

2026 -- S 3272

LC006452

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY  
STANDARD

Introduced By: Senator Louis P. DiPalma

Date Introduced: May 08, 2026

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26-7 of the General Laws in Chapter 39-26 entitled "Renewable  
2 Energy Standard" is hereby amended to read as follows:

3 **39-26-7. Renewable energy development fund.**

4 (a) There is hereby authorized and created within the Rhode Island commerce corporation  
5 a renewable energy development fund for the purpose of increasing the supply of NE-GIS  
6 certificates available for compliance in future years by obligated entities with renewable energy  
7 standard requirements, as established in this chapter. The fund shall be located at the Rhode Island  
8 commerce corporation. The Rhode Island commerce corporation shall administer the fund and  
9 adopt plans and guidelines for the management and use of the fund in coordination with the office  
10 of energy resources and the Rhode Island infrastructure bank.

11 (b) The Rhode Island commerce corporation shall enter into agreements with obligated  
12 entities to accept alternative compliance payments, consistent with rules of the commission and the  
13 purposes set forth in this section; and alternative compliance payments received pursuant to this  
14 section shall be trust funds to be held and applied solely for the purposes set forth in this section.

15 (c) The Rhode Island commerce corporation shall enter into agreements pursuant to § 39-  
16 26.4-2(22).

17 ~~(e)~~(d) The uses of the fund shall include but not be limited to:

18 (1) Stimulating investment in renewable energy development by entering into agreements,

1 including multiyear agreements, for renewable energy certificates;

2 (2) Establishing and maintaining a residential renewable energy program using eligible  
3 technologies in accordance with § 39-26-5;

4 (3) Providing technical and financial assistance to municipalities for interconnection and  
5 feasibility studies, and/or the installation of renewable energy projects;

6 (4) Implementing and supporting commercial and residential property assessed clean-  
7 energy projects;

8 (5) Issuing assurances and/or guarantees to support the acquisition of renewable energy  
9 certificates and/or the development of new renewable energy sources for Rhode Island;

10 (6) Establishing escrows, reserves, and/or acquiring insurance for the obligations of the  
11 fund;

12 (7) Paying administrative costs of the fund incurred by the Rhode Island commerce  
13 corporation, the Rhode Island infrastructure bank, and the office of energy resources, not to exceed  
14 ten percent (10%) of the income of the fund, including, but not limited to, alternative compliance  
15 payments. All funds transferred from the Rhode Island commerce corporation to support the office  
16 of energy resources' administrative costs shall be deposited as restricted receipts.

17 ~~(e)~~(e) All applications received for the use of the fund shall be reviewed by the Rhode  
18 Island commerce corporation in consultation with the office of energy resources and the Rhode  
19 Island infrastructure bank.

20 ~~(f)~~(f) NE-GIS certificates acquired through the fund may be conveyed to obligated entities  
21 or may be credited against the renewable energy standard for the year of the certificate provided  
22 that the commission assesses the cost of the certificates to the obligated entity, or entities, benefiting  
23 from the credit against the renewable energy standard, which assessment shall be reduced by  
24 previously made alternative compliance payments and shall be paid to the fund.

25 SECTION 2. Section 39-26.1-3 of the General Laws in Chapter 39-26.1 entitled "Long-  
26 Term Contracting Standard for Renewable Energy" is hereby amended to read as follows:

27 **39-26.1-3. Long-term contract standard.**

28 (a) Beginning on or before July 1, 2010, each electric distribution company shall be  
29 required to annually solicit proposals from renewable energy developers and, provided  
30 commercially reasonable proposals have been received, enter into long-term contracts with terms  
31 of up to fifteen (15) years for the purchase of capacity, energy, and attributes from newly developed  
32 renewable energy resources. Subject to commission approval, the electric distribution company  
33 may enter into contracts for term lengths longer than fifteen (15) years. Notwithstanding any other  
34 provisions of this chapter, on or before August 15, 2009, the electric distribution company shall

1 solicit proposals for one newly developed renewable energy resources project as required in § 39-  
2 26.1-7. Proposals for the sale of output from an offshore-wind project received under the provisions  
3 of this section shall be diligently and fully considered without prejudice, regardless of the status of  
4 any proceedings under § 39-26.1-7 or § 39-26.1-8.

