

HB 187: Updating Kentucky's Net-Metering Law: Expanding Freedom

Kentuckians want freedom to produce their own power. Present law unduly restricts the size of these systems. HB 187 addresses this issue.

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What is net-metering?

Net-metering allows Kentuckians to connect renewable energy systems (i.e. – biomass, solar, wind, or hydroelectric) to the electric grid. When a system generates power, some or all of it is used on-site. Any excess flows back to the grid and is credited to the customer's account. Customers do not get paid for producing excess power – they either consume it or get credit against future consumption. Systems are designed to produce no more than the customer's average annual use.

43 states have net metering. Net metering has existed in Kentucky since 2004. Present law allows systems up to 30 kilowatts in size to connect to all investor-owned utilities and electric cooperatives. Municipal and TVA-served utilities are exempt from the law, although some municipal utilities have adopted net metering policies. TVA offers a similar program that pays a premium for renewable power.

The 30 kilowatt limit on net metering restricts the ability of businesses, farms, schools, and local governments to produce their own power. For many commercial customers, a 30 kilowatt generator would produce only a small fraction of their power needs, thereby limiting their ability to become energy independent. 17 states allow net metering up to 2 megawatts or more. Scotty's Warehousing & Distribution has a 2 megawatt solar PV system at their facility in Bowling Green, installed under TVA's Generation Partner's Program.

What HB 187 bill will do:

The bill increases the size of eligible net-metered systems from 30 kilowatts to two megawatts (2 MW). This would give Kentuckians' the same rights people have in 17 other states, including Ohio. The bill would also allow more flexibility in financing and constructing eligible systems.

This bill:

- Creates jobs and strengthens Kentucky's economy
- Empowers people and businesses
- Diversifies Kentucky's energy supply and increases our security
- Protects our environment
- Supports energy independence



Net Metering – Expanding Freedom for Kentuckians to Produce Their Own Power

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