

## S 2003

### Free Market Energy Act

**Congress:** 114 (2015–2017, Ended)

**Chamber:** Senate

**Policy Area:** Energy

**Introduced:** Aug 6, 2015

**Current Status:** Read twice and referred to the Committee on Energy and Natural Resources.

**Latest Action:** Read twice and referred to the Committee on Energy and Natural Resources. (Aug 6, 2015)

**Official Text:** <https://www.congress.gov/bill/114th-congress/senate-bill/2003>

### Sponsor

**Name:** Sen. King, Angus S., Jr. [I-ME]

**Party:** Independent • **State:** ME • **Chamber:** Senate

### Cosponsors

No cosponsors are listed for this bill.

### Committee Activity

Committee	Chamber	Activity	Date
Energy and Natural Resources Committee	Senate	Referred To	Aug 6, 2015

### Subjects & Policy Tags

#### Policy Area:

Energy

### Related Bills

Bill	Relationship	Last Action
114 S 1213	Related bill	May 14, 2015: Committee on Energy and Natural Resources. Hearings held. Hearings printed: S.Hrg. 114-65.

## **Free Market Energy Act**

This bill amends: (1) the Federal Power Act to define "distributed energy resource" as a resource, technology, or service interconnected to the electricity distribution system that generates, manages, or reduces energy use; and (2) the Public Utility Regulatory Policies Act of 1978 to provide that distributed energy resources shall have a general right of interconnection under such Act.

States must ensure that electric distribution grid operators adopt requirements for interconnection rates and fees that are just and reasonable, that provide for the two-way benefit for the distributed energy resource and the electricity grid, and that are not punitive. Time frames for interconnection shall be well-defined, expeditious, and not unduly protracted. An interconnection may not be delayed or denied unless the electric utility demonstrates that the interconnection is unsafe or impracticable.

A state regulatory authority that considers modifying the treatment of net energy metering customers must consider requiring that distributed energy resources be eligible to receive just and reasonable energy and rate treatment using dynamic pricing, which may account for locational benefit, to be provided on an unbundled basis, after accounting for the two-way valuation of dynamic rates, for services provided to or by the grid. Dynamic pricing considerations shall include:

- pricing for energy sold to, and pricing for energy purchased from, an electric utility,
- capacity,
- the provision of ancillary services,
- the societal value of distributed energy resources, and
- transmission and distribution losses.

A state regulatory authority or applicable Regional Transmission Organization or Independent System Operator must consider nontransmission alternatives in instances in which an entity proposes transmission projects seeking cost-of-service rate recovery. To reduce the cost to the ratepayer of a potential transmission upgrade, the cost of the nontransmission alternative shall be recovered from the ratebase or regional recovery mechanism in the same manner as the transmission upgrade otherwise would have been.

## **Actions Timeline**

---

- **Aug 6, 2015:** Introduced in Senate
- **Aug 6, 2015:** Read twice and referred to the Committee on Energy and Natural Resources.