[Either indicate "None" or list all charges, fees, or requirements]

X.4.2 None
OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Net-Metering Customer or per service]

X.5 RENEWABLE ENERGY CREDITS

X.5.1 A Net-metering customer retains any Renewable Energy Credit created as a result of the electricity supplied by a Net-Metering Customer that generated the renewable energy credit.

X.5.2 The Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

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ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

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Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

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Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

ATTACHMENT 2 TO ORDER NO. 3

CLEAN VERSION OF PROPOSED RULES

ARKANSAS PUBLIC SERVICE COMMISSION



NET-METERING RULES

Last Revised: XXX
Order No. XX
Docket No. 23-021-R
Effective: XX

NET-METERING RULES

ADMINISTRATIVE HISTORY

<u>Docket</u>	<u>Date</u>	<u>Order No.</u>	<u>Subject Matter of Docket/ Order</u>
02-046-R	07/26/02	4	Adopted rules relating to the terms and conditions of – Net-Metering.
06-105-U	11/27/07	8	Amended definitions; Rules 1.02, 2.01, and 2.04; Section 1 of the Standard Interconnection Agreement, Appendix A; and X.1.1, X.2.3, and X.2.4 of the Net-Metering Tariff, Appendix B.
	11/29/07	10	Amended Rule 4.02 to delete reference to Docket No. 86-033-A.
	11/30/07	11	Amended the Standard Interconnection Agreement, Appendix A to add e-mail address lines to the signature block.
	12/19/07	12	Errata order correcting clerical errors in the amendments adopted in Order No. 8.
12-001-R	06/15/12	6	Amended Section 7 of the Standard Interconnection Agreement, Appendix A to exempt state governmental agencies and entities, local governmental entities, and federal entities from the indemnity requirement.
12-060-R	09/03/13	7	Amended Rule 2.04 to provide for meter aggregation, incorporated the provisions of Act 1221 of 2013 concerning the carryover of net-metering credits, and added a definition of Net-Metering Customer to track the definition in Ark. Code Ann. § 23-18-603.
	10/11/13	10	Updated the Net-Metering Tariff to reflect the amendments adopted in Order No. 7.
16-027-R	03/08/17	10	Revised Rules to comply with Act 827 of 2015.
	08/16/17	14	Errata Order.
	06/01/20	28, 33	Revised Rules to comply with Act 464 of 2019.
23-021-R	XX/XX/23	X	Revised Rules to comply with Act 278 of 2023

NET-METERING RULES

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STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES A-1

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I. STANDARD INFORMATION A1-1

II. TERMS AND CONDITIONS A1-2

APPENDIX B NET-METERING TARIFFS B-1

SECTION 1. GENERAL PROVISIONS

Rule 1.01 Definitions

The following definitions shall apply throughout the Net-Metering Rules (NMRs) except as otherwise required by the context, and any references to the NMRs shall include these definitions:

(a) Additional Meter

A meter associated with the Net-Metering Customer's account that the Net-Metering Customer may credit with Net Excess Generation or Net-Metering Surplus from the Generation Meter. Additional Meter(s): 1) shall be under common ownership within a single Electric Utility's service area; 2) shall be used to measure the Net-Metering Customer's requirements for electricity; 3) may be in a different class of service than the Generation Meter; 4) shall be assigned to one, and only one, Generation Meter; 5) shall not be a Generation Meter; and 6) shall not be associated with unmetered service.

(b) Annual Billing Cycle

The normal annual fiscal accounting period used by the Electric Utility.

(c) Avoided Cost

As defined in Ark. Code Ann. § 23-18-603(1).

(d) Billing Period

The billing period for net-metering will be the same as the billing period under the Net-Metering Customer's applicable standard rate schedule.

(e) Biomass Resource

A resource that may use one or more organic fuel sources that can either be processed into synthetic fuels or burned directly to produce steam or electricity, provided that the resources are renewable, environmentally sustainable in their production and use, and the process of conversion to electricity results in a net environmental benefit. This includes, but is not limited to, dedicated energy crops and trees, agricultural food and feed crops, agricultural crop wastes and residues, wood wastes and residues, aquatic plants, animal wastes, and other accepted organic, renewable waste materials.

(f) Commission

The Arkansas Public Service Commission.

(g) Distribution Cooperative

A member-owned Electric Utility that purchases all of the electricity it distributes to its members from the Arkansas Electric Cooperative Corporation.

(h) Electric Utility

As defined in Ark. Code Ann, § 23-18-603(3). A person who acts as a lessor or service provider as described in Ark. Code Ann. § 23-18-603(9)(A)(ii) or (iii) shall not be considered an Electric Utility.

(i) Energy Storage Device

A device that captures energy produced at one time, stores that energy for a period of time, and delivers that energy as electricity for use at a future time.

(j) Facilities Agreement

An agreement that provides the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Ark. Code Ann. § 23-18-604(c)(1)(A), including all applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii).

(k) Facilities Study

A Facilities Study is an extensive engineering study conducted by an Electric Utility, detailing the electric system infrastructure and the impacts to the transmission and/or distribution systems that would result if a proposed interconnection request were connected without project modifications or electric system modifications. The purpose of a Facilities Study is to determine the required modifications to the Electric Utility's transmission and/or distribution system to mitigate any potential adverse system impacts, including the cost and the time required to build and install such modifications as necessary to accommodate an interconnection request.

(l) Fuel Cell Resource

A resource that converts the chemical energy of a fuel directly to direct current electricity without intermediate combustion or thermal cycles.

(m) Generation Meter

The meter associated with the Net-Metering Customer's account to which the Net-Metering Facility is physically attached.

(n) Geothermal Resource

A resource in which the prime mover is a steam turbine. The steam is generated in the earth by heat from the earth's magma.

(o) Hydroelectric Resource

A resource in which the prime mover is a water wheel. The water wheel is driven by falling water.

(p) Locational Marginal Price

Locational Marginal Price is a market-based pricing mechanism used in electricity markets to determine the cost of electricity at a specific location on the power grid. It reflects the cost of supplying electricity at a particular point, taking into account the cost of generation, transmission losses, and congestion on the power grid.

(q) Micro Turbine Resource

A resource that uses a small combustion turbine to produce electricity.

(r) Monthly Grid Charge

As defined in Ark. Code Ann, § 23-18-603(4).

(s) Net Excess Generation

As defined in Ark. Code Ann, § 23-18-603(6).

(t) Net Metering

As defined in Ark. Code Ann, § 23-18-603(7).

(u) Net-Metering Customer

As defined in Ark. Code Ann, § 23-18-603(9).

(v) Net-Metering Facility

As defined in Ark. Code Ann, § 23-18-603(10).

(w) Net-Metering Surplus

As defined in Ark. Code Ann, § 23-18-603(8).

(x) Parallel Operation

The operation of on-site generation by a customer while the customer is

connected to the Electric Utility's distribution system.

(y) Renewable Energy Credit

As defined in Ark. Code Ann, § 23-18-603(11).

(z) Residential Use

Service provided under an Electric Utility's standard rate schedules applicable to residential service.

(aa) Solar Resource

A resource in which electricity is generated through the collection, transfer and/or storage of the sun's heat or light.

(bb) Wind Resource

A resource in which an electric generator is powered by a wind-driven turbine.

Rule 1.02 Purpose

The purpose of these Net-Metering Rules is to establish rules for net energy metering and interconnection.

Rule 1.03 Statutory Provisions

- A. These Rules are developed pursuant to the Cost Shifting Prevention Act of 2023 (Ark. Code Ann. § 23-18-601 *et seq.* as amended)
- B. These Rules are promulgated pursuant to the Commission's authority under Ark. Code Ann. §§ 23-2-301, 23-2-304(a)(3), 23-2-305 and 23-18-604(b)(1).
- C. Nothing in these Rules shall govern, limit, or restrict the Commission's authority under Ark. Code Ann. § 23-18-604.

Rule 1.04 Other Provisions

- A. These Rules apply to all Electric Utilities, as defined in these Rules, that are jurisdictional to the Commission.
- B. The Net-Metering Rules are not intended to, and do not affect or replace any Commission approved general service regulation, policy, procedure, rule, or service application of any utility which addresses items other than those covered in these Rules.
- C. Net-Metering Customers taking service under the provisions of the Net-Metering tariff may not simultaneously take service under the provisions of any other alternative source generation, cogeneration, or interruptible service tariffs

except as provided in Ark. Code Ann. § 23-18-603(9)(B)(i) and (ii).

- D. When calculating a Net-Metering Customer's "highest monthly usage" pursuant to Ark. Code Ann. § 23-18-603(10), an Electric Utility shall consider the Net-Metering Customer's energy usage in kWh.

SECTION 2. NET-METERING REQUIREMENTS

Rule 2.01 Electric Utility Requirements

An Electric Utility shall allow Net-Metering Facilities to be interconnected using, at a minimum, a single standard two-channel digital meter that separately measures the electric energy in kWh that is:

- A. Supplied by an Electric Utility to the Net-Metering Customer; and
- B. Generated by the Net-Metering Customer's Net-Metering Facility and fed back to an Electric Utility.

Rule 2.02 Metering Requirements

- A. Metering equipment shall be installed to both accurately measure the electricity supplied by the Electric Utility to each Net-Metering Customer and also to accurately measure the electricity generated by each Net-Metering Customer that is fed back to the Electric Utility over the applicable Billing Period. If nonstandard metering equipment is required, the customer is responsible for the cost differential between the required metering equipment and the utility's standard two-channel digital metering equipment for the customer's current rate schedule.
- B. Accuracy requirements for a meter operating in both forward and reverse registration modes shall be as defined in the Commission's Special Rules - Electric. A test to determine compliance with this accuracy requirement shall be made by the Electric Utility either before or at the time the Net-Metering Facility is placed in operation in accordance with these Rules.

Rule 2.03 Cost Recovery and New or Additional Charges

- A. Any new or additional charge which would increase a Net-Metering Customer's costs beyond those of other customers in the rate class shall be filed by the Electric Utility with the Commission for approval in its Net-Metering tariffs, including (but not limited to) the following:
 - 1. a charge to recover any cost of the standard two-channel digital meter that is not otherwise included in the rates paid by the Net-Metering Customer; and
 - 2. a standard one-time fee to recover administrative and related interconnection review costs.
- B. An Electric Utility may recover any Net-Metering Surplus or the dollar value of any Net-Excess Generation applied to the bills of Net-Metering Customers in the same manner that the Electric Utility recovers the cost of fuel and purchased energy.

- C. Each Electric Utility shall follow its Net-Metering tariff or other applicable rate schedules as approved by the Commission to ensure that each Net-Metering Customer pays either the entire costs of an Electric Utility's facilities and associated expenses or the appropriate portion of the costs and associated expenses required to:
 - 1. Provide service to the Net-Metering Customer; and
 - 2. Enable the Net-Metering Customer's use of the Electric Utility facilities.

Rule 2.04 Billing for Net Metering

- A. Each Electric Utility shall elect in its standard Net-Metering tariff one of the rate structures outlined under Ark. Code. Ann. § 23-18-606.
- B. Each Electric Utility shall bill Net-Metering Customers under either of two different Net-Metering tariffs as outlined in the Appendix B standard Net-Metering tariffs:
 - 1. For Net-Metering Customers who qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall credit a Net-Metering Customer with the amount of any accumulated Net Excess Generation as measured in kilowatt hours in the next applicable billing period and base the bill of the Net-Metering Customer on the net amount of electricity as measured in kilowatt hours that the Net-Metering Customer has received from or fed back to the Electric Utility during the billing period.
 - 2. For Net-Metering Customers who do not qualify to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A), Electric Utilities shall bill these Net-Metering Customers under one of the alternative rate structures elected by the Electric Utility pursuant to Ark. Code. Ann. § 23-18-606.
- C. If the Net-Metering Customer has any accumulated Net-Metering Surplus or Net-Excess Generation during the applicable Billing Period:
 - 1. The Net-Metering Surplus or Net Excess Generation shall first be credited to the Net-Metering Customer's Generation Meter.
 - 2. After application of subsection C.1. and upon request of the Net-Metering Customer pursuant to subsection D., any remaining Net-Metering Surplus or Net Excess Generation shall be credited to one or more of the Net-Metering Customer's Additional Meters in the rank order provided by the Net-Metering Customer.