5 (b) The timetable and method for solicitation and execution of such contracts shall be  
6 proposed by the electric distribution company, and shall be subject to review and approval by the  
7 commission prior to issuance by the company. The electric distribution company shall, subject to  
8 review and approval of the commission, select a reasonable method of soliciting proposals from  
9 renewable energy developers, which shall include, at a minimum, an annual public solicitation, but  
10 may also include individual negotiations. The solicitation process shall permit a reasonable amount  
11 of negotiating discretion for the parties to engage in commercially reasonable, arms-length  
12 negotiations over final contract terms. Each long-term contract entered into pursuant to this section  
13 shall contain a condition that it shall not be effective without commission review and approval. The  
14 electric distribution company shall file such contract, along with a justification for its decision,  
15 within a reasonable time after it has executed the contract following a solicitation or negotiation.  
16 The commission shall hold public hearings to review the contract within forty-five (45) days of the  
17 filing and issue a written order approving or rejecting the contract within sixty (60) days of the  
18 filing; in rejecting a contract, the commission may advise the parties of the reason for the contract  
19 being rejected and direct the parties to attempt to address the reasons for rejection in a revised  
20 contract within a specified period not to exceed ninety (90) days. The commission shall approve  
21 the contract if it determines that: (1) The contract is commercially reasonable; (2) The requirements  
22 for the annual solicitation have been met; and (3) The contract is consistent with the purposes of  
23 this chapter. A report on each solicitation shall be filed with the commission each year within a  
24 reasonable time after decisions are made by the electric distribution company regarding the  
25 solicitation results, even if no contracts are executed following the solicitation.

26 (c)(1) No electric distribution company shall be obligated to enter into long-term contracts  
27 for newly developed renewable energy resources on terms that the electric distribution company  
28 reasonably believes to be commercially unreasonable; provided, however, if there is a dispute about  
29 whether these terms are commercially unreasonable, the commission shall make the final  
30 determination after an evidentiary hearing. The electric distribution company shall not be obligated  
31 to enter into long-term contracts pursuant to this section that would, in the aggregate, exceed the  
32 minimum long-term contract capacity, but may do so voluntarily subject to commission approval.  
33 As long as the electric distribution company has entered into long-term contracts in compliance  
34 with this section, the electric distribution company shall not be required by regulation or order to

1 enter into power-purchase contracts with renewable-generation projects for power, renewable  
2 energy certificates, or any other attributes with terms of more than three (3) years in meeting its  
3 applicable, annual-renewable-portfolio standard requirements set forth in § 39-26-4 or pursuant to  
4 any other provision of the law.

5 (2) Except as provided in §§ 39-26.1-7 and 39-26.1-8, an electric distribution company  
6 shall not be required to enter into long-term contracts for newly developed renewable energy  
7 resources that exceed the following five (5) year phased schedule:

8 By December 30, 2010: Twenty-five percent (25%) of the minimum long-term contract  
9 capacity;

10 By December 30, 2011: Fifty percent (50%) of the minimum long-term contract capacity;

11 By December 30, 2012: Seventy-five percent (75%) of the minimum long-term contract  
12 capacity;

13 After December 30, 2013: One hundred percent (100%) of the minimum long-term contract  
14 capacity subject to subsection (f) of this section.

15 (d) Compliance with the long-term contract standard shall be demonstrated through  
16 procurement pursuant to the provisions of a long-term contract of energy, capacity, and attributes  
17 reflected in NE-GIS certificates relating to generating units certified by the commission as using  
18 newly developed renewable energy resources, as evidenced by reports issued by the NE-GIS  
19 administrator and the terms of the contract; provided, however, that the NE-GIS certificates were  
20 procured pursuant to the provisions of a long-term contract. The electric distribution company also  
21 may purchase other attributes from the generator as part of the long-term contract.

22 (e) After the adoption of the rules and regulations promulgated by the commission pursuant  
23 to this chapter, an electric distribution company may, at its sole election, immediately, and from  
24 time to time, procure additional, commercially reasonable long-term contracts for newly developed  
25 renewable energy resources on an earlier timetable or above the minimum long-term contract  
26 capacity, subject to commission approval.

27 (f) At least once per year beginning in 2014, the electric distribution company shall conduct  
28 solicitations until one hundred percent (100%) of the minimum long-term contract capacity is met;  
29 provided, however, that no contracts shall be awarded unless the pricing under such contract(s) is  
30 below the forecasted market price of energy and renewable energy certificates over the term of the  
31 proposed contract, using industry standard forecasting methodologies as have been used to evaluate  
32 pricing in the past solicitation processes reviewed by the commission under this section. In such  
33 solicitations, the electric distribution company may elect not to acquire capacity, but shall acquire  
34 all environmental attributes and energy.

