

New Statutes Regarding Buying Power at Avoided Costs

Section 1. Terms used in this Act mean:

(1) "Avoided costs," the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the small renewable power facility, the electric utility would generate itself or purchase from another source;

(2) "Renewable resource," a resource that generates electricity from facilities using one or more of the following sources:

(a) Wind that uses wind as the source of energy to produce electricity;

(b) Solar that uses the sun as the source of energy to produce electricity;

(c) Hydroelectric that uses water as the source of energy to produce electricity;

(d) Hydrogen that is generated from one of the sources listed in this section;

(e) Biomass that uses agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, animal and other degradable organic wastes, municipal solid waste, or landfill gas as the fuel to produce electricity; and

(f) Geothermal that uses energy contained in heat that continuously flows outward from the earth as the source of energy to produce electricity.

(3) "Small renewable power facility," a facility that uses a renewable resource to produce electric power and has a power production capacity of 100 kilowatts or less.

Section 2. Each electric utility shall set standard rates for purchases from small renewable power facilities. The standard rates shall be based on the electric utility's avoided costs and shall be calculated annually. The standard rates shall be filed with the commission. For public utilities, the rates shall be subject to approval by the commission.

Section 3. Any small renewable power facility may petition the commission to enforce the requirements of this Act.