3. The Net-Metering Surplus or Net Excess Generation shall be credited as described in subsections C.1. and C.2. during subsequent Billing Periods. The amount of Net Excess Generation credits remaining in a Net-Metering Customer's account at the close of a Billing Period shall not expire and shall be carried forward to subsequent Billing Periods indefinitely.
 - a. For Net Excess Generation credits older than 24 months, a Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation Credits in the Net-Metering Customer's account at the Electric Utility's Avoided Cost if the sum to be paid to the Net-Metering Customer is at least \$100.
 - b. An Electric Utility shall purchase at the Electric Utility's Avoided Cost, any Net Excess Generation credits remaining in a Net-Metering Customer's account when the Net-Metering Customer:
 - i. ceases to be a customer of the Electric Utility;
 - ii. ceases to operate the Net-Metering Facility; or
 - iii. transfers the Net-Metering Facility to another person.
- D. Upon request from a Net-Metering Customer, an Electric Utility must apply Net-Metering Surplus or Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:
 1. The Net-Metering Customer must give at least 30 days' notice to the Electric Utility of its request to apply Net Excess Generation to the Additional Meter(s).
 2. The Additional Meter(s) must be identified at the time of the request.
 3. In the event that more than one of the Net-Metering Customer's Additional Meters is identified, the Net-Metering Customer must designate the rank order for the Additional Meters to which Net Excess Generation is to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.
 4. At the time an Electric Utility processes a request for applying any remaining Net-Metering Surplus or Net Excess Generation as a credit to one (1) or more of a Net-metering Customer's meters in the rank order provided by the Net-metering Customer pursuant to Ark. Code Ann. § 23-18-604(c), the Electric Utility shall synchronize the billing cycles of each additional customer meter with the customer's primary net-metering meter.
- E. Any Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

Rule 2.05 Meter Aggregation

- A. Except as provided in subsections (B) and (C) of this Rule 2.05, an Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- B. Pursuant to Ark. Code Ann. § 23-18-604(d), at the Net-Metering Customer’s discretion, an Electric Utility shall apply net-metering credits for Net-Metering Customers who are billed under Ark. Code Ann. § 23-18-606(a)(2)(A)-(G) or the Net-Metering Surplus for all other customers from a Net-Metering Customer’s Net-Metering Facility to the bill for another meter location of the Net-Metering Customer if the Net-Metering Facility and the separate meter location are under common ownership of the same Net-Metering Customer within a single Electric Utility’s allocated service territory, subject to the limitations and exceptions provided in Ark. Code Ann. 23-18-604(d).
- D. A Net-Metering Customer seeking to aggregate multiple accounts under common ownership shall submit a request to the Electric Utility identifying the accounts that are under common ownership. The request shall include the following documents:
 - 1. Standard Application Form and Affidavit as approved by the Commission.
 - 2. Sworn Affidavit: The Net-Metering Customer shall submit a sworn affidavit by a person with personal knowledge affirming that the Net-Metering Customer is in fact the legal owner or authorized representative responsible for paying the bill for all accounts listed in the application form.

Rule 2.06 Legacy Status for Net-Metering Rate Structures, Terms, and Conditions

- A. A Net-Metering Facility of a Net-Metering Customer shall remain under the rate structure terms, and conditions in effect before December 31, 2022, until June 1, 2040, if the Net-Metering Customer has qualified under Ark. Code Ann. § 23-18-604(c)(11)(A) by having done one of the following:
 - 1. Submitted a Standard Interconnection Agreement to the Electric Utility before September 30, 2024;
 - 2. Submitted a Facilities Agreement to establish an account with an Electric Utility and paid all costs of constructing the Electric Utility facilities necessary to interconnect the Net-Metering Facility before September 30, 2024; or
 - 3. Filed a complaint with the Commission addressing a disputed Facilities Agreement to establish an account with an Electric Utility after the

presentation by the Electric Utility to the Net-Metering Customer of the Facilities Agreement and the required costs of constructing the facilities necessary to interconnect the Net-Metering Facility before September 30, 2024.

- B. Further, for the purpose of qualifying for legacy status under Rule 2.06(A)(2), a Net-Metering Customer will be deemed to have paid “all costs of constructing Electric Utility Facilities necessary to interconnect the Net-Metering Facility” if the Net-Metering Customer pays all such costs as designated in the Facilities Agreement initially presented to the Net-Metering Customer by an Electric Utility. If the Electric Utility adjusts the cost estimate for the Facilities Agreement and requests the Net-Metering Customer to pay additional costs subsequent to the initial presentation of the Facilities Agreement, such subsequent cost adjustment shall be paid by the Net-Metering Customer but shall not defeat the Net-Metering Customer’s qualification for legacy status under Rule 2.06(A).
- C. A Net-Metering Facility may be upgraded and retain legacy status so long as the Net-Metering Facility still meets the statutory definition under Ark. Code Ann. § 23-18-603(10).
- D. The Electric Utility need not have approved and signed the Standard Interconnection Agreement or Facilities Agreement for the date of eligibility for legacy status to be established under Rule 2.06(A) and Ark. Code Ann. § 23-18-604(c)(11)(A).
- E. The legacy status period shall attach to the Net-Metering Facility on the premises rather than the Net-Metering Customer.
- F. If the Net-Metering Customer sells a premises with a Net-Metering Facility, the Standard Interconnection Agreement and Facilities Agreement may be transferred to the new Net-Metering Customer and the legacy status period shall continue for the remainder of the term, assuming no other triggering event occurs.
- G. A Net-Metering Customer may not transfer a Net-Metering Facility to a new premises or location and continue to operate under the legacy status period.
- H. Maintenance and repair of existing Net-Metering Facilities shall not be a triggering event which ends the legacy status period.
- I. A Net-Metering Facility qualifying for legacy status under this Rule remains subject to any other change or modification in rates, terms, or conditions approved by the Commission.

Rule 2.07 Leases and Safe Harbor for Service Agreements

- A. A Net-Metering Customer entering into a lease for a Net-Metering Facility shall provide to the Electric Utility a standard Notice and Affidavit approved by the

Commission to the Electric Utility certifying that the lease is in compliance with all Commission Rules and Ark. Code Ann. § 23-18-603(9)(A)(ii).

- B. A Net-Metering Customer entering into a service agreement for a Net-Metering Facility who is relying on Ark. Code Ann. § 23-18-603(9)(A) to qualify for net metering shall submit a standard Notice and Affidavit approved by the Commission to the Electric Utility certifying that the customer qualifies for safe-harbor protection as provided by Ark. Code Ann. § 23-18-603(9)(A)(iii)(a) and 26 U.S.C. § 7701(e)(3)(A) and that the service agreement is in compliance with all Commission Rules.
- C. Disputes over compliance with Subsection (A) or (B) above shall be submitted to Staff for review and attempted resolution. Thereafter, a Net-Metering Customer or Electric Utility that disagrees with Staff's resolution may petition the Commission to resolve the dispute. Electric Utilities shall presume that any person who submits a completed Notice and Affidavit form is in compliance with the Commission's Rules and the provisions under Ark. Code Ann. § 23-18-603(9) until the Commission makes a finding otherwise.

Rule 2.08 Annual Avoided-Cost Redetermination

- A. If an Electric Utility elects to use the rate structure outlined in Ark. Code Ann. § 23-18-606(a)(1), the Electric Utility shall file a revised Net-Metering tariff on or before January 15 of each calendar year, to be effective on March 1 of the same year, updating the Avoided Cost to reflect the twelve-month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility's load zone in the Midcontinent Independent System Operator (MISO) or Southwest Power Pool (SPP) Independent System Operator Market.
- B. The Electric Utility shall use the historic hourly average real-time Locational Marginal Price for the prior calendar year for the purpose of calculating the annual Avoided Cost rate updates in its Net-Metering tariff. Any Electric Utility whose load zone encompasses both MISO and SPP shall use a blended rate to calculate the Avoided Cost. A Distribution Cooperative shall calculate its Avoided Cost rate based on the load zones applicable to the wholesale power it purchases from the Arkansas Electric Cooperative Corporation.

SECTION 3. INTERCONNECTION OF NET- METERING FACILITIES TO EXISTING ELECTRIC POWER SYSTEMS

Rule 3.01 Requirements for Initial Interconnection of a Net-Metering Facility

- A. A Net-Metering Customer and owner of the Net-Metering Facility, if different, shall execute a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A) prior to interconnection with the Electric Utility's facilities.
- B. A Net-Metering Facility shall be capable of operating in parallel and safely commencing the delivery of power into the utility system at a single point of interconnection. To prevent a Net-Metering Facility from back-feeding a de-energized line, a Net-Metering Facility shall have a visibly open, lockable, manual disconnect switch which is accessible by the Electric Utility and clearly labeled. This requirement for a manual disconnect switch shall be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and tested by utility personnel.
- C. The Net-Metering Customer and owner of the Net-Metering Facility, if different, shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Net-Metering Customer intends to interconnect the Net-Metering Facilities to the Electric Utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed for the notification to be valid. The Net-Metering Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Net-Metering Customer upon request.
- D. Following notification by the Net-Metering Customer or owner as specified in Rule 3.01.C., the Electric Utility shall review the plans for the facility and provide the results of its review to the Net-Metering Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- E. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and

Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

- F. The Net-Metering Facility, at the Net-Metering Customer's expense, shall meet all safety and performance standards adopted by the Electric Utility and filed with and approved by the Commission pursuant to these Rules that are necessary to assure safe and reliable operation of the Net-Metering Facility to the Electric Utility's system.
- G. If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Net-Metering Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

Rule 3.02 Requirements for Modifications or Changes to a Net-Metering Facility

- A. Prior to being made, the Net-Metering Customer or owner of the Net-Metering Facility shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part I, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Net-Metering Customer or owner of the Net-Metering Facility shall provide detailed information describing the modifications or changes to the Electric Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The utility shall review the proposed changes to the facility and provide the results of its evaluation to the customer, in writing, within thirty (30) days of receipt of the customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- B. If the Net-Metering Customer or owner of the Net-Metering Facility makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's General Service Rules.
- C. A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Rule 3.03 Requirements for Preliminary Interconnection Site Review Request

- A. For the purpose of requesting that the Electric Utility conduct a preliminary

interconnection site review for a proposed Net-Metering Facility to determine the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities, the Net-Metering Customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Net-Metering Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Each Preliminary Interconnection Site Review Request will be considered separately and in the order in which received. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Net-Metering Customer upon request.

- B. Following notification by the Net-Metering Customer as specified in Rule 3.03.A., the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Net-Metering Customer, in writing, within 30 calendar days. If the Net-Metering Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Net-Metering Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it shall provide the Net-Metering Customer with an estimated date by which it will complete the review. The Net-Metering Customer may request parallel processing of multiple reviews but must pay actual costs of conducting the review and any subsequent costs associated with site screening that may be required under Rule 3,03.C. In such event, the Electric Utility shall respond to the request and shall process and present the results of the multiple reviews within a reasonable time, not to exceed ninety (90) days. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.
- C. The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Net-Metering Customer if additional site screening may be required prior to interconnection of the facility. The Net-Metering Customer shall be responsible for the actual costs of conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.
- D. The preliminary interconnection site review does not relieve the Net-Metering

Customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility. The preliminary interconnection site review process is optional for a Net-Metering Customer and may be used to seeks to determine the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities prior to installing a Net-Metering Facility. A Net-Metering Customer may choose to proceed with installing a Net-Metering Facility and submitting a Standard Interconnection Agreement without going through the preliminary interconnection site review process.

- E. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee for each Preliminary Interconnection Site Review Request submitted to recover administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its Net-Metering tariff.

Rule 3.04 Requirements for Facilities Study and Facilities Agreement

- A. Following the submission of a Preliminary Interconnection Site Review Request, a Net-Metering Customer may request that the Electric Utility conduct a Facilities Study for the purpose of determining any applicable costs of constructing Electric Utility facilities necessary to mitigate any potential adverse system impacts and interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). The Facilities Study request should be made in writing, but does not have to be made on any particular form unless the Electric Utility has an approved request form approved as part of its Net-Metering tariff.
- B. The Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including protection) needed to implement system upgrades and interconnection facilities necessary to safely interconnect Net-Metering Facility to the Electric Utility's system.
- C. An Electric Utility may charge a Net-Metering Customer a Commission-approved standard one-time fee in the form of a deposit for each Facilities Study to recover estimated administrative and related interconnection review costs pursuant to Ark. Code Ann. § 23-18-604 (9)(A), as filed in its standard Net-Metering tariff. Any portion of the deposit not actually incurred as cost as a result of the study shall be promptly returned to the Net-Metering Customer.
- D. Each Electric Utility shall file with its Net-Metering tariff for Commission approval its standard Facilities Agreement.
- E. Following the completion of a Facilities Study, if a Net-Metering Customer elects to proceed with interconnection, the Net-Metering Customer shall execute a standard Facilities Agreement in the form filed with the Electric Utility's Net-Metering tariff and approved by the Commission.

- F. In order to be complete, the Facilities Agreement shall specify the Net-Metering Customer's appropriate portion of the costs and associated expenses required to provide service to the Net-Metering Customer and enable the Net-Metering Customer's use of the Electric Utility's facilities pursuant to Ark. Code Ann. § 23-18-604(c)(1)(A), including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility, as determined by the Facilities Study.
- G. Deadlines: An Electric Utility shall not unreasonably delay providing the results of a Facilities Study and corresponding Facilities Agreement. If A Net-Metering Customer requests a Facilities Study on or before May 1, 2024, the Electric Utility shall provide the results of the Facilities Study and a corresponding Facilities Agreement no later than September 1, 2024. If an Electric Utility does not provide a Net-Metering Customer with a completed Facilities Agreement by September 1, 2024, under the scenario described above, the Electric Utility shall be deemed to have presented the Net-Metering Customer with its standard Facilities Agreement on file in its approved Net-Metering tariff with required costs of \$0.00 for the purpose of allowing the Net-Metering Customer to file a complaint with the Commission addressing a disputed Facilities Agreement under Rule 2.06 and Ark. Code. Ann. § 23-18-604 (c)(11)(A)(iii).
- H. In the event that an Electric Utility is not able to provide final interconnection costs within the deadlines outlined in Rule 3.04(G) above, the Electric Utility shall provide a good faith estimate of the appropriate portion of the costs and associated expenses required to (i) provide service to the Net-Metering Customer and (ii) enable the Net-Metering Customer's use of the Electric Utility's Facilities, including any applicable costs of constructing the Electric Utility facilities necessary to interconnect a Net-Metering Facility pursuant to Ark. Code Ann. § 23-18-604(c)(11)(A)(ii). If the Net-Metering Customer and Electric Utility proceed with executing the Facilities Agreement based on a good faith estimate, the Electric Utility shall credit or charge the Net-Metering Customer for any difference between the estimate and actual costs once the final appropriate costs are determined.