1 [\(g\) None of the requirements or limitations contained in this section shall apply to net-](#)  
2 [metering credit contracts executed pursuant to § 39-26.4-2\(22\).](#)

3 SECTION 3. Sections 39-26.4-2 and 39-26.4-3 of the General Laws in Chapter 39-26.4  
4 entitled "Net Metering" are hereby amended to read as follows:

5 **39-26.4-2. Definitions.**

6 Terms not defined in this section herein shall have the same meaning as contained in  
7 chapter 26 of this title. When used in this chapter:

8 (1) "Community remote net-metering system" means a facility generating electricity using  
9 an eligible net-metering resource that allocates net-metering credits to a minimum of one account  
10 for a system associated with low- or moderate-income housing eligible credit recipients, or three  
11 (3) eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of  
12 the credits produced by the system are allocated to one eligible credit recipient, and provided further  
13 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining  
14 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-  
15 five kilowatt (25 KW) AC capacity. The community remote net-metering system may transfer  
16 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage of  
17 the eligible credit recipient accounts measured by the three-year (3) average annual consumption  
18 of energy over the previous three (3) years. A projected annual consumption of energy may be used  
19 until the actual three-year (3) average annual consumption of energy over the previous three (3)  
20 years at the eligible credit recipient accounts becomes available for use in determining eligibility  
21 of the generating system. The community remote net-metering system may be owned by the same  
22 entity that is the customer of record on the net-metered account or may be owned by a third party.

23 (2) "Core forest" refers to unfragmented forest blocks of single or multiple parcels totaling  
24 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25)  
25 yards from mapped roads, with eligibility questions to be resolved by the director of the department  
26 of environmental management. Such determination shall constitute a contested case as defined in  
27 § 42-35-1.

28 (3) "Electric distribution company" shall have the same meaning as § 39-1-2, but shall not  
29 include Block Island Power Company or Pascoag Utility District, each of whom shall be required  
30 to offer net metering to customers through a tariff approved by the public utilities commission after  
31 a public hearing. Any tariff or policy on file with the public utilities commission on the date of  
32 passage of this chapter shall remain in effect until the commission approves a new tariff.

33 (4) "Eligible credit recipient" means one of the following eligible recipients in the electric  
34 distribution company's service territory whose electric service account or accounts may receive

1 net-metering credits from a community remote net-metering system. Eligible credit recipients  
2 include the following definitions:

3 (i) Residential accounts in good standing.

4 (ii) “Low- or moderate-income housing eligible credit recipient” means an electric service  
5 account or accounts in good standing associated with any housing development or developments  
6 owned or operated by a public agency, nonprofit organization, limited-equity housing cooperative,  
7 or private developer that receives assistance under any federal, state, or municipal government  
8 program to assist the construction or rehabilitation of housing affordable to low- or moderate-  
9 income households, as defined in the applicable federal or state statute, or local ordinance,  
10 encumbered by a deed restriction or other covenant recorded in the land records of the municipality  
11 in which the housing is located, that:

12 (A) Restricts occupancy of no less than fifty percent (50%) of the housing to households  
13 with a gross, annual income that does not exceed eighty percent (80%) of the area median income  
14 as defined annually by the United States Department of Housing and Urban Development (HUD);

15 (B) Restricts the monthly rent, including a utility allowance, that may be charged to  
16 residents, to an amount that does not exceed thirty percent (30%) of the gross, monthly income of  
17 a household earning eighty percent (80%) of the area median income as defined annually by HUD;

18 (C) Has an original term of not less than thirty (30) years from initial occupancy.

19 Electric service account or accounts in good standing associated with housing  
20 developments that are under common ownership or control may be considered a single low- or  
21 moderate-income housing eligible credit recipient for purposes of this section. The value of the  
22 credits shall be used to provide benefits to tenants.

23 (iii) “Educational institutions” means public and private schools at the primary, secondary,  
24 and postsecondary levels.

25 (iv) “Commercial or industrial customers” means any nonresidential customer of the  
26 electric distribution company.

27 (5) “Eligible net-metering resource” means eligible renewable energy resource, as defined  
28 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding  
29 all other listed eligible biomass fuels.

