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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Representatives Carnevale, Handy, McKiernan, Edwards, and O'Brien

Date Introduced: January 15, 2015

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-26.3 of the General Laws entitled "Distributed Generation
2 Interconnection" is hereby amended by adding thereto the following section:

3 **39-26.3-5.1. Interconnection standards.** – (a) The electric distribution company may
4 only charge an interconnecting renewable energy customer for any system modifications to its
5 electric power system specifically necessary for and directly related to its interconnection. Any
6 system modifications benefiting other customers shall be included in rates as determined by the
7 public utilities commission.

8 (b) If the public utilities commission determines that a specific system modification
9 benefiting other customers has been accelerated due to an interconnection request, it may order
10 the interconnecting customer to fund the modification subject to repayment of the value of the
11 modification as of the time the modification would have been necessary as determined by the
12 public utilities commission.

13 (c) If an interconnecting customer pays for system modifications and then a new
14 customer is supplied service from that modified system within five (5) years of the earlier
15 developer's payment, the new customer(s) will repay the earlier developer for the system
16 modifications on a prorated basis.

17 (d) All interconnection work must be performed no longer than sixty (60) days from
18 completion of the renewable energy customer's interconnection impact study pursuant to § 39-
19 26.3-3, if required, or else no more than one hundred eighty (180) calendar days from the

1 customer's initial application for interconnection. These deadlines cannot be extended due to
2 customer delays in providing required information, all of which must be requested and obtained
3 before completion of the impact study. The electric distribution company will be liable to the
4 interconnecting customer for all actual and consequential damages resulting from the
5 noncompliant interconnection delay including, but not limited to, the full value of any lost energy
6 production, and any reasonable legal fees and costs associated with the recovery of those
7 damages. These penalties and damages shall be borne by the electric distribution company's
8 shareholders, not by the electric distribution company's ratepayers.

9 SECTION 2. Section 39-26.4-3 of the General Laws in Chapter 39-26.4 entitled "Net
10 Metering" is hereby amended to read as follows:

11 **39-26.4-3. Net metering.** -- (a) The following policies regarding net metering of
12 electricity from eligible net metering systems and regarding any person that is a renewable self-
13 generator shall apply:

14 (1) The maximum, allowable capacity for eligible net-metering systems, based on
15 nameplate capacity, shall be ~~five~~ ten megawatts (~~5 mw~~) (10 mw). The aggregate amount of net
16 metering in the Block Island Power Company and the Pascoag Utility District shall not exceed
17 three percent (3%) of peak load for each utility district.

18 (2) For ease of administering net-metered accounts and stabilizing net metered account
19 bills, the electric-distribution company may elect (but is not required) to estimate for any twelve-
20 month (12) period:

21 (i) The production from the eligible net metering system; and

22 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering
23 system site and establish a monthly billing plan that reflects the expected credits that would be
24 applied to the net-metered accounts over twelve (12) months. The billing plan would be designed
25 to even out monthly billings over twelve (12) months, regardless of actual production and usage.
26 If such election is made by the electric-distribution company, the electric-distribution company
27 would reconcile payments and credits under the billing plan to actual production and
28 consumption at the end of the twelve-month (12) period and apply any credits or charges to the
29 net-metered accounts for any positive or negative difference, as applicable. Should there be a
30 material change in circumstances at the eligible net-metering system site or associated accounts
31 during the twelve-month (12) period, the estimates and credits may be adjusted by the electric-
32 distribution company during the reconciliation period. The electric-distribution company also
33 may elect (but is not required) to issue checks to any net metering customer in lieu of billing
34 credits or carry forward credits or charges to the next billing period. For residential eligible net

1 metering systems twenty-five kilowatts (25 kw) or smaller, the electric-distribution company, at
2 its option, may administer renewable net-metering credits month to month allowing unused
3 credits to carry forward into following billing period.

4 (3) If the electricity generated by an eligible net-metering system during a billing period
5 is equal to, or less than the net-metering customer's usage during the billing period for electric-
6 distribution-company customer accounts at the eligible net-metering system site, the customer
7 shall receive renewable net-metering credits, that shall be applied to offset the net-metering
8 customer's usage on accounts at the eligible net-metering-system site.

9 (4) If the electricity generated by an eligible net-metering system during a billing period
10 is greater than the net-metering customer's usage on accounts at the eligible net-metering-system
11 site during the billing period, the customer shall be paid by excess renewable net-metering credits
12 for the excess electricity generated beyond the net-metering customer's usage at the eligible net-
13 metering-system site up to an additional twenty-five percent (25%) of the renewable self-
14 generator's consumption during the billing period; unless the electric-distribution company and
15 net-metering customer have agreed to a billing plan pursuant to subdivision (3).

16 (5) The rates applicable to any net-metered account shall be the same as those that apply
17 to the rate classification that would be applicable to such account in the absence of net-metering,
18 including customer and demand charges, and no other charges may be imposed to offset net
19 metering credits.

20 (b) The commission shall exempt electric-distribution company customer accounts
21 associated with an eligible, net-metering system from back-up or standby rates commensurate
22 with the size of the eligible net-metering system, provided that any revenue shortfall caused by
23 any such exemption shall be fully recovered by the electric distribution company through rates.

24 (c) Any prudent and reasonable costs incurred by the electric-distribution company
25 pursuant to achieving compliance with subsection (a) and the annual amount of the distribution
26 component of any renewable net-metering credits or excess, renewable net-metering credits
27 provided to accounts associated with eligible net-metering systems, shall be aggregated by the
28 distribution company and billed to all distribution customers on an annual basis through a
29 uniform, per-kilowatt-hour (kwh) surcharge embedded in the distribution component of the rates
30 reflected on customer bills.

31 (d) The billing process set out in this section shall be applicable to electric-distribution
32 companies thirty (30) days after the enactment of this chapter.

1 SECTION 3. This act shall take effect sixty (60) days after passage and shall apply to all
2 interconnection or net metering applications submitted and any interconnection impact studies
3 issued on or after January 1, 2015.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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1 This act would prohibit electric distribution companies from charging an interconnecting
2 renewable energy customer for system modifications that are not directly related to the
3 interconnection, except accelerated modifications for which the developer is repaid when the
4 modification would have otherwise been made. It would also require that any interconnection
5 work must be completed no later than sixty (60) days from the applicant's impact study or one
6 hundred eighty (180) days from its initial application.

7 This act would also allow a maximum project size of ten megawatts (10 mw) for net
8 metered projects in Rhode Island

9 This act would take effect sixty (60) days after passage and would apply to all
10 interconnection or net metering applications submitted and any interconnection impact studies
11 issued on or after January 1, 2015.

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