**SECTION 4. STANDARD INTERCONNECTION AGREEMENT,
PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST,
FACILITIES AGREEMENT, AND STANDARD NET-METERING TARIFFS
FOR NET-METERING FACILITIES**

Rule 4.01 Standard Interconnection Agreement, Preliminary Interconnection Site Review Request, Facilities Agreement, and Standard Net-Metering Tariffs

Each Electric Utility shall file, for approval by the Commission, a Standard Interconnection Agreement for Net-Metering Facilities (Appendix A), Preliminary Interconnection Site Review Request (Appendix A-1), its standard Facilities Agreement (Appendix A-2), and two Net-Metering Tariffs (Legacy and Non-Legacy) in standard tariff format (Appendix B).

- A. Facilities Agreement: Each Electric Utility shall file with its Net-Metering Tariff as Appendix A-2 its standard Facilities Agreement.
- B. Standard Net-Metering tariffs: Each Electric Utility shall file the following Net-Metering tariffs:
 - 1. A Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who qualify for legacy status pursuant to Rule 2.06; and
 - 2. A Non-Legacy Net-Metering tariff applicable to the Net-Metering Facilities of Net-Metering Customers who do not qualify for legacy status pursuant to Rule 2.06.

When filing its Net-Metering tariffs for Commission approval, an Electric Utility may propose deviations to the standard Net-Metering tariffs for the Commission's consideration. Any Electric Utility which requests a deviation from the standard Net-Metering tariffs shall specifically identify the requested deviation(s) and file supporting testimony pursuant to the Commission's *Rules of Practice and Procedure*.

Rule 4.02 Additional Filing and Reporting Requirements

Each Electric Utility shall file in Docket No. 06-105-U by March 15 of each year, a report individually listing each Net-Metering Facility, the type of resource (Solar, Wind, Storage, etc.), its use (by specific rate class(es), generator capacity rating, inverter capacity rating, and if the Net-Metering Facility is associated with Additional Meters (Yes or No), as of the end of the previous calendar year. The annual report shall be provided in spreadsheet format.

SECTION 5. RULES TO GUARD AGAINST GAMING

Rule 5.01 Gaming Defined

Gaming is defined as manipulating, misrepresenting, or otherwise configuring a Net-Metering Facility or Facilities in a manner that is intended to result in, or that actually results in, the avoidance of statutory or Commission limits or rules.

Gaming of the Net-Metering Rules includes, but is not limited to, the following actions:

- A. Adding additional capacity to an existing Net-Metering Facility without notifying the Electric Utility to which the Net-Metering Facility is interconnected; and
- B. Unauthorized interconnections.

Rule 5.02 Gaming Prohibited

Gaming of the Net-Metering Rules is prohibited.

Rule 5.03 Penalties for Gaming

Any Net-Metering Customer found to be engaged in activity considered to be gaming under the Net-metering Rules may have its qualification as a Net-Metering Customer suspended or terminated by the Commission following notice and opportunity for hearing.

APPENDIX A

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone: _____ Evening Phone: _____
Utility Customer Account Number (from electric bill) to which the Net-Metering Facility is physically attached: _____
Type of Facility (circle one)
Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information

Name: _____
Contact Person: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Evening Phone: _____
E-Mail Address: _____ Fax: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell
Micro turbine Energy Storage Device (circle all that apply)
Generator Rating (kW): _____ DC
Inverter Rating (kW): _____ AC

Describe Location of Accessible and Lockable Disconnect: _____

Inverter Manufacturer: _____ Inverter Model: _____
Inverter Location: _____ Inverter Power Rating: _____
Expected Capacity Factor: _____
Expected annual production of electrical energy (kWh) calculated using industry recognized simulation model (PVWatts, etc.): _____

Section 4. Installation Information

Attach a detailed electrical diagram of the Net-Metering Facility.
Installed by: _____
Qualifications/Credentials: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Installation Date: _____

Section 5. Certification

The system has been installed in compliance with national electric codes, including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL) and (if applicable) the local Building/Electrical Code of _____ (City/County)

Signed (Inspector): _____ Date: _____

(In lieu of signature of inspector, a copy of the final inspection certificate may be attached.)

The system has been installed to my satisfaction and I have been given system warranty information and an operation manual, and have been instructed in the operation of the system.

Signed (Net Metering Customer): _____ Date: _____

Signed (Owner if different from Customer): _____ Date: _____

Section 6. E-mail Addresses for parties

Customer's e-mail address: _____

Owner's email address (if different from Customer): _____

Utility's e-mail address: _____

(To be provided by utility.)

Section 7. Utility Verification and Approval

Facility Interconnection Approved: _____ Date: _____

Metering Facility Verification by: _____ Verification Date: _____

II. INTERCONNECTION AGREEMENT TERMS AND CONDITIONS

This Interconnection Agreement for Net-Metering Facilities ("Agreement") is made and entered into this _____ day of _____, 20_____, by _____ ("Electric Utility") and _____ ("Customer"), a _____ (specify whether corporation or other) and _____ ("Owner"), a _____ (specify whether corporation or other), each hereinafter sometimes referred to individually as "Party" or collectively as the "Parties." In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Section 1. The Net-Metering Facility

The Net-Metering Facility meets the requirements of Ark. Code Ann. § 23-18-603(10) and the Arkansas Public Service Commission's *Net-Metering Rules*.

Section 2. Governing Provisions

The Parties shall be subject to the provisions of Ark. Code Ann. § 23-18-604 and the terms and conditions set forth in this Agreement, the Commission's *Net-Metering Rules*, the Commission's *General Service Rules*, and the Electric Utility's applicable tariffs.

Section 3. Interruption or Reduction of Deliveries

The Electric Utility shall not be obligated to accept and may require Customer to interrupt or reduce deliveries when necessary in order to construct, install, repair, replace, remove, investigate, or inspect any of its equipment or part of its system; or if it reasonably determines that curtailment, interruption, or reduction is necessary because of emergencies, forced outages, force majeure, or compliance with prudent electrical practices. Whenever possible, the Utility shall give the Customer reasonable notice of the possibility that interruption or reduction of deliveries may be required. Notwithstanding any other provision of this Agreement, if at any time the Utility reasonably determines that either the facility may endanger the Electric Utility's personnel or other persons or property, or the continued operation of the Customer's facility may endanger the integrity or safety of the Utility's electric system, the Electric Utility shall have the right to disconnect and lock out the Customer's facility from the Electric Utility's electric system. The Customer's facility shall remain disconnected until such time as the Electric Utility is reasonably satisfied that the conditions referenced in this Section have been corrected.

Section 4. Interconnection

Customer shall deliver the as-available energy to the Electric Utility at the Electric Utility's meter.

Electric Utility shall furnish and install a standard kilowatt hour meter. Customer shall provide and install a meter socket for the Electric Utility's meter and any related interconnection equipment per the Electric Utility's technical requirements, including safety and performance standards.

The Customer shall submit a Standard Interconnection Agreement to the Electric Utility at least thirty (30) days prior to the date the Customer intends to interconnect the

Net- Metering Facilities to the utility's facilities. Part I, Standard Information, Sections 1 through 4 of the Standard Interconnection Agreement must be completed to be valid. The Customer shall have all equipment necessary to complete the interconnection prior to such notification. If mailed, the date of notification shall be the third day following the mailing of the Standard Interconnection Agreement. The Electric Utility shall provide a copy of the Standard Interconnection Agreement to the Customer upon request.

Following submission of the Standard Interconnection Agreement by the Customer, the utility shall review the plans of the facility and provide the results of its review to the Customer, in writing, within 30 calendar days. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Electric Utility's existing facilities are not adequate to interconnect with the Net-Metering Facility, the Customer shall pay the cost of additional or reconfigured facilities prior to the installation or reconfiguration of the facilities.

To prevent a Net-Metering Facility from back-feeding a de-energized line, the Customer shall install a manual disconnect switch with lockout capability that is accessible to utility personnel at all hours. This requirement for a manual disconnect switch will be waived if the following three conditions are met: 1) The inverter equipment must be designed to shut down or disconnect and cannot be manually overridden by the Customer upon loss of utility service; 2) The inverter must be warranted by the manufacturer to shut down or disconnect upon loss of utility service; and 3) The inverter must be properly installed and operated, and inspected and/or tested by utility personnel.

Customer, at Customer's expense, shall meet all safety and performance standards established by local and national electrical codes including the National Electrical Code (NEC), the Institute of Electrical and Electronics Engineers (IEEE), the National Electrical Safety Code (NESC), and Underwriters Laboratories (UL).

Customer, at Customer's expense, shall meet all safety and performance standards adopted by the utility and filed with and approved by the Commission that are necessary to assure safe and reliable operation of the Net Metering Facility to the utility's system.

Customer shall not commence Parallel Operation of the Net-Metering Facility until the Net Metering Facility has been inspected and approved by the Electric Utility. Such approval shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, the Electric Utility's approval to operate the Customer's Net-Metering Facility in parallel with the Utility's electrical system should not be construed as an endorsement, confirmation, warranty, guarantee, or representation concerning the safety, operating characteristics, durability, or reliability of the Customer's Net-Metering Facility.

Section 5. Modifications or Changes to the Net-Metering Facility Described in Part 1, Section 2

Prior to being made, the Customer shall notify the Electric Utility of, and the Electric Utility shall evaluate, any modifications or changes to the Net-Metering Facility described in Part 1, Standard Information, Section 2 of the Standard Interconnection Agreement for Net-Metering Facilities. The notice provided by the Customer shall provide detailed information describing the modifications or changes to the Utility in writing, including a revised Standard Interconnection Agreement for Net-Metering Facilities that clearly identifies the changes to be made. The Electric Utility shall review the proposed changes to the facility and provide the results of its evaluation to the Customer, in writing, within thirty (30) calendar days of receipt of the Customer's proposal. Any items that would prevent Parallel Operation due to violation of applicable safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

If the Customer makes such modification without the Electric Utility's prior written authorization and the execution of a new Standard Interconnection Agreement, the Electric Utility shall have the right to suspend Net-Metering service pursuant to the procedures in Section 6 of the Commission's *General Service Rules*.

A Net-Metering Facility shall not be modified or changed to generate electrical energy in excess of the amount necessary to offset all of the Net-Metering Customer requirements for electricity.

Section 6. Maintenance and Permits

The Customer shall obtain any governmental authorizations and permits required for the construction and operation of the Net-Metering Facility and interconnection facilities. The Customer shall maintain the Net-Metering Facility and interconnection facilities in a safe and reliable manner and in conformance with all applicable laws and regulations.

Section 7. Access to Premises

The Electric Utility may enter the Customer's premises to inspect the Customer's protective devices and read or test the meter. The Electric Utility may disconnect the interconnection facilities without notice if the Electric Utility reasonably believes a hazardous condition exists and such immediate action is necessary to protect persons, or the Electric Utility's facilities, or property of others from damage or interference caused by the Customer's facilities, or lack of properly operating protective devices.

Section 8. Indemnity and Liability

The following is Applicable to Agreements between the Electric Utility and to all Customers and Owners except the State of Arkansas and any entities thereof, local governments, and federal agencies:

Each Party shall indemnify the other Party, its directors, officers, agents, and employees against all loss, damages, expense and liability to third persons for injury to or death of persons or injury to property caused by the indemnifying party's engineering, design, construction, ownership, maintenance or operations of, or the making of replacements, additions or betterment to, or by failure of, any of such Party's works or facilities used in

connection with this Agreement by reason of omission or negligence, whether active or passive. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs that may be incurred by the other Party in enforcing this indemnity. It is the intent of the Parties hereto that, where negligence is determined to be contributory, principles of comparative negligence will be followed and each Party shall bear the proportionate cost of any loss, damage, expense and liability attributable to that Party's negligence. Nothing in this paragraph shall be applicable to the Parties in any agreement entered into with the State of Arkansas or any entities thereof, or with local governmental entities or federal agencies. Furthermore, nothing in this Agreement shall be construed to waive the sovereign immunity of the State of Arkansas or any entities thereof. The Arkansas State Claims Commission has exclusive jurisdiction over claims against the state.

Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to or any liability to any person not a Party to this Agreement. Neither the Electric Utility, its officers, agents or employees shall be liable for any claims, demands, costs, losses, causes of action, or any other liability of any nature or kind, arising out of the engineering, design, construction, ownership, maintenance or operation of, or the making of replacements, additions or betterment to, or by failure of, the Customer's facilities by the Customer or any other person or entity.

Section 9. Notices

The Net-Metering Customer shall notify the Electric Utility of any changes in the information provided herein.