30 (6) “Eligible net-metering system” means a facility generating electricity using an eligible  
31 net-metering resource that, for any system with a nameplate capacity in excess of twenty-five  
32 kilowatts (25 KW), is reasonably designed and sized to annually produce electricity in an amount  
33 that is equal to, or less than, the renewable self-generator’s usage at the eligible net-metering system  
34 site measured by the three-year (3) average annual consumption of energy over the previous three

1 (3) years at the electric distribution account(s) located at the eligible net-metering system site. A  
2 projected annual consumption of energy may be used until the actual three-year (3) average annual  
3 consumption of energy over the previous three (3) years at the electric distribution account(s)  
4 located at the eligible net-metering system site becomes available for use in determining eligibility  
5 of the generating system. For any system with a nameplate capacity equal to or less than twenty-  
6 five kilowatts (25 KW), eligibility shall not be restricted based on prior consumption. The eligible  
7 net-metering system may be owned by the same entity that is the customer of record on the net-  
8 metered accounts or may be owned by a third party that is not the customer of record at the eligible  
9 net-metering system site and which may offer a third-party, net-metering financing arrangement or  
10 net-metering financing arrangement, as applicable. Notwithstanding any other provisions of this  
11 chapter, any eligible net-metering resource: (i) Owned by a public entity, educational institution,  
12 hospital, nonprofit, or multi-municipal collaborative; or (ii) Owned and operated by a renewable-  
13 generation developer on behalf of a public entity, educational institution, hospital, nonprofit, or  
14 multi-municipal collaborative through a net-metering financing arrangement shall be treated as an  
15 eligible net-metering system and all accounts designated by the public entity, educational  
16 institution, hospital, nonprofit, or multi-municipal collaborative for net metering shall be treated as  
17 accounts eligible for net metering within an eligible net-metering system site; or (iii) Owned and  
18 operated by a renewable-generation developer on behalf of one or more commercial or industrial  
19 customer(s) through net-metering financing arrangement(s) shall be treated as an eligible net-  
20 metering system within an eligible net-metering system site. Notwithstanding any other provision  
21 to the contrary, effective July 1, 2060, an eligible net-metering system means a facility generating  
22 electricity using an eligible net-metering resource that is interconnected behind the same meter as  
23 the net-metering customer's load.

24 (7) "Eligible net-metering system site" means the site where the eligible net-metering  
25 system or community remote net-metering system is located or is part of the same campus or  
26 complex of sites contiguous to one another and the site where the eligible net-metering system or  
27 community remote net-metering system is located or a farm on which the eligible net-metering  
28 system or community remote net-metering system is located. Except for an eligible net-metering  
29 system owned by or operated on behalf of a public entity, educational institution, hospital,  
30 nonprofit, or multi-municipal collaborative or for a commercial or industrial customer through a  
31 net-metering financing arrangement, the purpose of this definition is to reasonably assure that  
32 energy generated by the eligible net-metering system is consumed by net-metered electric service  
33 account(s) that are actually located in the same geographical location as the eligible net-metering  
34 system. All energy generated from any eligible net-metering system is, and will be considered,

1 consumed at the meter where the renewable energy resource is interconnected for valuation  
2 purposes. Except for an eligible net-metering system owned by, or operated on behalf of, a public  
3 entity, educational institution, hospital, nonprofit, or multi-municipal collaborative, or for a  
4 commercial or industrial customer through a net-metering financing arrangement, or except for a  
5 community remote net-metering system, all of the net-metered accounts at the eligible net-metering  
6 system site must be the accounts of the same customer of record and customers are not permitted  
7 to enter into agreements or arrangements to change the name on accounts for the purpose of  
8 artificially expanding the eligible net-metering system site to contiguous sites in an attempt to avoid  
9 this restriction. However, a property owner may change the nature of the metered service at the  
10 accounts at the site to be master metered in the owner's name, or become the customer of record  
11 for each of the accounts, provided that the owner becoming the customer of record actually owns  
12 the property at which the account is located. As long as the net-metered accounts meet the  
13 requirements set forth in this definition, there is no limit on the number of accounts that may be net  
14 metered within the eligible net-metering system site.

15 (8) "Excess renewable net-metering credit" means a credit that applies to an eligible net-  
16 metering system or community remote net-metering system for that portion of the production of  
17 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five  
18 percent (125%), except for any system with a nameplate capacity equal to or less than twenty-five  
19 kilowatts (25 KW) for which excess renewable net-metering credit applies to all production of  
20 electrical energy beyond one hundred percent (100%) of the renewable self-generator's own  
21 consumption at the eligible net-metering system site or the sum of the usage of the eligible credit  
22 recipient accounts associated with the community remote net-metering system during the  
23 applicable billing period.

