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NEWS RELEASE

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PSC to Take Comments on Net Metering Changes *Information will be used in individual utility net metering rate cases*

FRANKFORT, Ky. (July 30, 2019) – The Kentucky Public Service Commission (PSC) has opened a case to take comments on the implementation of a recent law that will change the way in which Kentucky electric utility customers receive credit for electricity they generate from solar panels and other renewable sources.

In an order issued today, the PSC said it wants to gather information that would be useful in future rate cases that will determine net metering rates for electric utilities. The PSC will make no decisions on net metering rates in this proceeding.

Written comments in the proceeding are due by September 20. The PSC will conduct a hearing to receive comments in person at 9 a.m. EDT on October 1 at the PSC offices in Frankfort.

The Kentucky General Assembly earlier this year passed and Gov. Matthew Bevin signed into law a bill that changes the way utilities will credit retail customers who generate electricity from renewable sources, primarily solar panels.

Under the new law, net metered customers will receive dollar credits at a compensation rate set by the PSC in rate proceedings for each utility, with the compensation amount for each billing period subtracted from the total bill for that period. The new law states that an electric utility is “entitled to implement rates to recover from its eligible (net metering customers) all costs necessary to serve” those customers, independent of the rate structure for all other customers.

The original net metering statute provided credits at the full retail rate, using a bi-directional meter that reflected whether a customer was producing more or less electricity than was being used. The customer bill reflected the net usage.

The new law takes effect on January 1, 2020. After that date, utilities may file applications with the PSC to implement new net metering rates. The new rates will take effect only after receiving PSC approval.

Homes and businesses which began receiving net metering service under the prior statute and rates will continue to do so for 25 years from the date at which net metering began. The 25-year period will not be affected if the property is sold.

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Investor-owned electric utilities – Duke Energy Kentucky, Kentucky Power Co., Kentucky Utilities Co., Louisville Gas & Electric Co. – will have to file individually to adjust their net metering rates. Kentucky's two generation and transmission cooperatives – Big Rivers Electric Corp. and East Kentucky Power Cooperative – may file on behalf of one or more of their distribution cooperatives or distribution cooperatives may file individual applications.

In today's order, the PSC said it will use the comments to develop a record that will be incorporated into the initial rate proceedings filed by utilities. The final order in this case will include a report summarizing the information received.

Each utility's new net metering rate will be established based on its particular circumstances, considering both the evidence in each case and the record of the current proceeding.

Today's order is available on the PSC website, psc.ky.gov. The case number is 2019-00256.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky.

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