All written notices shall be directed as follows:

Attention:

[Electric Utility Agent or Representative] _____

[Electric Utility Name and Address] _____

[Electric Utility Email Address] _____

Attention:

[Customer]

Name: _____

Address: _____

City: _____

Email: _____

Customer notices to Electric Utility shall refer to the Customer's electric service account number set forth in Section 1 of this Agreement.

Section 10. Term of Agreement

The term of this Agreement shall be the same as the term of the otherwise applicable standard rate schedule. This Agreement shall remain in effect until modified or terminated in accordance with its terms or applicable regulations or laws.

Section 11. Assignment

This Agreement and all provisions hereof shall inure to and be binding upon the respective Parties hereto, their personal representatives, heirs, successors, and assigns.

The Customer and/or Owner shall notify the Electric Utility if this Agreement is assigned to a new Net-Metering Customer pursuant to Rule 2.06(F).

Section 12. Net-Metering Customer and Owner Certification

I hereby certify that all of the information provided in this Agreement is true and correct, to the best of my knowledge, and that I have read and understand the Terms and Conditions of this Agreement.

Signature (Customer): _____ Date: _____

Signature (Owner if different from Customer): _____ Date: _____

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

Dated this _____ day of _____, 20__.

Customer:

Electric Utility:

By: _____

By: _____

Title: _____

Title: _____

Mailing Address:

Mailing Address:

E-mail Address:

E-mail Address:

Third-Party Owner (if applicable):

By: _____

Title: _____

Mailing Address:

E-mail Address:

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

Disclaimer

POSSIBLE FUTURE RULES OR RATE CHANGES, OR BOTH AFFECTING YOUR NET-METERING FACILITY

The following is a supplement to the Interconnection Agreement you signed with _____ [Electric Utility].

1. Electricity rates, basic charges, and service fees, set by [Electric Utility] and approved by the Arkansas Public Service Commission (Commission), are subject to change.
2. I understand that I will be responsible for paying any future increases to my electricity rates, basic charges, or service fees from [Electric Utility].
3. My Net-Metering System is subject to the current rates of [Electric Utility], and the rules and regulations of the Commission. The [Electric Utility] may change its rates in the future with approval of the Commission or the Commission may alter its rules and regulations, or both may happen. If either or both occurs, my system will be subject to those changes.

By signing below, you acknowledge that you have read and understand the above disclaimer.

Name (printed)

Signature (Customer)

Date

APPENDIX A-1

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

I. STANDARD INFORMATION

Section 1. Customer Information

Name: _____
Contact Person: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Facility Location (if different from above): _____
Daytime Phone: _____ Evening Phone: _____
E-Mail Address: _____ If the requested point of interconnection is the same as an existing electric service, provide the electric service account number: _____ Additional Customer Accounts (from electric bill) to be credited with Net Excess Generation: _____
_____ Annual Energy Requirements (kWh) in the previous twelve (12) months for the account physically attached to the Net-Metering Facility and for any additional accounts listed (in the absence of historical data reasonable estimates for the class and character of service may be made): _____

Type of Facility (circle one)

Customer-owned _____ Leased _____ Service Agreement _____

Section 2. Owner Information (if different from customer information)

Name: _____
Contact Person: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Evening Phone: _____
E-Mail Address: _____

Section 3. Generation Facility Information

System Type: Solar Wind Hydro Geothermal Biomass Fuel Cell
Micro Turbine Energy Storage Device (circle all that apply)
Generator Rating (kW): _____ DC
Inverter Rating (kW): _____ AC
Capacity Factor: _____
Expected annual production of electrical energy (kWh) of the facility calculated using industry recognized simulation model (PVWatts, etc): _____

Section 4. Interconnection Information

Attach a detailed electrical diagram showing the configuration of all generating facility equipment, including protection and control schemes.

Requested Point of Interconnection: _____

Customer-Site Load (kW) at Net-Metering Facility location (if none, so state):

Interconnection Request: Single Phase:_____ Three Phase:_____

Section 5. Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Preliminary Interconnection Site Review is true and correct.

Net-Metering Customer Signature:_____ Date: _____

Owner Signature (if different from Customer):_____ Date: _____

II. TERMS AND CONDITIONS

Section 1. Requirements for Request

For the purpose of requesting that the Electric Utility conduct a preliminary interconnection site review for a proposed Net-Metering Facility if requested by the Customer, the Customer shall notify the Electric Utility by submitting a completed Preliminary Interconnection Site Review Request. The Customer shall submit a separate Preliminary Interconnection Site Review Request for each point of interconnection if information about multiple points of interconnection is requested. Part 1, Standard Information, Sections 1 through 4 of the Preliminary Interconnection Site Review Request must be completed for the notification to be valid. If mailed, the date of notification shall be the third day following the mailing of the Preliminary Interconnection Site Review Request. The Electric Utility shall provide a copy of the Preliminary Interconnection Site Review Request to the Customer upon request.

Section 2. Utility Review

Following submission of the Preliminary Interconnection Site Review Request by the Customer the Electric Utility shall review the plans of the facility interconnection and provide the results of its review to the Customer, in writing, within 30 calendar days. If the Customer requests that multiple interconnection site reviews be conducted the Electric Utility shall make reasonable efforts to provide the Customer with the results of the review within 30 calendar days. If the Electric Utility cannot meet the deadline, it shall provide the Customer with an estimated date by which it will complete the review. Any items that would prevent Parallel Operation due to violation of safety standards and/or power generation limits shall be explained along with a description of the modifications necessary to remedy the violations.

The preliminary interconnection site review is non-binding and need only include existing data and does not require the Electric Utility to conduct a study or other analysis of the proposed interconnection site in the event that data is not readily available. The Electric Utility shall notify the Customer if additional site screening may be required prior to interconnection of the facility. The Customer shall be responsible for the actual costs for conducting the preliminary interconnection site review and any subsequent costs associated with site screening that may be required.

Section 3. Standard Interconnection Agreement

The preliminary interconnection site review does not relieve the Customer of the requirement to execute a Standard Interconnection Agreement prior to interconnection of the facility.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X. LEGACY NET-METERING**X.1. DEFINITIONS**

X.1.1. Legacy Net-Metering Customer – A Net-Metering Customer whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A).

X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.

X.2. AVAILABILITY

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) _____ (list schedules) who is a Legacy Net-Metering Customer as defined herein and who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*

The provisions of the customer's standard rate schedule are modified as specified herein.

X.2.2. Legacy Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation, co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(9)(B).

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS

X.3.1. The monthly billing rate structure, terms, and conditions outlined herein apply until June 1, 2040, to Net-Metering Facilities of Legacy Net-Metering Customers.

THIS SPACE FOR PSC USE ONLY

ARKANSAS PUBLIC SERVICE COMMISSION

Original _____ Sheet No. _____ Title: LEGACY NET-METERING Replacing: _____ Sheet No. _____	PSC File Mark Only
Name of Company _____ Kind of Service: <u>Electric</u> Class of Service: All Part III. Rate Schedule No. <u>X</u>	

- X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- X.3.3. On a monthly basis, the Legacy Net-Metering Customer shall be billed the charges applicable under the currently effective standard rate schedule and any appropriate rider schedules.
- X.3.4. If the kWhs supplied by the Electric Utility exceeds the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period, the Legacy Net-Metering Customer shall be billed for the net billable kWhs supplied by the Electric Utility in accordance with the rates and charges under the Legacy Net-Metering Customer’s standard rate schedule.
- X.3.5. If the kWhs generated by the Net-Metering Facility and fed back to the Electric Utility during the Billing Period exceed the kWhs supplied by the Electric Utility to the Legacy Net- Metering Customer during the applicable Billing Period, the Electric Utility shall credit the Legacy Net-Metering Customer with any accumulated Net Excess Generation in the next applicable Billing Period.
- X.3.6. Net Excess Generation shall first be credited to the Legacy Net-Metering Customer’s meter to which the Net-Metering Facility is physically attached (Generation Meter).
- X.3.7. After application of X.3.7. and upon request of the Legacy Net-Metering Customer pursuant to X.3.9., any remaining Net Excess Generation shall be credited to one or more of the Legacy Net-Metering Customer’s meters (Additional Meters) in the rank order provided by the Legacy Net-Metering Customer.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. Title: LEGACY NET-METERING Replacing: Sheet No.	PSC File Mark Only
Name of Company _____	
Kind of Service: <u>Electric</u> Class of Service: All	
Part III. Rate Schedule No. <u>X</u>	

X.3.8. Net Excess Generation shall be credited as described in X.3.7. and X.3.8. during subsequent Billing Periods; the Net Excess Generation credits remaining in a Legacy Net-Metering Customer’s account at the close of a billing cycle shall not expire and shall be carried forward to subsequent billing cycles indefinitely. For Net Excess Generation credits older than twenty-four (24) months, a Legacy Net-Metering Customer may elect to have the Electric Utility purchase the Net Excess Generation credits in the Legacy Net-Metering Customer’s account at the Electric Utility’s Avoided Cost plus any additional sum determined under the Net Metering Rules, if the sum to be paid to the Legacy Net-Metering Customer is at least one hundred dollars (\$100). An Electric Utility shall purchase at the Electric Utility’s Avoided Cost, plus any additional sum determined under the Net Metering Rules any Net Excess Generation Credits remaining in a Legacy Net-Metering Customer’s account when the Legacy Net-Metering Customer:

- 1) ceases to be a customer of the Electric Utility;
- 2) ceases to operate the Net-Metering Facility; or
- 3) transfers the Net-Metering Facility to another person.

When purchasing Net Excess Generation credits from a Legacy Net-Metering Customer, the Electric Utility shall calculate the payment based on its Avoided Costs plus any additional sum determined under the Net Metering Rules for the current year.

X.3.9. Upon request from a Legacy Net-Metering Customer an Electric Utility must apply Net Excess Generation to the Legacy Net-Metering Customer’s Additional Meters provided that:

- (a) The Legacy Net-Metering Customer must give at least 30 days’ notice to the Electric Utility.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Sheet No. Title: LEGACY NET-METERING Replacing: Sheet No.	PSC File Mark Only
Name of Company _____	
Kind of Service: <u>Electric</u> Class of Service: All	
Part III. Rate Schedule No. <u>X</u>	

(b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility’s service area; shall be used to measure the Legacy Net-Metering Customer’s requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; and shall not be associated with unmetered service.

However, the common ownership requirement shall not apply if more than two customers that are governmental entities or other entities that are exempt from state and federal income tax defined under Ark. Code Ann. § 23-18-603(7)(c) co-locate at a site hosting the Net Metering Facility.

(c) In the event that more than one of the Legacy Net-Metering Customer’s meters is identified, the Legacy Net-Metering Customer must designate the rank order for the Additional Meters to which excess kWh are to be applied. The Legacy Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Legacy Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

[Either indicate “None” or list all charges, fees, or requirements]

X.4.2 None
 OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter

ARKANSAS PUBLIC SERVICE COMMISSION

Original _____ Sheet No. _____ Title: LEGACY NET-METERING Replacing: _____ Sheet No. _____	PSC File Mark Only
_____ Name of Company	
Kind of Service: <u>Electric</u>	Class of Service: All
Part III. Rate Schedule No. <u>X</u>	

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Net-Metering Customer or per service]

X.5 RENEWABLE ENERGY CREDITS

X.5.1. Any Renewable Energy Credit created as the result of electricity supplied by a Legacy Net-Metering Customer is the property of the Legacy Net-Metering Customer that generated the Renewable Energy Credit.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X. NON-LEGACY NET-METERING

X.1. DEFINITIONS

X.1.1. Legacy Net-Metering Customer – A Net-Metering Customer whose Net-Metering Facility qualifies to remain under the rate structure, terms, and conditions in effect before December 31, 2022, until June 1, 2040, pursuant to Net-Metering Rule 2.06 and Ark. Code Ann. § 23-18-604(c)(11)(A).

X.1.2 All other terms are as defined in Ark. Code Ann. § 23-18-603.

X.2. AVAILABILITY

X.2.1. Service under the provisions of this tariff is available to any residential or any other customer who takes service under standard rate schedule(s) _____ (list schedules) who is a Net-Metering Customer, who has obtained a signed Standard Interconnection Agreement for a Net-Metering Facility or Net-Metering Facilities with an Electric Utility pursuant to the Net-Metering Rules and Ark. Code Ann. § 23-18-601 *et. seq.*, and who does not qualify as a Legacy Net-Metering Customer.

The provisions of the customer’s standard rate schedule are modified as specified herein.

X.2.2. Net-Metering Customers taking service under the provisions of this tariff may not simultaneously take service under the provisions of any other alternative source generation, co-generation, or interruptible service tariff except as provided in Ark. Code Ann. § 23-18-603(9)(B).

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

Per Ark. Code Ann. § 23-18-606(a)(1) (Note: Pursuant to Per Ark. Code Ann. § 23-18-606(a), each Electric Utility must elect either Option 1 or Option 2.)

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – AVOIDED COST

X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(1).

X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.

X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:

- (a) Supplied by the Electric Utility to the Net-Metering Customer; and
- (b) Fed back to the Electric Utility from the Net-Metering Customer’s Net-Metering Facility at any time during the applicable billing period.