24 For electrical energy produced greater than one hundred percent (100%) of the renewable  
25 self-generator's own electricity consumption at the eligible net-metering system site or the sum of  
26 the usage of the eligible credit recipient accounts associated with the community remote net-  
27 metering system during the applicable billing period, excess renewable net-metering credits shall  
28 be equal to the wholesale electricity rate, which is hereby declared to be the ISO-New England  
29 energy clearing price. When applying the ISO-New England energy clearing price to calculate the  
30 value of excess renewable net-metering credits, the electric distribution company, subject to  
31 commission approval and subject to amendment from time to time, may use an annual average,  
32 monthly average, or other time increment and may use Rhode Island zone pricing or other  
33 applicable locational pricing. The commission shall have the authority to make determinations as  
34 to the applicability of this credit to specific generation facilities to the extent there is any uncertainty

1 or disagreement.

2 (9) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings  
3 associated with the farm shall be eligible for net-metering credits as long as: (i) The buildings are  
4 owned by the same entity operating the farm or persons associated with operating the farm; and (ii)  
5 The buildings are on the same farmland as the project on either a tract of land contiguous with, or  
6 reasonably proximate to, such farmland or across a public way from such farmland.

7 (10) "Hospital" means and shall be defined and established as set forth in chapter 17 of  
8 title 23.

9 (11) "Multi-municipal collaborative" means a group of towns and/or cities that enter into  
10 an agreement for the purpose of co-owning a renewable-generation facility or entering into a  
11 financing arrangement pursuant to subsection (15).

12 (12) "Municipality" means any Rhode Island town or city, including any agency or  
13 instrumentality thereof, with the powers set forth in title 45.

14 (13) "Net metering" means using electrical energy generated by an eligible net-metering  
15 system for the purpose of self-supplying electrical energy and power at the eligible net-metering  
16 system site, or with respect to a community remote net-metering system, for the purpose of  
17 generating net-metering credits to be applied to the electric bills of the eligible credit recipients  
18 associated with the community net-metering system. The amount so generated will thereby offset  
19 consumption at the eligible net-metering system site through the netting process established in this  
20 chapter, or with respect to a community remote net-metering system, the amounts generated in  
21 excess of that amount will result in credits being applied to the eligible credit-recipient accounts  
22 associated with the community remote net-metering system.

23 (14) "Net-metering customer" means a customer of the electric distribution company  
24 receiving and being billed for distribution service whose distribution account(s) are being net  
25 metered.

26 (15) "Net-metering financing arrangement" means arrangements entered into by a public  
27 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or a commercial  
28 or industrial customer with a private entity to facilitate the financing and operation of a net-metering  
29 resource, in which the private entity owns and operates an eligible net-metering resource on behalf  
30 of a public entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or  
31 commercial or industrial customer, where: (i) The eligible net-metering resource is located on  
32 property owned or controlled by the public entity, educational institution, hospital, municipality,  
33 multi-municipal collaborative, or commercial or industrial customer as applicable; and (ii) The  
34 production from the eligible net-metering resource and primary compensation paid by the public

1 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or commercial or  
2 industrial customer to the private entity for such production is directly tied to the consumption of  
3 electricity occurring at the designated net-metered accounts.

4 (16) “Nonprofit” means a nonprofit corporation as defined and established through chapter  
5 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §  
6 501(d).

7 (17) “Person” means an individual, firm, corporation, association, partnership, farm, town  
8 or city of the state of Rhode Island, multi-municipal collaborative, or the state of Rhode Island or  
9 any department of the state government, governmental agency, or public instrumentality of the  
10 state.

11 (18) “Preferred site” means a location for a renewable energy system that has had prior  
12 development, including, but not limited to: landfills, gravel pits and quarries, highway and major  
13 road median strips, brownfields, superfund sites, parking lots or sites that are designated  
14 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,  
15 industrial, and municipal buildings.

16 (19) “Project” means a distinct installation of an eligible net-metering system or a  
17 community remote net-metering system. An installation will be considered distinct if it is installed  
18 in a different location, or at a different time, or involves a different type of renewable energy.  
19 Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be  
20 located on adjoining parcels of land within core forests, except for preferred sites.

21 (20) “Public entity” means the federal government, the state of Rhode Island,  
22 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing  
23 plant or system employed for the distribution of water to the consuming public within this state  
24 including the water supply board of the city of Providence.

25 (21) “Public entity net-metering system” means a system generating renewable energy at  
26 a property owned or controlled by the public entity that is participating in a net-metering financing  
27 arrangement where the public entity has designated accounts in its name to receive net-metering  
28 credits.

