

Overview of Missouri’s “Net Metering and Easy Connection Act” for Municipalities

This legislation, passed in 2007, requires all electric utilities to allow customer-generators with units powered from renewable sources, to connect into their distribution system. The ability to connect is subject to compliance with certain restrictions contained in the law. The bill covered investor-owned utilities, rural co-ops, and municipal utilities.

The included sample material is designed to be included as a rider, or an addendum, to a city’s standard service contract. Also attached are sample applications for Net Metering and System Interconnection. They would not necessarily be part of the rider/addendum.

The first application creates a contract to allow a customer to both receive and sell power to the city. The second contract covers requirements for attaching to the city’s distribution system.

Cities have been required since September of 2007 to have policies governing net metering and interconnection and make them available to their citizens. That has not always happened.

Cities are required to notify all of their customers at least once per year of the existence of the net metering program by some method selected by the utility. A bill stuffer or notice on the monthly bill would be an obvious way, but not the only one.

The city body charged with setting rates is required to establish an “avoided fuel cost” rate. That rate is used to calculate the value of the energy that the customer-generator sells back to the city. In cities with their own generating facilities, that would be the average cost of the fuel used to generate the same amount of electrical energy as provided by the customer generator. In cities without generating facilities, the city may elect to identify the rate their supplier charges them for the energy, but not the demand charge.

Obviously a city has the ability to adopt more generous terms and conditions than provided in the attached document(s). These are provided to demonstrate what is required at a minimum.

If you have questions, please don’t hesitate to contact Floyd Gilzow, Director of Member Relations and Public Affairs at 573-445-3279 or fgilzow@mpua.org.