X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A);
- (b) Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A) to the applicable net-metering customers, including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure; and
- (c) Avoided Cost of the Electric Utility to all kWhs supplied to the Electric Utility by a Net-Metering Customer during the applicable billing period to be credited to the total bill of the Net-Metering Customer in a dollar value, excluding the customer charge and any applicable demand charge or minimum bill provision that the Net-Metering Customer shall pay each month.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net-Metering Surplus as measured in dollars during the next applicable billing period.

X.3.6 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net-Metering Surplus to the Net-Metering Customer’s Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days’ notice to the Electric Utility.
- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility’s service area; shall be used to measure the Net-Metering Customer’s requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer’s Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X. 3.7 Annual Avoided Cost Redetermination

The Electric Utility shall file a revised Avoided Cost on or before January 15 of each calendar year in compliance with Rule 2.08 of the Net-Metering Rules. The revised Avoided Cost shall be filed in the docket initiated for the Electric Utility and shall be accompanied by a set of workpapers sufficient to fully document the calculations of the revised Avoided Cost and otherwise comply with the Commission’s *Rules of Practice and Procedure*. The revised Avoided Cost shall be determined by the application of Ark. Code Ann. § 23-18-603 and the Net-Metering Rules to reflect the twelve month average for the prior calendar year of the applicable Locational Marginal Price associated with the Electric Utility’s load zone in the Midcontinent Independent System Operator or Southwest Power Pool Independent System Operator Market. The revised Avoided Cost shall be effective for bills rendered on and after the first billing cycle of March of the filing year and shall then remain in effect for twelve (12) months.

The Avoided Cost rate for March 1, 20XX, to February 28, 20XX, is \$**X.XX**/kWh.

Option 2: Per A.C.A. 23-18-606(a)(2)

X.3. MONTHLY BILLING RATE STRUCTURE, TERMS, AND CONDITIONS – MONTHLY GRID CHARGE

- X.3.1 This monthly billing rate structure, terms, and conditions is governed by Ark. Code Ann. § 23-18-606(a)(2).
- X.3.2. The Electric Utility shall separately meter, bill, and credit each Net-Metering Facility even if one (1) or more Net-Metering Facilities are under common ownership.
- X.3.3 The Electric Utility shall separately meter the electric energy, measured in kWhs:
 - (a) Supplied by the Electric Utility to the Net-Metering Customer; and
 - (b) Fed back to the Electric Utility from the Net-Metering Customer’s Net-Metering Facility at any time during the applicable billing period.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X.3.4 The Electric Utility shall apply the:

- (a) Commission-approved customer charge, demand, charge, minimum bill provision, and other applicable Commission-approved charges under Ark. Code Ann. § 23-18-604(c)(1)(A); and
- (b) Commission-approved riders or surcharges under Ark. Code Ann. § 23-18-604(c)(1)(A), including without limitation any rates, riders, and surcharges applied based on the volume of kWhs of electricity supplied by an Electric Utility pursuant to this rate structure.

X.3.5 The Electric Utility shall credit the Net-Metering Customer with any accumulated Net Excess Generation during the next applicable billing period.

X.3.6 The Electric Utility shall calculate the net kWhs of the electric energy supplied by the Electric Utility to the Net-Metering Customer, less the Net Excess Generation and any Net Excess Generation carried forward from prior billing periods.

X.3.7 The Electric Utility shall apply the Commission-approved retail rate, not to exceed the kWhs supplied to the net-Metering Customer by the Electric Utility during the applicable billing period.

X.3.8 Upon request from a Net-Metering Customer pursuant to Ark. Code Ann. § 23-18-604(d)(2) and Net-Metering Rule 2.05(D), an Electric Utility must apply Net Excess Generation to the Net-Metering Customer's Additional Meters provided that:

- (a) The Net-Metering Customer must give at least 30 days' notice to the Electric Utility.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

- (b) The Additional Meter(s) must be identified at the time of the request. Additional Meter(s) shall be under common ownership within a single Electric Utility's service area; shall be used to measure the Net-Metering Customer's requirements for electricity; may be in a different class of service than the Generation Meter; shall be assigned to one, and only one, Generation Meter; shall not be a Generation Meter; shall not be associated with unmetered service; and shall be located within a one hundred (100) miles radius of the individual Net-Metering Customer's Net-Metering Facility unless the Net-Metering Customer meets one of the exceptions provided in Net-Metering Rule 2.05 and Ark. Code. Ann. § 23-18-604(d)(2)(A)(i)(a).
- (c) To request meter aggregation, the Net-Metering Customer must submit a standard meter aggregation application form and affidavit pursuant to Net-Metering Rule 2.05 and designate the rank order for the Additional Meters to which excess kWh are to be applied. The Net-Metering Customer cannot designate the rank order more than once during the Annual Billing Cycle.

X.3.9 After applying Net Excess Generation to any Additional Meters pursuant to X.4.7, the Electric Utility shall carry forward any remaining Net Excess Generation to the next billing period.

X.3.10 The Electric Utility shall calculate and apply the Monthly Grid Charge pursuant to Ark. Code Ann. § 23-18-607.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

X.4 ADDITIONAL CHARGES, FEES, AND REQUIREMENTS

X.4.1 An Electric Utility may apply the following additional charges, fees, and requirements to Net-Metering Customers taking service under this Standard Net-Metering Tariff pursuant to Net-Metering Rule 2.03.

[Either indicate "None" or list all charges, fees, or requirements]

X.4.2 None
OR

X.4.2 A charge to recover any cost of the standard two-channel digital meter: \$XX/meter

X.4.3 A standard one-time fee to recover administrative and related interconnection review costs: \$XX per [indicate per Net-Metering Customer or per service]

X.5 RENEWABLE ENERGY CREDITS

X.5.1 A Net-metering customer retains any Renewable Energy Credit created as a result of the electricity supplied by a Net-Metering Customer that generated the renewable energy credit.

X.5.2 The Renewable Energy Credit may be retained, retired, or sold for the sole benefit of the Net-Metering Customer.

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 1

STANDARD INTERCONNECTION AGREEMENT FOR NET-METERING FACILITIES

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 2

PRELIMINARY INTERCONNECTION SITE REVIEW REQUEST

(insert document)

ARKANSAS PUBLIC SERVICE COMMISSION

Original Title: NON-LEGACY NET-METERING Replacing:	Sheet No. Sheet No.	PSC File Mark Only
Name of Company		
Kind of Service: <u>Electric</u>	Class of Service: All	
Part III. Rate Schedule No. <u>X</u>		

ATTACHMENT 3

FACILITIES AGREEMENT

(insert document)

NOTICE OF RULEMAKING AND PUBLIC HEARING

In accordance with Ark. Code Ann. § 23-2-305 and Section 2 of the Arkansas Public Service Commission's *Rules of Practice and Procedure*, the Commission has set a public hearing in Docket No. 23-021-R to begin at 9:30 a.m. on August 31, 2023, in the Hearing Room of the Arkansas Public Service Commission Building, 1000 Center Street, Little Rock, Arkansas 72201. This docket was initiated for a rulemaking pursuant to Act 278 of 2023 to develop revised Net-Metering Rules (NMRs). The purpose of this hearing is to consider the proposed draft rules and all comments submitted thereon. A copy of the proposed rules may be viewed on the Commission website, located at www.arkansas.gov/psc.

Any interested person or entity may offer oral public comments at the hearing or submit written public comments before the hearing in writing at the address listed below or electronically via the Commission's website.

If you plan to attend the public hearing and need special facilities or assistance relating to a disability, please contact the Secretary of the Commission at (501) 682-5782 no later than three (3) days prior to the hearing.

Further information may be obtained by viewing the Commission's web site at www.arkansas.gov/psc, or by contacting the Office of the Secretary of the Commission, at 1000 Center Street, P.O. Box 400, Little Rock, Arkansas 72203-0400, by phone (501) 682-5782, or by e-mail at apsc.soc@arkansas.gov.

1 State of Arkansas As Engrossed: S2/22/23 S2/27/23 S3/6/23

2 94th General Assembly

A Bill

3 Regular Session, 2023

SENATE BILL 295

4

5 By: Senator J. Dismang

6 By: Representative L. Fite

7

8

For An Act To Be Entitled

9

AN ACT TO AMEND THE ARKANSAS RENEWABLE ENERGY

10

DEVELOPMENT ACT OF 2001; TO PREVENT COST-SHIFTING AND

11

ENSURE FAIRNESS TO ALL RATEPAYERS; TO CREATE THE

12

CUSTOMER PROTECTIONS FOR NET-METERING CUSTOMERS ACT;

13

TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

14

15

16

Subtitle

17

TO AMEND THE ARKANSAS RENEWABLE ENERGY

18

DEVELOPMENT ACT OF 2001; TO PREVENT COST-

19

SHIFTING AND ENSURE FAIRNESS TO ALL

20

RATEPAYERS; TO CREATE THE CUSTOMER

21

PROTECTIONS FOR NET-METERING CUSTOMERS

22

ACT; AND TO DECLARE AN EMERGENCY.

23

24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

26

27 SECTION 1. Arkansas Code Title 23, Chapter 18, Subchapter 6 is amended

28 to read as follows:

29 Subchapter 6 – Arkansas ~~Renewable Energy Development~~ Cost-Shifting Prevention

30

Act of ~~2001~~ 2023

31

32 23-18-601. Title.

33 This subchapter shall be known and cited as the “Arkansas ~~Renewable~~

34 ~~Energy Development~~ Cost-Shifting Prevention Act of ~~2001~~ 2023”.

35

36 23-18-602. Legislative findings and declarations.



1 ~~(a) Net energy metering encourages the use of renewable energy~~
 2 ~~resources and renewable energy technologies by reducing utility~~
 3 ~~interconnection and administrative costs for small consumers of electricity.~~
 4 ~~More than thirty (30) other states have passed similar laws or regulations in~~
 5 ~~support of net energy metering programs. Increasing the consumption of~~
 6 ~~renewable resources promotes the wise use of Arkansas's natural energy~~
 7 ~~resources to meet a growing energy demand, increases Arkansas's use of~~
 8 ~~indigenous energy fuels while reducing dependence on imported fossil fuels,~~
 9 ~~fosters investments in emerging renewable technologies to stimulate economic~~
 10 ~~development and job creation in the state, including the agricultural~~
 11 ~~sectors, reduces environmental stresses from energy production, and provides~~
 12 ~~greater consumer choices. The General Assembly finds that:~~

13 ~~(1) Arkansas has an established process for the billing option~~
 14 ~~that enables customer-owned net-metering facilities to offset part or all of~~
 15 ~~a net-metering customer's electric consumption;~~

16 ~~(2) This billing option should continue subject to certain~~
 17 ~~modifications for the benefit and rate protection of all electric utility~~
 18 ~~customers in Arkansas; and~~

19 ~~(b)(3) Arkansas has actively encouraged the manufacture of new~~
 20 ~~technologies in the state through promotion of the Arkansas Emerging~~
 21 ~~Technology Development Act of 1999, § 15-4-2101 et seq. [repealed]. Net~~
 22 ~~metering would help to further attract energy technology manufacturers, to~~
 23 ~~provide a foothold for these technologies in the Arkansas economy, and to~~
 24 ~~make it easier for customer access to these technologies.~~

25 ~~(c) Therefore, the General Assembly finds that it It is in Arkansas's~~
 26 ~~long-term interest to adopt this subchapter the modifications set forth in~~
 27 ~~this subchapter.~~

28
 29 23-18-603. Definitions.

30 As used in this subchapter:

31 (1) "Avoided cost" means:

32 (A) For an electric utility other than a municipal
 33 utility, the ~~costs to an electric utility of electric energy or capacity, or~~
 34 ~~both, that, but for the generation from the net-metering facility or~~
 35 ~~facilities, the utility would generate itself or purchase from another~~
 36 ~~source, as determined by a commission consistent with § 23-3-701 et seq.~~

1 twelve-month average for the prior calendar year of the applicable Locational
 2 Marginal Price associated with the electric utility's load zone in the
 3 following applicable Independent System Operator market:

4 (i) The Midcontinent Independent System Operator; or

5 (ii) The Southwest Power Pool; or

6 (B) For a municipal utility, the definition provided by
 7 the governing body of the municipal utility;

8 (2) "Commission" means the Arkansas Public Service Commission or
 9 other appropriate governing body for an electric utility as defined in
 10 subdivision (3) of this section;

11 (3) "Electric utility" means a public or investor-owned utility,
 12 an electric cooperative, or any private power supplier or marketer that is
 13 engaged in the business of supplying electric energy to the ultimate consumer
 14 or any customer classes within the state;

15 (4) "Monthly grid charge" means a charge expressed in dollars
 16 per kilowatt applied to the nameplate alternating current capacity of the
 17 net-metering facility;

18 ~~(4)(A)(5)(A)~~ "Municipal utility" means a utility system owned or
 19 operated by a municipality that provides electricity.