29 (22) “Renewable net-metering credit” means a credit that applies to an eligible net-  
30 metering system or a community remote net-metering system up to one hundred percent (100%) of  
31 either the renewable self-generator’s usage at the eligible net-metering system site or the sum of  
32 the usage of the eligible credit-recipient accounts associated with the community remote net-  
33 metering system over the applicable billing period. This credit shall be equal to the total kilowatt  
34 hours of electrical energy generated up to the amount consumed on-site, and/or generated up to the

1 sum of the eligible credit-recipient account usage during the billing period multiplied by the sum  
2 of the distribution company's:

3 (i) Last resort service kilowatt-hour charge for the rate class applicable to the net-metering  
4 customer, except that for remote public entity and multi-municipality collaborative net-metering  
5 systems that submit an application for an interconnection study on or after July 1, 2017, and  
6 community remote net-metering systems, the last resort service kilowatt-hour charge shall be net  
7 of the renewable energy standard charge or credit;

8 (ii) Distribution kilowatt-hour charge;

9 (iii) Transmission kilowatt-hour charge; and

10 (iv) Transition kilowatt-hour charge.

11 For projects after April 15, 2023 and prior to July 1, 2026, subject to the allowable two  
12 hundred seventy-five megawatts alternating current (275 MWac), under § 39-26.4-3(a)(1)(vi), the  
13 credit shall be reduced by twenty percent (20%).

14 For projects on or after July 1, 2026, subject to the allowable two hundred twenty-five  
15 megawatts alternating current (225 MWac), under § 39-26.4-3(a)(1)(vi), the credit shall be reduced  
16 by twenty percent (20%).

17 Notwithstanding the foregoing, except for systems that have requested an interconnection  
18 study for which payment has been received by the distribution company, or if an interconnection  
19 study is not required, a completed and paid interconnection application, by December 31, 2018, the  
20 renewable net-metering credit for all remote public entity and multi-municipal collaborative net-  
21 metering systems shall not include the distribution kilowatt-hour charge commencing on January  
22 1, 2060.

23 The electric distribution company shall offer all owners of systems over one megawatt  
24 alternating current (1 MWac), a contract guaranteeing the delivery of net-metering credits and  
25 containing the following terms:

26 (v) The contract shall be effective for thirty (30) years from the date of execution;

27 (vi) The credit shall be equal to the total kilowatt hours of electrical energy generated up  
28 to the amount consumed on-site, and/or generated up to the sum of the eligible credit-recipient  
29 account usage during the billing period, multiplied by nineteen cents (\$0.19), subject to an annual  
30 increase of two and three quarters percent (2.75%);

31 (vii) The credit shall be reduced by thirty percent (30%) effective following the twenty-  
32 fifth year after the execution of the contract. Upon the expiration of the contract, the credit shall be  
33 further reduced to the wholesale rate, as defined in subsection (8) of this section;

34 (viii) For electrical energy produced greater than one hundred percent (100%) of the

1 eligible credit-recipient account usage, the value of the credit shall be equal to the wholesale  
2 electricity rate, which shall be the ISO-New England energy clearing price. The application of this  
3 excess net metering credit shall be in the manner described in subsection (8) of this section.

4 (ix) Neither the owner, operator nor any credit recipient shall be charged a grid access fee  
5 or any equivalent fee, intended to offset the distribution costs associated with the net metering  
6 system, with the exception of interconnection costs which will be paid pursuant to chapter 26.3 of  
7 title 39 and/or the terms of the interconnection service agreement;

8 (x) The renewable energy certificates generated by the system shall remain the property of  
9 the system owner;

10 (xi) Any future revisions to chapter 26.4 of title 39 shall not alter the terms or enforceability  
11 of the contract;

12 (xii) Upon execution of the contract, the system owner shall pay a one-time execution fee  
13 to the Rhode Island commerce corporation, as created by § 42-64-4, for deposit in the renewable  
14 energy development fund pursuant to § 39-26-7(a). The one-time execution fee shall equal one  
15 thousand dollars (\$1,000) per nameplate megawatt, alternating current, not to exceed twenty-five  
16 thousand dollars (\$25,000) for the entire system. The Rhode Island commerce corporation shall use  
17 the execution fees in the manner prescribed by § 39-26-7(c).

18 (xiii) The contract offer shall terminate six (6) months after its delivery to the eligible  
19 system owner or operator.

20 (xiv) The contract may contain any other terms and conditions deemed reasonable and  
21 necessary to effectuate the terms described in subsections (22)(v) through (xiii) of this section.

