



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 579

Chairperson: LeRoy Louden
Committee: Natural Resources
Date of Hearing: February 1, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 579 provides a process for the interconnection of qualified renewable electric generation facilities by distribution utility customers. It allows for the recovery of unavoidable costs by the distribution utility, provides for fair compensation to customer generators for excess energy produced and ensures that safety and reliability features are in place.

The Act will require local electric distribution utilities to interconnect qualified renewable energy generation facilities to the local distribution system. A qualified facility uses solar, wind, biomass or hydropower as its energy source, is on property owned or controlled by the customer, operates in parallel with the distribution system, is intended to offset all or a portion of the energy consumed on site and not for another location and meets applicable safety and reliability standards.

Local distribution systems may create a customer generator rate class or classes and may establish a facilities charge to collect the costs for use of the distribution system that are not avoided by the distribution system. This charge is intended to prohibit a shift of distribution costs from customer generators to the other customers of the local distribution utility. The facilities charge shall be based on a cost of service study and shall be non-discriminatory. Rate classes may be based on the size of the generation facility. Energy rates for the purchase or delivery of energy will not be less than the wholesale power supply rate.

An exemption from Power Review Board approval is given for customer generators.

Principal Introducer: _____
Senator LeRoy J. Louden