20 (B) "Municipal utility" includes without limitation a:

21 (i) Utility system managed or operated by a
 22 nonprofit corporation under § 14-199-701 et seq.; and

23 (ii) Utility system owned or operated by a
 24 municipality or by a consolidated utility district under the General
 25 Consolidated Public Utility System Improvement District Law, § 14-217-101 et
 26 seq.;

27 ~~(5)(6)~~ "Net excess generation" means the amount of electricity
 28 as measured in kilowatt hours or kilowatt hours multiplied by the applicable
 29 rate that a net-metering customer has fed back to the electric utility that
 30 exceeds the amount of electricity as measured in kilowatt hours or kilowatt
 31 hours multiplied by the applicable rate used by that customer during the
 32 applicable period determined by a commission;

33 ~~(6)(7)~~ "Net metering" means ~~measuring a billing option that~~
 34 measures the ~~difference in~~ amount of electricity as measured in kilowatt
 35 hours ~~or kilowatt hours multiplied by the applicable rate~~ supplied by an
 36 electric utility to a an individual net-metering customer and separately

1 measuring the electricity as measured in kilowatt hours generated by a net-
2 metering customer and an individual net-metering customer's net-metering
3 facility and fed back to the electric utility over the applicable period
4 determined by a commission;

5 (8) "Net-metering surplus" means the dollar value resulting from
6 multiplying the avoided cost of the electric utility to all kilowatt hours
7 supplied to the electric utility by a net-metering customer during the
8 applicable billing period under § 23-18-604(c)(4);

9 ~~(7)~~(9)(A) "Net-metering customer" means a an individual customer
10 of an electric utility that:

11 ~~(A)~~(i) Is an owner of a net-metering facility;

12 ~~(B)~~(ii) Leases a net-metering facility subject to the
13 following limitations:

14 ~~(i)~~(a) A lease shall not permit the sale of electric
15 energy measured in kilowatt hours or electric capacity measured in kilowatts
16 between the lessor and lessee; and

17 ~~(ii)~~(b) A lease shall not include any charge per
18 kilowatt hour or any charge per kilowatt; or

19 ~~(C)~~(iii)(a) Is a government entity or other entity that is
20 exempt from state and federal income tax, and that, for the sole purpose of
21 this subchapter, obtains electric energy from a net-metering facility under a
22 service contract qualifying for safe-harbor protection as provided under 26
23 U.S.C. § 7701(e)(3)(A), as in effect on ~~July 24, 2019;~~ August 16, 2022.

24 (b) Revenues collected under contracts for
25 obtaining electric energy from a net-metering facility under a service
26 contract qualifying for safe-harbor protection as provided under 26 U.S.C. §
27 7701(e)(3)(A), as in effect on August 16, 2022, are exempt from state and
28 local sales taxes.

29 (B) "Net-metering customer" does not mean a customer that
30 is an interruptible customer of the electric utility and takes service under
31 an electric utility's rate schedule for interruptible service, unless a
32 commission has:

33 (i) Considered an application and issued an order, before
34 December 31, 2022, addressing an individual net-metering customer's
35 application for approval of a net-metering facility with a name plate
36 generating capacity in excess of ten thousand kilowatts (10,000 kW) where an

1 individual net-metering customer also takes service under an electric
2 utility's rate schedule for interruptible service; and

3 (ii) Concluded that it is in the public interest for that
4 individual interruptible customer to be a net-metering customer;

5 ~~(8)(10)~~ "Net-metering facility" means a facility for the
6 production of electric energy to meet all or part of a net-metering
7 customer's need for electric energy within a single utility's allocated
8 service territory that:

9 (A) Uses solar, wind, hydroelectric, geothermal, or
10 biomass resources to generate electricity, including, but not limited to,
11 fuel cells and micro turbines that generate electricity if the fuel source is
12 entirely derived from renewable resources;

13 (B)(i) Has a nameplate generating capacity of not more
14 than:

15 ~~(i)(a)~~ The greater of twenty-five kilowatts (25 kW)
16 ~~or one~~ For a residential customer for residential use, the lesser of twenty-
17 five kilowatts (25 kW) alternating current or one hundred percent (100%) of
18 the net-metering customer's highest monthly usage in the previous twelve (12)
19 months for residential use unless an individual net-metering customer's net-
20 metering facility with a greater amount is included in a standard
21 interconnection agreement executed before December 31, 2022;

22 ~~(ii)(b)~~ For customers of electric utilities, one
23 thousand kilowatts (1,000 kW) for use other than residential use unless
24 ~~otherwise allowed by a commission under § 23-18-604~~ For nonresidential
25 customers of electric utilities for nonresidential use, less than or equal to
26 the lesser of five thousand kilowatts (5,000 kW) alternating current or one
27 hundred percent (100%) of the net-metering customer's highest monthly usage
28 in the previous twelve (12) months within a single utility's allocated
29 service territory where a single net-metering facility is physically located
30 behind a net-metering customer's electric utility meter that represents one
31 hundred percent (100%) of the net-metering customer's energy usage served by
32 the net-metering facility; or

33 ~~(iii)(c)~~ For customers of a municipal utility,
34 the limits established by the governing body of the municipal utility under §
35 23-18-605+.

36 (ii)(a) The total nameplate generating capacity of

1 all net-metering facilities owned by, leased by, or providing electric energy
2 under one (1) or more qualifying service contracts of an individual net-
3 metering customer serving multiple meter locations under common ownership of
4 any net-metering customer, within a single utility's allocated service
5 territory, shall be less than or equal to the lesser of five thousand
6 kilowatts (5,000 kW) alternating current or one hundred percent (100%) of the
7 net-metering customer's highest monthly usage in the previous twelve (12)
8 months, unless:

9 (1) A commission approved a greater
10 amount for an individual net-metering customer before December 31, 2022;

11 (2) An individual net-metering customer
12 has executed a contract with a net-metering facility developer by February
13 22, 2023, to purchase a net-metering facility with a nameplate capacity not
14 to exceed twenty thousand kilowatts (20,000 kW) and has filed the contract
15 with a commission under a protective order by March 31, 2023; or

16 (3) An individual net-metering customer
17 filed an application with a commission for approval of a net-metering
18 facility with a nameplate generating capacity not to exceed twenty thousand
19 kilowatts (20,000 kW) before December 31, 2022.

20 (b)(1) A net-metering facility serving
21 multiple meter locations under common ownership shall be located on a
22 separate property from any other net-metering facility or only co-locate on a
23 property with one (1) other net-metering facility within a single utility's
24 allocated service territory.

25 (2) For a net-metering facility under
26 subdivision (10)(B)(ii)(b)(1) of this section, the nameplate generating
27 capacity under this subdivision (10)(B)(ii) includes the total kilowatt
28 nameplate-generating capacity of all net-metering facilities serving multiple
29 meter locations under common ownership within a single electric utility's
30 allocated service territory owned by, leased by, or providing electric energy
31 under one (1) or more qualifying service contracts to a net-metering
32 customer, including without limitation any net-metering facilities serving
33 multiple meter locations under common ownership;

34 (C) Is located in Arkansas;

35 (D) Can operate in parallel with an electric utility's
36 ~~existing transmission and distribution facilities~~ existing distribution

1 facilities or, if permitted by the electric utility, an electric utility's
 2 transmission facilities;

3 (E) Is intended ~~primarily~~ to offset part or all of ~~the~~ an
 4 individual net-metering ~~customer~~ customer's requirements for electricity; and

5 (F)(i) May include an energy storage device that is
 6 configured to receive electric energy solely from a net-metering facility.

7 (ii) The capacity of an energy storage device shall
 8 not be used to calculate the capacity limits listed in subdivision

9 ~~(8)(B)~~(10)(B) of this section if the energy storage device is configured to
 10 receive electric energy solely from a net-metering facility;

11 ~~(9) "Quantifiable benefits" means the:~~

12 ~~(A) Reasonably demonstrated costs that:~~

13 ~~(i) Are related to the provision of electric service~~
 14 ~~and based on the utility's most recent cost-of-service study filed with the~~
 15 ~~commission; and~~

16 ~~(ii) Will be avoided by the utility by the use of~~
 17 ~~net metering;~~

18 ~~(B) Monetary value provided to a utility by the use of net~~
 19 ~~metering as specified by a market mechanism, if any, of the regional~~
 20 ~~transmission organization of which the electric utility is a member; and~~

21 ~~(C) Monetary value provided to a utility by the use of net~~
 22 ~~metering as specified by a market mechanism, if any, that measures utility~~
 23 ~~distribution system benefits; and~~

24 ~~(10)~~(11) "Renewable energy credit" means the environmental,
 25 economic, and social attributes of a unit of electricity, such as a megawatt
 26 hour, generated from renewable fuels that can be sold or traded separately.

27
 28 23-18-604. Commission authority – Definition.

29 (a)(1) An electric utility shall allow net-metering facilities to be
 30 interconnected using, at a minimum, a single standard two-channel digital
 31 meter capable of registering the flow of electricity in two ~~(2)~~ directions
 32 that separately measures the electric energy in kilowatt hours that is:

33 (A) Supplied by an electric utility to the net-metering
 34 customer; and

35 (B) Generated by the net-metering customer's net-metering
 36 facility and fed back to an electric utility.

1 (2) An electric utility may impose a charge to recover any cost
2 of the standard two-channel digital meter that is not otherwise included in
3 the rates paid by the net-metering customer.

4 (b)(1) Following notice, ~~and~~ opportunity for public comment, ~~and a~~
5 hearing, a commission ~~shall~~+

6 ~~(1) Shall establish appropriate rates, terms, and conditions for~~
7 net metering, including without limitation the adoption or revision of any
8 applicable rules on or before December 31, 2023+

9 ~~(2) For net-metering customers who receive service under a rate~~
10 ~~that does not include a demand component, may~~+

11 ~~(A) Require an electric utility to credit the net-metering~~
12 ~~customer with any accumulated net excess generation as measured in kilowatt~~
13 ~~hours or kilowatt hours multiplied by the applicable rate in the next~~
14 ~~applicable billing period and base the bill of the net-metering customer on~~
15 ~~the net amount of electricity as measured in kilowatt hours or kilowatt hours~~
16 ~~multiplied by the applicable rate that the net-metering customer has received~~
17 ~~from or fed back to the electric utility during the billing period~~+

18 ~~(B) Take the following actions if those actions are in the~~
19 ~~public interest and doing so will not result in an unreasonable allocation of~~
20 ~~or increase in costs to other utility customers~~+

21 ~~(i) Separately meter the electric energy, measured~~
22 ~~in kilowatt hours, supplied by the electric utility to the net-metering~~
23 ~~customer and the electric energy, measured in kilowatt hours, that is~~
24 ~~generated by the net-metering customer's net-metering facility that is fed~~
25 ~~back to the electric utility at any time during the applicable billing~~
26 ~~period~~+

27 ~~(ii) Apply the commission-approved retail rate to~~
28 ~~all kilowatt hours that are supplied by the electric utility to a net-~~
29 ~~metering customer by the electric utility during the applicable period~~
30 ~~determined by a commission~~+

31 ~~(iii) Apply the avoided cost of the electric utility~~
32 ~~plus any additional sum determined under subdivision (b)(2)(B)(iv) of this~~
33 ~~section to all kilowatt hours supplied to the electric utility by a net-~~
34 ~~metering customer, during the period determined by a commission, which shall~~
35 ~~be credited to the total bill of the net-metering customer in a dollar value~~;
36 ~~and~~

1 ~~(iv) The additional sum added to the avoided cost of~~
 2 ~~the electric utility may be applied after the demonstration of quantifiable~~
 3 ~~benefits by the net metering customer and shall not exceed forty percent~~
 4 ~~(40%) of the avoided cost of the electric utility;~~

5 ~~(C) Authorize an electric utility to assess a net metering~~
 6 ~~customer that is being charged a rate that does not include a demand~~
 7 ~~component a per kilowatt hour fee or charge to recover the quantifiable~~
 8 ~~direct demand related distribution cost of the electric utility for providing~~
 9 ~~electricity to the net metering customer that is not;~~

10 ~~(i) Avoided as a result of the generation of~~
 11 ~~electricity by the net metering facility; and~~

12 ~~(ii) Offset by quantifiable benefits; or~~

13 ~~(D) Take other actions that are in the public interest and~~
 14 ~~do not result in an unreasonable allocation of costs to other utility~~
 15 ~~customers; The right to a hearing under this subsection may be waived by the~~
 16 ~~parties.~~

17 (c) Through its actions under subdivision (b)(1) of this section, a
 18 commission shall:

19 (1)(A) Ensure that each net-metering customer pays either the
 20 entire costs of an electric utility's facilities and associated expenses or
 21 the appropriate portion of the costs and associated expenses as determined
 22 under a rate schedule approved by a commission required to:

23 (i) Provide service to the net-metering customer;
 24 and

25 (ii) Enable the net-metering customer's use of the
 26 electric utility's facilities.

27 (B) The costs described under subdivision (c)(1)(A) of
 28 this section include without limitation any costs that are:

29 (i) Recovered through rates using the cost-of-
 30 service study underlying the rates approved by a commission in the electric
 31 utility's most recent application for a general change or modification of the
 32 electric utility's rates under § 23-4-401 et seq.;

33 (ii) Recovered through riders or surcharges; and

34 (iii) Adjusted for any commission-approved:

35 (a) Formula rate plan adjustments under the
 36 Formula Rate Review Act, § 23-4-1201 et seq.; or

1 (b) Adjustments under § 23-4-901 et seq.

