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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representatives Potter, Baginski, Felix, Batista, Ruggiero, Speakman,
Knight, Kislak, Shallcross Smith, and Fogarty

Date Introduced: February 02, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.4-3 of the General Laws in Chapter 39-26.4 entitled "Net
2 Metering" is hereby amended to read as follows:

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

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

7 (1)(i) The maximum allowable capacity for eligible net-metering systems, based on
8 nameplate capacity, shall be ten megawatts (10 MW), effective sixty (60) days after passage. The
9 aggregate amount of net metering in the Block Island Power Company and the Pascoag Utility
10 District shall not exceed three percent (3%) of peak load for each utility district; ~~and~~

11 (ii) Through December 31, 2018, the maximum aggregate amount of community remote
12 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
13 after December 31, 2018, shall remain available to community remote net-metering systems until
14 the MW aggregate amount is interconnected. After December 31, 2018, the commission may
15 expand ~~or modify~~ the aggregate amount after a public hearing upon petition by the office of energy
16 resources. The commission shall determine within six (6) months of such petition being docketed
17 by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate
18 amount shall not apply to any net-metering financing arrangement involving public entity facilities,
19 multi-municipal collaborative facilities, educational institutions, the federal government,

1 hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the
2 cost and benefit to all customers of the inclusion of the distribution charge as a part of the net-
3 metering calculation; and

4 (iii) Commencing July 1, 2021, an additional sixty megawatts (60 MW) shall be added to
5 the existing community remote net-metering program, "community remote net metering
6 expansion", bringing the maximum aggregate amount of community remote net-metering systems
7 to ninety megawatts (90 MW). Projects shall be allocated program capacity on a first-come, first-
8 served basis based on the community net-metering waiting list. A minimum of one-third (1/3) of the
9 expansion shall be located on previously disturbed sites. Each community remote net-metering
10 system that receives an allocation in the expansion shall:

11 (A) Allocate a minimum of twenty percent (20%) of the generated power to low- or
12 moderate-income households;

13 (B) Provide proof of project maturity by providing a copy of a completed distribution level
14 impact study or a fully executed interconnection services agreement and evidence that applicable
15 municipal planning and zoning permits, and department of environmental management wetland
16 permits are in hand;

17 (C) Be prohibited from co-locating multiple renewable energy resources under common
18 ownership on one or more contiguous parcels, unless the total capacity of the co-located projects
19 is less than ten megawatts (10 MW) in aggregate; and

20 (D) Provide National Grid the wholesale market capacity rights to the community remote
21 net-metering systems.

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

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

27 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering system
28 site or the sum of the consumption of the eligible credit-recipient accounts associated with the
29 community remote net-metering system, and establish a monthly billing plan that reflects the
30 expected credits that would be applied to the net-metered accounts over twelve (12) months. The
31 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of
32 actual production and usage. If such election is made by the electric distribution company, the
33 electric distribution company would reconcile payments and credits under the billing plan to actual
34 production and consumption at the end of the twelve-month (12) period and apply any credits or

1 charges to the net-metered accounts for any positive or negative difference, as applicable. Should
2 there be a material change in circumstances at the eligible net-metering system site or associated
3 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the
4 electric distribution company during the reconciliation period. The electric distribution company
5 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing
6 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-
7 metering systems and community remote net-metering systems twenty-five kilowatts (25 KW) or
8 smaller, the electric distribution company, at its option, may administer renewable net-metering
9 credits month to month allowing unused credits to carry forward into the following billing period.

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

17 (4) If the electricity generated by an eligible net-metering system or community remote
18 net-metering system during a billing period is greater than the net-metering customer's usage on
19 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-
20 recipient accounts associated with the community remote net-metering system during the billing
21 period, the customer shall be paid by excess renewable net-metering credits for the excess
22 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering
23 customer's usage at the eligible net-metering system site, or the sum of the usage of the eligible
24 credit-recipient accounts associated with the community remote net-metering system during the
25 billing period; unless the electric distribution company and net-metering customer have agreed to
26 a billing plan pursuant to subsection (a)(2).

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

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

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

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

10 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

1 This act would increase the maximum aggregate amount of community remote net-
2 metering systems from thirty megawatts (30 MW) to ninety megawatts (90 MW), and would
3 require the allocation of a minimum of twenty percent (20%) of the generated power to low- or
4 moderate-income households commencing July 1, 2021. Projects would be allocated to the
5 programs on a first-come, first-served basis.

6 This act would take effect upon passage.

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