

Distributed Electricity

This act allows retail electric suppliers to create a new class of retail customer for those who install distributed power generation, on-site electricity generation that is connected to the grid. The act allows electric utilities to apply to the Oklahoma Corporation Commission to establish a higher base customer charge for users of rooftop solar or small wind turbines. The higher fixed charge would be used to recover infrastructure costs to send excess electricity back to the grid.

Submitted as:

Oklahoma

[SB 1456](#)

Status: Signed into law on April 21, 2014.

Suggested State Legislation

(Title, enacting clause, etc.)

- 1 Section 1. [*Short Title*] Electrical power distribution requirements.
2
- 3 Section 2. [*Electrical power distribution requirements.*]
4 (A)
- 5 (1) Distributed generation" means:
6 (a) a device that provides electric energy that is owned, operated, leased or otherwise
7 utilized by the customer,
8 (b) is interconnected to and operates in parallel with the retail electric supplier's grid
9 and is in compliance with the standards established by the retail electric supplier,
10 (c) is intended to offset only the energy that would have otherwise been provided by
11 the retail electric supplier to the customer during the monthly billing period,
12 (d) does not include generators used exclusively for emergency purposes,
13 (e) does not include generators operated and controlled by a retail electric supplier,
14 and
15 (f) does not include customers who receive electric service which includes a demand-
16 based charge.
- 17 (2) Fixed charge" means any fixed monthly charge, basic service, or other charge not
18 based on the volume of energy consumed by the customer, which reflects the actual
19 fixed costs of the retail electric supplier.
- 20 (3) Retail electric supplier" means an entity engaged in the furnishing of retail electric
21 service within the State of Oklahoma and is rate regulated by the Oklahoma
22 Corporation Commission.
- 23 (B) No retail electric supplier shall increase rates charged or enforce a surcharge above that
24 required to recover the full costs necessary to serve customers who install distributed
25 generation on the customer side of the meter after the effective date of this act.
- 26 (C) No retail electric supplier shall allow customers with distributed generation installed after the
27 effective date of this act to be subsidized by customers in the same class of service who do
28 not have distributed generation.

1 (D) A higher fixed charge for customers within the same class of service that have distributed
2 generation installed after the effective date of this act, as compared to the fixed charges of
3 those customers who do not have distributed generation, is a means to avoid subsidization
4 between customers within that class of service and shall be deemed in the public interest.
5

6 Section 3. [*Severability.*] Insert severability clause.
7

8 Section 4. [*Repealer.*] Insert repealer clause.
9

10 Section 5. [*Effective Date.*] Insert effective date.