2 (C) By December 31, 2023, a commission shall approve
3 modifications to each electric utility's rate schedules applicable to net-
4 metering customers pursuant to the rate structure the electric utility elects
5 under § 23-18-606(a);

6 (2) Allow an electric utility to modify the rates, terms, and
7 conditions, including without limitation the rate structure and any
8 individual rate components for net-metering customers, subject to approval by
9 the commission, without filing an application for a general change or
10 modification of the electric utility's rates under § 23-4-401 et seq.;

11 (3) Not adjust the costs of an electric utility's facilities and
12 associated expenses required to provide service to a net-metering customer
13 and to enable the net-metering customer's use of the electric utility's
14 facilities as specified in subdivision (c)(1)(A) of this section with any
15 amounts that are not quantified in the cost-of-service study underlying the
16 retail rates approved by a commission in the electric utility's most recent
17 application for a general change or modification in rates under § 23-4-401 et
18 seq., including without limitation any commission-approved;

19 (A) Formula rate plan adjustments under the Formula Rate
20 Review Act, § 23-4-1201 et seq.; or

21 (B) Adjustments under § 23-4-901 et seq.;

22 (4) Establish rates for a net-metering customer using one (1) of
23 the rate structures under § 23-18-606;

24 (5) Separately meter the electric energy, measured in kilowatt
25 hours, supplied by the electric utility to the net-metering customer and the
26 electric energy, measured in kilowatt hours, that is fed back to the electric
27 utility from the net-metering customer's net-metering facility at any time
28 during the applicable billing period;

29 (6) Apply the commission-approved customer charge, demand
30 charge, or minimum bill provision and other applicable commission-approved
31 charges addressed in subdivision (c)(1)(A) of this section;

32 (7) Apply the commission-approved charges addressed in
33 subdivision (c)(1)(A) of this section to the applicable net-metering
34 customers, including without limitation any rates, riders, and surcharges
35 that are applied based on the volume of kilowatt hours of electricity
36 supplied by an electric utility, to all kilowatt hours that are supplied by

1 the electric utility to a net-metering customer by the electric utility
2 during the applicable billing period;

3 (8) Authorize an electric utility to recover any net-metering
4 surplus or the dollar value of any net excess generation applied to the bills
5 of net-metering customers in the same manner that the electric utility
6 recovers the cost of fuel and purchased energy;

7 ~~(3) Shall require that net metering equipment be installed to~~
8 ~~accurately measure the electricity;~~

9 ~~(A) Supplied by the electric utility to each net metering~~
10 ~~customer; and~~

11 ~~(B) Generated by each net metering customer that is fed~~
12 ~~back to the electric utility over the applicable billing period;~~

13 ~~(4) May authorize (9)(A) Authorize an electric utility to~~
14 ~~assess a net-metering customer a greater fee or charge of any type, if the~~
15 ~~electric utility's direct costs of interconnection and administration of net~~
16 ~~metering outweigh the distribution system, environmental, and public policy~~
17 ~~benefits of allocating the costs among the electric utility's entire customer~~
18 ~~base standard one-time fee, to be approved by the commission, to recover~~
19 ~~administrative and related interconnection review costs.~~

20 (B) Any costs incurred by the electric utility for an
21 interconnection study are the sole responsibility of the net-metering
22 customer and shall be paid in advance of any work's being undertaken by the
23 electric utility to:

24 (i) Enable the interconnection; and

25 (ii) Recover the electric utility's direct costs of
26 interconnection and any grid upgrades required to connect the net-metering
27 customer's net-metering facility;

28 (10)(A) Require that a net-metering customer retains any
29 renewable energy credit created as a result of the electricity supplied by a
30 net-metering customer that generated the renewable energy credit.

31 (B) The renewable energy credit may be retained, retired,
32 or sold for the sole benefit of the net-metering customer; and

33 ~~(5) For net metering customers who receive service under a rate~~
34 ~~that does not include a demand component, shall require an electric utility~~
35 ~~to credit a net metering customer with the amount of any accumulated net~~
36 ~~excess generation as measured in kilowatt hours or kilowatt hours multiplied~~

1 ~~by the applicable rate in the next applicable billing period;~~

2 ~~(6) Except as provided in subdivision (b)(9) of this section,~~
3 ~~for net metering customers who receive service under a rate that includes a~~
4 ~~demand component, shall require an electric utility to credit the net-~~
5 ~~metering customer with any accumulated net excess generation in the next~~
6 ~~applicable billing period and base the bill of the net metering customer on~~
7 ~~the net amount of electricity that the net metering customer has received~~
8 ~~from or fed back to the electric utility during the billing period;~~

9 ~~(7) May expand the scope of net metering to include additional~~
10 ~~facilities that do not use a renewable energy resource for a fuel if so doing~~
11 ~~results in distribution system, environmental, or public policy benefits;~~

12 ~~(8) Shall provide that:~~

13 ~~(A)(i) The amount of the net excess generation credit as~~
14 ~~measured in kilowatt hours or kilowatt hours multiplied by the applicable~~
15 ~~rate remaining in a net metering customer's account at the close of a billing~~
16 ~~cycle shall not expire and shall be carried forward to subsequent billing~~
17 ~~cycles indefinitely.~~

18 ~~(ii) However, for net excess generation credits~~
19 ~~older than twenty-four (24) months, a net metering customer may elect to have~~
20 ~~the electric utility purchase the net excess generation credits in the net-~~
21 ~~metering customer's account at the electric utility's avoided cost, plus any~~
22 ~~additional sum determined under this section, if the sum to be paid to the~~
23 ~~net metering customer is at least one hundred dollars (\$100).~~

24 ~~(iii) An electric utility shall purchase at the~~
25 ~~electric utility's avoided cost, plus any additional sum determined under~~
26 ~~this section, any net excess generation credit remaining in a net metering~~
27 ~~customer's account when the net metering customer:~~

28 ~~(a) Ceases to be a customer of the electric~~
29 ~~utility;~~

30 ~~(b) Ceases to operate the net metering~~
31 ~~facility; or~~

32 ~~(c) Transfers the net metering facility to~~
33 ~~another person; and~~

34 ~~(B) A renewable energy credit created as the result of~~
35 ~~electricity supplied by a net metering customer is the property of the net-~~
36 ~~metering customer that generated the renewable energy credit; and~~

1 ~~(9) May allow a net metering facility with a generating capacity~~
2 ~~that exceeds the limits provided under § 23-18-603(8)(B)(ii) or § 23-18-~~
3 ~~603(8)(B)(iii) of up to twenty thousand kilowatts (20,000 kW) if:~~

4 ~~(A) For any net metering facility with a generating~~
5 ~~capacity of less than five thousand kilowatts (5,000 kW):~~

6 ~~(i) The net metering facility is not for residential~~
7 ~~use;~~

8 ~~(ii) Increasing the generating capacity limits for~~
9 ~~individual net metering facilities results in distribution system,~~
10 ~~environmental, or public policy benefits or allowing an increased generating~~
11 ~~capacity for the net metering facility would increase the state's ability to~~
12 ~~attract businesses to Arkansas; and~~

13 ~~(iii) Allowing an increased generating capacity for~~
14 ~~the net metering facility is in the public interest; or~~

15 ~~(B) For any net metering facility with a generating~~
16 ~~capacity of greater than five thousand kilowatts (5,000 kW):~~

17 ~~(i) The net metering facility is not for residential~~
18 ~~use;~~

19 ~~(ii) Increasing the generating capacity limits for~~
20 ~~individual net metering facilities results in distribution system,~~
21 ~~environmental, or public policy benefits or allowing an increased generating~~
22 ~~capacity for the net metering facility would increase the ability of the~~
23 ~~state to attract business to Arkansas;~~

24 ~~(iii) Allowing an increased generating capacity for~~
25 ~~the net metering facility does not result in an unreasonable allocation of~~
26 ~~costs to other utility customers; and~~

27 ~~(iv) Allowing an increased generating capacity for~~
28 ~~the net metering facility is in the public interest; and~~

29 ~~(10)(A) Shall allow the net metering facility of a net metering~~
30 ~~customer who has submitted a standard interconnection agreement, as referred~~
31 ~~to in the rules of the Arkansas Public Service Commission, to the electric~~
32 ~~utility after July 24, 2019, but before December 31, 2022, to remain under~~
33 ~~the rate structure in effect when the net metering contract was signed, for a~~
34 ~~period not to exceed twenty (20) years, subject to approval by a commission.~~

35 ~~(B) A net metering facility under subdivision (b)(10)(A)~~
36 ~~of this section remains subject to any other change or modification in rates,~~

1 ~~terms, and conditions~~ (11)(A) Allow a net-metering facility of an individual
2 net-metering customer to remain under the rate structure, terms, and
3 conditions in effect before December 31, 2022, until June 1, 2040, if the
4 net-metering customer has:

5 (i) Submitted a standard interconnection agreement
6 to the electric utility before September 30, 2024;

7 (ii) Submitted a facilities agreement or equivalent
8 document to establish an account with an electric utility and paid all costs
9 of constructing the electric utility facilities necessary to interconnect the
10 net-metering facility before September 30, 2024; or

11 (iii) Filed a complaint with a commission addressing
12 a disputed facilities agreement or equivalent document to establish an
13 account with an electric utility after the presentation by the electric
14 utility to the net-metering customer of the facilities agreement or
15 equivalent document and the required costs of constructing the facilities
16 necessary to interconnect the net-metering facility before September 30,
17 2024.

18 (B) A net-metering facility of an individual net-metering
19 customer that does not meet the requirements of subdivision (c)(11)(A) of
20 this section shall be billed using one (1) of the rate structures established
21 in § 23-18-606.

22 (C) A net-metering facility billed using the rate
23 structures described in subdivisions (c)(11)(A) and (B) of this section
24 remains subject to any other change or modification in rates, terms, and
25 conditions.

26 ~~(e)(1)(d)(1)~~ Except as provided in subdivision ~~(e)(2)(d)(2)~~ of this
27 section, an electric utility shall separately meter, bill, and credit each
28 net-metering facility even if one (1) or more net-metering facilities are
29 under common ownership.

30 (2)(A)(i) At ~~the~~ an individual net-metering customer's
31 discretion, an electric utility ~~may~~ shall apply net-metering credits for
32 customers who are billed under § 23-18-606(a)(2)(A)-(G) or the net-metering
33 surplus for all other customers from a an individual net-metering customer's
34 net-metering facility to the bill for another meter location of the
35 individual net-metering customer if the net-metering facility and the
36 separate meter location are under common ownership of the same individual

1 net-metering customer within a single electric utility's allocated service
2 area territory and:

3 (a) Are located within a one hundred (100)
4 miles radius of the individual net-metering customer's net-metering facility,
5 unless:

6 (1) A commission approved a greater
7 distance for an individual net-metering customer before December 31, 2022;

8 (2) An individual net-metering customer
9 has executed a contract with a net-metering facility developer by February
10 22, 2023, to purchase a net-metering facility with a nameplate capacity not
11 to exceed twenty thousand kilowatts (20,000 kW) with a greater distance and
12 has filed that contract with a commission under a protective order by March
13 31, 2023; or

14 (3) An individual net-metering customer
15 has filed an application with a commission for approval of a net-metering
16 facility with a nameplate generating capacity not to exceed twenty thousand
17 kilowatts (20,000 kW) with a greater distance before December 31, 2022; or

18 (b) For a net-metering facility that did not
19 require approval by a commission, are constructed at a greater distance and
20 included in an executed standard interconnection agreement submitted before
21 December 31, 2023.

22 ~~(ii) Subdivision (e)(2)(A)(i) of this section does~~
23 ~~not apply if more than two (2) customers that are governmental entities or~~
24 ~~other entities that are exempt from state and federal income tax defined~~
25 ~~under § 23-18-603(7)(C) co-locate at a site hosting the net-metering facility~~
26 A separate meter location under subdivision (d)(2)(A)(i) of this section
27 shall be credited only with net-metering surplus from one (1) net-metering
28 facility owned by, leased by, or providing electric service under a
29 qualifying service contract of the same individual net-metering customer,
30 with all accounts being under common ownership for the same individual net-
31 metering customer.

32 ~~(B) Net-excess-generation~~ Net-metering surplus shall be
33 credited first to ~~the~~ an individual net-metering customer's bill for the
34 meter to which the net-metering facility is physically attached.

35 ~~(C) After applying net-excess-generation~~ net-metering
36 surplus under subdivision ~~(e)(2)(B)(d)(2)(B)~~ of this section and upon request

1 of the net-metering customer under subdivision ~~(e)(2)(A)~~(d)(2)(A) of this
2 section, any remaining ~~net-excess-generation~~ net-metering surplus shall be
3 credited to one (1) or more of the individual net-metering customer's bills
4 for the individual net-metering customer's meters in the rank order provided
5 by the individual net-metering customer.

6 ~~(d)~~(e) A person ~~who~~ that acts as a lessor or service provider as
7 described in ~~§ 23-18-603(7)(B)~~ § 23-18-603(9)(B) or ~~§ 23-18-603(7)(C)~~ § 23-
8 18-603(9)(C) shall not be considered a public utility as defined in § 23-1-
9 101.

