

94th Arkansas General Assembly/Net Metering: Cost-Shifting Prevention Act of 2023 Introduced



Walter Wright, Jr.
wwright@mwlaw.com
(501) 688.8839

02/09/2023

Representative Fite of Benton and Senator Dismang of Beebe have introduced House Bill 1370 ("HB 1370") which would amend the Arkansas Renewable Energy Development Act of 2001.

HB 1370 is denominated the Cost-Shifting Prevention Act of 2023.

The bill would delete the current Legislative findings and declarations in the Arkansas Renewable Energy Development Act of 2001 found at Ark. Code Ann. 23-18-602 and substitute the following:

- (1) Arkansas has an established process for the billing option that enables customer-owned net-metering facilities to offset part or all of a net-metering customer's electric consumption;
- (2) This billing option should continue subject to certain modifications for the benefit and rate protection of all electric utility customers in Arkansas; and

A focus of HB 1370 is net-energy metering (i.e., net-metering).

Net-metering is typically described as a metering and billing arrangement designed to compensate distributed energy generation system owners for generation that is exported to the utility grid. It generally applies to small, distributed generation systems such as renewable technologies (i.e., solar) and small combined heat and power systems. Such systems can allow owners to receive credit for excess electricity produced on-site.

The specific aspects of net-metering can vary from state to state. Nevertheless, much of the discussion in the United States on net metering has focused on its application to the production of electricity from solar panels on homes, businesses, and other facilities. This is driven to a great extent by the rapidly expanding use of solar power to generate electricity.

Two viewpoints are typically expressed in discussing net-metering.

Some groups argue that net-metering policies increase existing demands on transmission and infrastructure without compensating the utilities for the cost of maintaining such systems. Other groups argue that some net-metering policies provide utilities with energies at times when it is most valuable, reduces transmission cost, and contributes to reliability in clean air goals.

Regardless, the debate on the appropriate implementation of net-metering has generated significant interest in Arkansas at both the legislative and administrative (i.e., Arkansas Public Service Commission) levels.

A copy of HB 1370 can be downloaded [here](#).