22 The Rhode Island commerce corporation, as created pursuant to § 42-64-4, shall execute  
23 all contracts offered by the electric distribution company and executed by the owner or operator of  
24 an eligible system.

25 (23) “Renewable self-generator” means an electric distribution service customer of record  
26 for the eligible net-metering system or community remote net-metering system at the eligible net-  
27 metering system site which system is primarily designed to produce electrical energy for  
28 consumption by that same customer at its distribution service account(s), and/or, with respect to  
29 community remote net-metering systems, electrical energy which generates net-metering credits to  
30 be applied to offset the eligible credit-recipient account usage.

31 (24) “Third party” means and includes any person or entity, other than the renewable self-  
32 generator, who or that owns or operates the eligible net-metering system or community remote net-  
33 metering system on the eligible net-metering system site for the benefit of the renewable self-  
34 generator.

1 (25) “Third-party, net-metering financing arrangement” means the financing of eligible  
2 net-metering systems or community remote net-metering systems through lease arrangements or  
3 power/credit purchase agreements between a third party and renewable self-generator, except for  
4 those entities under a public entity net-metering financing arrangement. A third party engaged in  
5 providing financing arrangements related to such net-metering systems with a public or private  
6 entity is not a public utility as defined in § 39-1-2.

7 **39-26.4-3. Net metering.**

8 (a) The following policies regarding net metering of electricity from eligible net-metering  
9 systems and community remote net-metering systems and regarding any person that is a renewable  
10 self-generator shall apply:

11 (1)(i) The maximum allowable capacity for eligible net-metering systems, based on  
12 nameplate capacity, shall be ten megawatts (10 MW).

13 (ii) Eligible net-metering systems shall be sited outside of core forests with the exception  
14 of development on preferred sites in the core forest and the exception of systems that, as of April  
15 15, 2023, (A) Have submitted a complete application to the appropriate municipality for any  
16 required permits and/or zoning changes, or (B) Have requested an interconnection study for which  
17 payment has been received by the distribution company, or (C) If an interconnection study is not  
18 required, systems that have a completed and paid interconnection application.

19 (iii) For systems developed in core forests on preferred sites, no more than one hundred  
20 thousand square feet (100,000 sq. ft) of core forest shall be removed, except for work required for  
21 utility interconnection or development of a brownfield, in which case no more core forest than  
22 necessary for interconnection or brownfield development shall be removed.

23 (iv) The aggregate amount of net metering in the Block Island Utility District doing  
24 business as Block Island Power Company and the Pascoag Utility District shall not exceed a  
25 maximum percentage of peak load for each utility district as set by the utility district based on its  
26 operational characteristics, subject to commission approval.

27 (v) Through December 31, 2018, the maximum aggregate amount of community remote  
28 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount  
29 after December 31, 2018, shall remain available to community remote net-metering systems until  
30 the MW aggregate amount is interconnected.

31 (vi) The maximum aggregate capacity of remote net metering allowable for ground-  
32 mounted eligible net-metering systems, as defined by § 39-26.4-2(6), with the exception of systems  
33 that have, as of April 15, 2023, submitted a complete application to the appropriate municipality  
34 for any required permits and/or zoning changes or have requested an interconnection study for

1 which payment has been received by the distribution company, or if an interconnection study is not  
2 required, a completed and paid interconnection application by the distribution company as of June  
3 24, 2023 and prior to July 1, 2026, shall be two hundred seventy-five megawatts, alternating current  
4 (275 MWac) and on and after July 1, 2026, shall be two hundred twenty-five megawatts, alternating  
5 current (225 MWac), excluding off-shore wind. None of the systems to which this cap applies shall  
6 be in core forests unless on a preferred site located within the core forest. A project counts against  
7 this maximum if it is in operation or under construction by ~~July 1, 2030~~ December 31, 2032, as  
8 determined by the local distribution company. All eligible ground-mounted net-metering systems  
9 must be under construction or in operation by ~~July 1, 2030~~ December 31, 2032. This restriction  
10 shall not apply to the following: (A) The eligible net-metering system is interconnected behind the  
11 same meter as the net-metering customer's load; and/or (B) The energy generated by the eligible  
12 net-metering system is consumed by net-metered electric service account(s) of the same owner of  
13 record that are actually located on the same or contiguous parcels as the eligible net-metering  
14 system.