10 (f) An electric utility shall not be obligated to:

11 (1) Accept or release any portion of its or another electric
12 utility's allocated service territory to accommodate the development,
13 construction, or operation of a net-metering facility; or

14 (2) Publish, provide, or release any information regarding its
15 electric utility facilities or system to aid in the location of the net-
16 metering facilities beyond its established site review process.

17
18 23-18-605. Municipal utilities.

19 (a) A municipal utility shall allow net-metering facilities to be
20 interconnected according to the ordinances, rules, or regulations established
21 by the governing body of the municipal utility.

22 (b) The governing body of a municipal utility may elect to follow
23 procedures under § 23-18-604, § 23-18-606, or § 23-18-607 or may adopt
24 ordinances, rules, or regulations establishing the rates, terms, and
25 conditions allowing the interconnection of net-metering facilities, including
26 generation facilities and energy storage devices, whether owned or leased by
27 a customer or operated by a third party on behalf of a customer.

28 (c) The governing body of a municipal utility may limit the generating
29 capacity of a net-metering facility to less than twenty-five kilowatts (25
30 kW) for residential customers or three hundred kilowatts (300 kW) for
31 nonresidential customers only after the governing body finds that the
32 capacity limit is necessary for reliable utility operations or the public
33 health, safety, or welfare.

34 (d) The governing body of a municipal utility shall not establish a
35 rate or fee that reduces the value of electric energy from a net-metering
36 facility to below the avoided cost of the municipal utility.

1 (e) For customers who receive service under a rate that includes a
2 demand component, the governing body of the municipal utility shall require a
3 municipal utility to credit a net-metering customer with any accumulated net
4 excess generation in the next applicable billing period and base the bill of
5 the customer on the net amount of electricity that the net-metering customer
6 has received from or fed back to the municipal utility during the billing
7 period.

8
9 23-18-606. Rate structure determination.

10 (a) At its discretion, an electric utility may elect to use one (1) of
11 the following rate structures to develop rates for net-metering customers:

12 (1) A rate structure in which the electric utility:

13 (A) Separately meters the electric energy, measured in
14 kilowatt hours:

15 (i) Supplied by the electric utility to the net-
16 metering customer; and

17 (ii) Fed back to the electric utility from the net-
18 metering customer's net-metering facility at any time during the applicable
19 billing period;

20 (B) Applies the:

21 (i) Commission-approved customer charge, demand
22 charge, minimum bill provision, and other applicable commission-approved
23 charges under § 23-18-604(c)(1)(A);

24 (ii) Commission-approved charges under § 23-18-
25 604(c)(1)(A) to the applicable net-metering customers, including without
26 limitation any rates, riders, and surcharges applied based on the volume of
27 kilowatt hours of electricity supplied by an electric utility pursuant to the
28 rate structure the electric utility elects under this subsection; and

29 (iii) Avoided cost of the electric utility to all
30 kilowatt hours supplied to the electric utility by a net-metering customer
31 during the applicable billing period to be credited to the total bill of the
32 net-metering customer in a dollar value, excluding the customer charge and
33 any applicable demand charge or minimum bill provision that the net-metering
34 customer shall pay each month;

35 (C) Credits the net-metering customer with any accumulated
36 net-metering surplus as measured in dollars during the next applicable

1 billing period; and

2 (D) Credits the bills of the net-metering customer's other
3 meters with the net-metering surplus measured in dollars under § 23-18-
4 604(d)(2); or

5 (2) A rate structure in which the electric utility:

6 (A) Separately meters the electric energy, measured in
7 kilowatt hours:

8 (i) Supplied by the electric utility to the net-
9 metering customer; and

10 (ii) Fed back to the electric utility from the net-
11 metering customer's net-metering facility at any time during the applicable
12 billing period;

13 (B) Applies the:

14 (i) Commission-approved customer charge, demand
15 charge, minimum bill provision, and other applicable commission-approved
16 charges under § 23-18-604(c)(1)(A); and

17 (ii) Commission-approved riders or surcharges under
18 § 23-18-604(c)(1)(A), including without limitation any rates, riders, and
19 surcharges applied based on the volume of kilowatt hours of electricity
20 supplied by an electric utility pursuant to the rate structure the electric
21 utility elects under this subsection;

22 (C) Credits the net-metering customer with any accumulated
23 net excess generation during the next applicable billing period;

24 (D) Calculates the net kilowatt hours of the electric
25 energy supplied by the electric utility to the net-metering customer, less
26 the net excess generation and any net excess generation carried forward from
27 prior billing periods;

28 (E) Applies the commission-approved retail rate, except as
29 provided in subdivision (a)(2)(B) of this section, not to exceed the kilowatt
30 hours supplied to the net-metering customer by the electric utility during
31 the applicable billing period;

32 (F) Carries forward any net excess generation that exceeds
33 the kilowatt hours supplied by the electric utility during the applicable
34 billing period to the next billing period;

35 (G) Excludes any net excess generation applied to another
36 meter location of the net-metering customer under § 23-18-604(d); and

1 (H) Applies the monthly grid charge under § 23-18-607.

2 (b) A commission shall approve the rates established by a rate
3 structure used by an electric utility under subsection (a) of this section.

4
5 23-18-607. Monthly grid charge.

6 (a)(1) If an electric utility follows the rate structure in § 23-18-
7 606(2), the electric utility shall apply a monthly grid charge to:

8 (A) Collect any of the fixed charges that are collected
9 through volumetric charges, including without limitation any riders and
10 surcharges; and

11 (B) Exclude the cost of fuel and purchased energy.

12 (2) The monthly grid charge shall be calculated based upon the:

13 (A) Currently approved rates; and

14 (B) Cost-of-service study underlying the electric
15 utility's currently approved rates adjusted for any commission-approved:

16 (i) Formula rate plan adjustments under the Formula
17 Rate Review Act, § 23-4-1201 et seq.; or

18 (ii) Adjustments under § 23-4-901 et seq.

19 (b) The monthly grid charge under this section shall be calculated for
20 each customer class as follows:

21 (1)(A) Calculate the sum of all fixed costs collected through
22 volumetric rates.

23 (B) The fixed costs collected through volumetric rates
24 shall be any demand-related or customer-related costs collected in rates
25 stated in dollars per kilowatt hour; and

26 (2)(A) Convert the fixed costs calculated in subdivision (b)(1)
27 of this section into a rate, expressed in dollars per kilowatt hour, by
28 dividing the total of the fixed costs under subdivision (b)(1) of this
29 section for each customer class by the electric utility's sales during the
30 test-year used to develop the retail rates approved by the commission in the
31 electric utility's most recent application for a general change or
32 modification in rates under § 23-4-401 et seq.

33 (B) The monthly grid charge for each customer class shall
34 be determined by multiplying the fixed costs expressed under subdivision
35 (b)(2)(A) of this section by the expected monthly output of a one-kilowatt
36 alternating current solar photovoltaic solar system determined under

1 subsection (c) of this section.

2 (c)(1) The expected monthly output of a one-kilowatt *alternating*
3 current solar photovoltaic solar system shall be:

4 (A) Expressed in kilowatt hours; and

5 (B) Calculated by dividing the expected average annual
6 output for a one-kilowatt *alternating* current solar photovoltaic solar system
7 using the process described in subdivisions (c)(2) and (3) of this section by
8 twelve (12).

9 (2) For a fixed-tilt solar photovoltaic system, the average
10 annual output for a one-kilowatt *alternating* current solar photovoltaic solar
11 system shall be:

12 (A) Expressed in kilowatt hours; and

13 (B) Determined using the National Renewable Energy
14 Laboratory PVWatts Calculator using a direct current to alternating current
15 (DC/AC) ratio of one and one-tenth (1.1) using a single location central to
16 the electric utility's service territory.

17 (3) For a single-axis tracking solar photovoltaic system, the
18 average annual output for a one-kilowatt *alternating* current solar
19 photovoltaic solar system shall be:

20 (A) Expressed in kilowatt hours; and

21 (B) Determined using the National Renewable Energy
22 Laboratory PVWatts Calculator using a direct current to alternating current
23 (DC/AC) ratio of one and three-tenths (1.3) using a single location central
24 to the electric utility's service territory.

25 (d) The monthly grid charge shall not be less than the amount of any
26 electric utility fixed costs that are collected through volumetric charges,
27 including without limitation any riders, and excluding the cost of fuel and
28 purchased energy that the net-metering customer avoids.

29
30 SECTION 2. Arkansas Code Title 4, Chapter 88, is amended to add an
31 additional subchapter to read as follows:

32 Subchapter 11 – Customer Protections for Net-metering Customers Act

33
34 4-88-1101. Title.

35 This subchapter shall be known and may be cited as "Customer
36 Protections for Net-metering Customers Act".

1
2 4-88-1102. Definitions.

3 As used in this subchapter:

4 (1) "Net-metering customer" has the same meaning as defined in
5 the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq; and

6 (2) "Net-metering facility" has the same meaning as defined in
7 the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq.

8
9 4-88-1103. Net-metering customer protections.

10 The net-metering customer protections shall include without limitation
11 the following, a:

12 (1) Requirement that any person who sells or leases a net-
13 metering facility or who provides a net-metering service to a net-metering
14 customer under the Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601
15 et. seq shall:

16 (A)(i) Provide a prospective or existing net-metering
17 customer a minimum of five (5) business days to evaluate a proposal to
18 construct a net-metering facility to provide all or part of the prospective
19 or existing net-metering customer's needs for electric energy within a single
20 electric utility's allocated service territory.

21 (ii) The proposal to the prospective or existing
22 net-metering customer shall include:

23 (a) A description of the system and the
24 system's placement on the net-metering customer's premises or other location
25 consistent with the requirements of this subchapter;

26 (b) A description of the nameplate generating
27 capacity and expected monthly and annual output of the net-metering facility
28 in kilowatt hours;

29 (c) The estimated annual degradation to the
30 net-metering facility;

31 (d) An estimated timeline for the installation
32 of the net-metering facility;

33 (e) The total cost of the net-metering
34 facility;

35 (f) The amounts due at the signing for and at
36 the completion of the installation;

1 (g) The payment schedule;
2 (h) The payback period;
3 (i) The forecasted savings monthly and annual
4 bill savings provided by the proposed net-metering facility in dollars based
5 on the rate structure as defined in § 23-18-606;

6 (j) A description of any warranties;

7 (k) The length of the term of any warranties;

8 and

9 (l) Notice that the prospective or existing
10 net-metering customer may file a complaint with the Attorney General;

11 (B) Perform an energy efficiency audit on the potential or
12 existing net-metering customer's premises and any customer meter locations to
13 be served by the proposed net-metering facility as part of the proposal to
14 sell or lease a net-metering facility or provide a net-metering service to a
15 net-metering customer under the Arkansas Cost-Shifting Prevention Act of
16 2023, § 23-18-601 et. seq, or inform the prospective or existing net-metering
17 customer of how to obtain an energy efficiency audit; and

18 (C) Inform the prospective or existing net-metering
19 customer of the available energy efficiency measures to address the results
20 of the audit as part of the proposal to sell or lease a net-metering facility
21 or provide a net-metering service to a net-metering customer under the
22 Arkansas Cost-Shifting Prevention Act of 2023, § 23-18-601 et. seq;

23 (2) Demonstration to the prospective or existing net-metering
24 customer that the proposed net-metering facility meets all applicable safety
25 requirements and standards; and

26 (3) Demonstration to the prospective or existing net-metering
27 customer that the person who sells or leases a net-metering facility or who
28 provides a net metering service to a net metering customer holds:

29 (A) All required permits to install, construct, or operate
30 a net-metering facility in the state, and, if the governing county, city, or
31 local authority does not require an electrical inspection, an executed
32 certification that no electrical inspection or permit is required; and

33 (B) A bond or other acceptable financial security to
34 ensure proper maintenance of the net-metering facility and decommissioning of
35 the net-metering facility.

36

1 4-88-1104. Enforcement.

2 Any violation of this subchapter may be enforced under the powers of
3 the office of the Attorney General under the Arkansas Deceptive Trade
4 Practices Act, § 4-88-101 et seq., including without limitation all
5 enforcement powers.

6
7 SECTION 3. DO NOT CODIFY. TEMPORARY LANGUAGE. Rules.

8 (a) The Arkansas Public Service Commission, after notice and hearing,
9 shall:

10 (1) Modify the commission rules to conform to this act; and

11 (2) Submit the commission rules to the Legislative Council by
12 December 31, 2023.

13 (b) The commission shall approve modifications to the electric
14 utilities' rate schedules applicable to net-metering to conform to this act
15 by December 31, 2023.

16
17 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
18 General Assembly of the State of Arkansas that delay in the enactment of this
19 act may result in unjust, unreasonable, and unduly discriminatory rates; and
20 that this act is immediately necessary for the protection of Arkansas
21 ratepayers. Therefore, an emergency is declared to exist, and this act being
22 immediately necessary for the preservation of the public peace, health, and
23 safety shall become effective on:

24 (1) The date of its approval by the Governor;

25 (2) If the bill is neither approved nor vetoed by the Governor,
26 the expiration of the period of time during which the Governor may veto the
27 bill; or

28 (3) If the bill is vetoed by the Governor and the veto is
29 overridden, the date the last house overrides the veto.

30
31 */s/J. Dismang*

32
33
34 **APPROVED: 3/13/23**