

A BILL

To secure local energy independence for households, farms, and small businesses by guaranteeing the right to generate, store, and share power; establishing fair, fast interconnection; protecting off-grid and hybrid systems; and enforcing transparent, pro-consumer utility practices.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Local Energy Independence Act”.

SEC. 2. DEFINITIONS.

- (a) “Distributed energy resource” (DER) means a small-scale energy system located on the customer side of the meter, including solar photovoltaic, wind, micro-hydro, biomass, wood-pellet or cord-wood systems, anaerobic digesters, biodiesel or renewable fuels, combined heat and power (CHP), and energy storage.
- (b) “Small-scale system” means a DER with nameplate capacity not exceeding—
 - (1) residential: 25 kW AC;
 - (2) agricultural or small business: 250 kW AC;
 - (3) community microgrid: 5 MW AC serving up to 250 meters.
- (c) “Interconnection” means the physical and administrative process of connecting a DER to the distribution grid under a tariff or standard.
- (d) “Utility” means any public utility, rural electric cooperative, or municipal utility providing electric service to retail customers.
- (e) “Net billing/net metering” means a tariff that credits customer-generated electricity against consumption with transparent, public rates.

SEC. 3. RIGHT TO LOCAL GENERATION AND STORAGE.

- (a) Customers have the right to install, own, and operate DERs and storage on their property without utility veto, subject only to safety standards published by the National Electrical Code (NEC) and IEEE interconnection standards.
- (b) No homeowners association (HOA), landlord, or local ordinance may prohibit DERs outright; reasonable aesthetic guidelines are permitted only if they do not materially reduce performance ($\leq 10\%$ output impact).
- (c) Utilities shall not require “standby” charges, minimum monthly demand adders, or non-cost-based fees solely due to the presence of a DER.

SEC. 4. FAST-TRACK INTERCONNECTION STANDARDS.

- (a) Interconnection timelines—
 - (1) Screening determination within 10 business days for small-scale systems;
 - (2) Final approval or specific, code-based deficiency notice within 30 calendar days;
 - (3) If deadlines lapse, conditional approval is granted by operation of law.
- (b) Fees and studies—
 - (1) Application fees capped at \$100 (residential), \$500 (ag/small business);

(2) No additional study fees unless a documented thermal or protection violation exists on the feeder; studies must be publicly posted.

(c) Transparency—

(1) Utilities shall publish a live interconnection queue and feeder hosting capacity maps;

(2) All technical screens and outcomes posted to a public dashboard.

SEC. 5. FAIR CREDITING AND RESILIENCE.

(a) Net metering/net billing—

(1) Credit exported energy at not less than the utility's avoided cost plus a resilience adder of 10% for systems with storage capable of islanding;

(2) Credits roll over month-to-month for 24 months before cash-out at avoided cost.

(b) Outage resilience—

(1) Utilities shall permit safe islanding with UL-listed equipment;

(2) Customers may operate off-grid during outages without penalty.

SEC. 6. COMMUNITY MICROGRIDS AND SHARING.

(a) Community microgrids up to 5 MW serving contiguous properties may share generation and storage behind a common point of interconnection.

(b) Agricultural energy sharing—adjacent farms may wheel power across private easements without utility wheeling charges, subject to safety and metering.

(c) Utilities shall offer a standardized microgrid tariff within 180 days of enactment.

SEC. 7. FUEL FLEXIBILITY AND HEAT SECURITY.

(a) Biomass, wood-pellet, cord-wood, biodiesel, renewable propane, and CHP systems are recognized as DERs for the purposes of this Act.

(b) No jurisdiction may ban safe, code-compliant backup generators or biomass heating systems; emissions standards must be performance-based and technology-neutral.

SEC. 8. TAX AND FEE TREATMENT.

(a) Sales tax exemption—DER equipment, storage, and interconnection equipment are exempt from federal sales/use taxes (if applicable under federal law) and qualifying state pass-throughs.

(b) Depreciation—agricultural and small business DERs may use 5-year MACRS; residential DERs may claim a nonrefundable credit equal to 30% of installed cost (stackable with existing credits where lawful).

SEC. 9. ENFORCEMENT AND REMEDIES.

(a) The Federal Energy Regulatory Commission (FERC) and State Public Utility Commissions (PUCs) shall have concurrent jurisdiction to enforce this Act for distribution-level interconnections.

(b) Private right of action—customers may seek injunctive relief and damages for willful delays or non-cost-based fees; prevailing parties recover attorney's fees.

(c) Penalties—utilities that miss timelines or impose unlawful fees are subject to civil penalties up to \$10,000 per application and daily fines of \$500 until compliance, payable into a DER Interconnection Improvement Fund.

SEC. 10. RULE OF CONSTRUCTION.

Nothing in this Act preempts safety standards or worker protections; all installations must comply with NEC, IEEE 1547, UL listings, and applicable fire codes.

SEC. 11. EFFECTIVE DATE.

This Act takes effect 180 days after enactment; Section 6 tariffs and Section 4 transparency requirements must be operational within 180 days.