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

18 (i) The production from the eligible net-metering system or community remote net-  
19 metering system; and

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

1 smaller, the electric distribution company, at its option, may administer renewable net-metering  
2 credits month to month allowing unused credits to carry forward into the following billing period.

3 (3) If the electricity generated by an eligible net-metering system or community remote  
4 net-metering system during a billing period is equal to, or less than, the net-metering customer's  
5 usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient  
6 accounts associated with the community remote net-metering system during the billing period, the  
7 customer shall receive renewable net-metering credits, that shall be applied to offset the net-  
8 metering customer's usage on accounts at the eligible net-metering system site, or shall be used to  
9 credit the eligible credit-recipient's electric account.

10 (4) If the electricity generated by an eligible net-metering system or community remote  
11 net-metering system during a billing period is greater than the net-metering customer's usage on  
12 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-  
13 recipient accounts associated with the community remote net-metering system during the billing  
14 period, the customer shall be paid by excess renewable net-metering credits for the excess  
15 electricity generated; provided that, for any excess electricity generated by a system with a  
16 nameplate capacity in excess of twenty-five kilowatts (25 KW), excess renewable net-metering  
17 credits shall be limited to excess up to an additional twenty-five percent (25%) beyond the net-  
18 metering customer's usage at the eligible net-metering system site, or the sum of the usage of the  
19 eligible credit-recipient accounts associated with the community remote net-metering system  
20 during the billing period; unless the electric distribution company and net-metering customer have  
21 agreed to a billing plan pursuant to subsection (a)(2). Subject to the completion of any applicable  
22 annual reconciliation of renewable net-metering credits and excess renewable net metering credits,  
23 customers shall have the option to cash out any credit balance remaining provided that the amount  
24 of the cash out shall be the lower of:

25 (i) The credit balance shown from the annual reconciliation of the applicable account; or

26 (ii) The credit balance on the applicable account on the date the electric distribution  
27 company processes the cash out.

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

32 (b) The commission shall exempt electric distribution company customer accounts  
33 associated with an eligible net-metering system from back-up or standby rates commensurate with  
34 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such

1 exemption shall be fully recovered by the electric distribution company through rates.

2 (c) Any prudent and reasonable costs incurred by the electric distribution company  
3 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-  
4 metering credits or excess renewable net-metering credits provided to accounts associated with  
5 eligible net-metering systems or community remote net-metering systems, shall be aggregated by  
6 the distribution company and billed to all distribution customers on an annual basis through a  
7 uniform, per-kilowatt-hour (KWh) surcharge embedded in the distribution component of the rates  
8 reflected on customer bills.

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

11 (e) The Rhode Island office of energy resources shall redesign the community solar remote  
12 net metering program to reflect the provisions of this chapter and to include a commercial or  
13 industrial anchor tenant up to but not to exceed fifty percent (50%) of the project. The remaining  
14 fifty percent (50%) must be allocated or subscribed to low- and moderate-income (LMI) residents  
15 and/or those living in areas defined as disadvantaged and environmental justice communities. The  
16 Rhode Island office of energy resources shall design the net metering credit rate and factor in  
17 federal energy funding and tax credits to develop the most cost-effective rate for community solar  
18 projects. It is expected that these projects will be operational for a twenty-year (20) period. The  
19 Rhode Island office of energy resources shall file a benefit and cost analysis with any program  
20 proposal filed to the Rhode Island public utilities commission. Once the Rhode Island office of  
21 energy resources files a program proposal to the Rhode Island public utilities commission, a docket  
22 shall be established, and the Rhode Island public utilities commission shall issue a ruling on the  
23 program no later than one hundred and fifty (150) days. If a program is approved, it will be subject  
24 to no greater than twenty megawatts (20 MW) per year for two years until the forty megawatts (40  
25 MW) cap is met. Eligible net-metering systems shall be sited outside of core forests with the  
26 exception of development on preferred sites in the core forest.

27 SECTION 4. This act shall take effect upon passage.

=====  
LC006452  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY  
STANDARD

\*\*\*

1           This act would require the electric distribution companies to offer system owner/operators  
2 thirty (30) year contracts, with various terms including guaranteeing the delivery of net metering  
3 credits valued at twenty and a half cents (\$.19), with an annual escalation of two and three quarters  
4 percent (2.75%). It would also reduce the megawatt cap for future eligible ground-mounted net-  
5 metering systems from two hundred seventy-five megawatts, alternating current (275 MWac) to  
6 two hundred twenty-five megawatts, alternating current (225 MWac).

7           This act would take effect upon passage.

=====  
LC006452  
=====