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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY
STANDARD -- SOLAR ENERGY ANALYSIS

Introduced By: Senators Sosnowski, Euer, DiMario, Miller, Pearson, and Kallman

Date Introduced: February 08, 2022

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

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

3 **39-26-2. Definitions.**

4 When used in this chapter:

5 (1) "Alternative compliance payment" means a payment to the renewable energy
6 development fund of fifty dollars (\$50.00) per megawatt-hour of renewable energy obligation, in
7 2003 dollars, adjusted annually up or down by the consumer price index, which may be made in
8 lieu of standard means of compliance with this statute.

9 (2) "Commission" means the Rhode Island public utilities commission.

10 (3) "Compliance year" means a calendar year beginning January 1 and ending December
11 31, for which an obligated entity must demonstrate that it has met the requirements of this statute.

12 (4) "Customer-sited generation facility" means a generation unit that is interconnected on
13 the end-use customer's side of the retail electricity meter in such a manner that it displaces all or
14 part of the metered consumption of the end-use customer.

15 (5) "Electrical energy product" means an electrical energy offering, including, but not
16 limited to, last-resort and standard-offer service, that can be distinguished by its generation
17 attributes or other characteristics, and that is offered for sale by an obligated entity to end-use
18 customers.

1 (6) "Eligible biomass fuel" means fuel sources including brush, stumps, lumber ends and
2 trimmings, wood pallets, bark, wood chips, shavings, slash, and other clean wood that is not mixed
3 with other solid wastes; agricultural waste, food, and vegetative material; energy crops; landfill
4 methane; biogas; or neat biodiesel and other neat liquid fuels that are derived from such fuel
5 sources.

6 (7) "Eligible renewable energy resource" means resources as defined in § 39-26-5.

7 (8) "End-use customer" means a person or entity in Rhode Island that purchases electrical
8 energy at retail from an obligated entity.

9 (9) "Environmental justice" means the fair treatment and meaningful involvement of all
10 people regardless of race, color, national origin, English language proficiency, or income with
11 respect to the development, implementation, and enforcement of environmental laws, regulations,
12 and policies.

13 ~~(9)~~(10) "Existing renewable energy resources" means generation units using eligible
14 renewable energy resources and first going into commercial operation before December 31, 1997.

15 ~~(10)~~(11) "Generation attributes" means the nonprice characteristics of the electrical energy
16 output of a generation unit including, but not limited to, the unit's fuel type, emissions, vintage, and
17 policy eligibility.

18 ~~(11)~~(12) "Generation unit" means a facility that converts a fuel or an energy resource into
19 electrical energy.

20 ~~(12)~~(13) "High-heat medical waste processing facility" means a facility that:

21 (i) Generates electricity from the combustion, gasification, or pyrolysis of regulated
22 medical waste;

23 (ii) Generates electricity from the combustion of fuel derived from the gasification or
24 pyrolysis of regulated medical waste; or

25 (iii) Disposes of, processes, or treats regulated medical waste through combustion,
26 gasification, pyrolysis, or any process that exposes waste to temperatures above four hundred
27 degrees Fahrenheit (400°F).

28 (14) "Interested parties" means persons or organizations that can affect, be affected by or
29 perceive itself to be affected by a decision or activity and who have identified themselves to the
30 commission's clerk in writing within thirty (30) days of public notice of the docket set forth in §
31 39-26-11(a) or within any reasonable extension of that time as determined by the commission.
32 Interested parties are not limited to those with intervenor status.

33 ~~(13)~~(15) "NE-GIS" means the generation information system operated by NEPOOL, its
34 designee or successor entity, that includes a generation information database and certificate system,

1 and that accounts for the generation attributes of electrical energy consumed within NEPOOL.

2 ~~(14)~~(16) "NE-GIS certificate" means an electronic record produced by the NE-GIS that
3 identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.

4 ~~(15)~~(17) "NEPOOL" means the New England Power Pool or its successor.

5 ~~(16)~~(18) "New renewable energy resources" means generation units using eligible
6 renewable energy resources and first going into commercial operation after December 31, 1997; or
7 the incremental output of generation units using eligible renewable energy resources that have
8 demonstrably increased generation in excess of ten percent (10%) using eligible renewable energy
9 resources through capital investments made after December 31, 1997; but in no case involve any
10 new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand
11 or less.

12 ~~(17)~~(19) "Obligated entity" means a person or entity who or that sells electrical energy to
13 end-use customers in Rhode Island, including, but not limited to: nonregulated power producers
14 and electric utility distribution companies, as defined in § 39-1-2, supplying standard-offer service,
15 last-resort service, or any successor service to end-use customers, including Narragansett Electric,
16 but not to include Block Island Power Company as described in § 39-26-7 or Pascoag Utility
17 District.

18 ~~(18)~~(20) "Off-grid generation facility" means a generation unit that is not connected to a
19 utility transmission or distribution system.

20 (21) "Reliable source of revenue" means a revenue source for a given project's output
21 products that is likely to exist over the useful life of a given project.

22 ~~(19)~~(22) "Renewable energy resource" means any one or more of the renewable energy
23 resources described in § 39-26-5(a).

24 ~~(20)~~(23) "Reserved certificate" means a NE-GIS certificate sold independent of a
25 transaction involving electrical energy, pursuant to Rule 3.4 or a successor rule of the operating
26 rules of the NE-GIS.

27 ~~(21)~~(24) "Reserved certificate account" means a specially designated account established
28 by an obligated entity, pursuant to Rule 3.4 or a successor rule of the operating rules of the NE-
29 GIS, for transfer and retirement of reserved certificates from the NE-GIS.

30 ~~(22)~~(25) "Self-generator" means an end-use customer in Rhode Island that displaces all or
31 part of its retail electricity consumption, as metered by the distribution utility to which it
32 interconnects, through the use of a customer-sited generation facility, and the ownership of any
33 such facility shall not be considered an obligated entity as a result of any such ownership
34 arrangement.

1 ~~(23)~~(26) "Small hydro facility" means a facility employing one or more hydroelectric
2 turbine generators and with an aggregate capacity not exceeding thirty megawatts (30 MW). For
3 purposes of this definition, "facility" shall be defined in a manner consistent with Title 18 of the
4 Code of Federal Regulations, section 292.204; provided, however, that the size of the facility is
5 limited to thirty megawatts (30 MW), rather than eighty megawatts (80 MW).

6 SECTION 2. Chapter 39-26 of the General Laws entitled "Renewable Energy Standard" is
7 hereby amended by adding thereto the following section:

8 **39-26-11. Analysis of solar energy development.**

9 (a) In light of the changing solar energy market and chapter 6.2 of title 42 (the "act on
10 climate"), and no later than sixty (60) days after passage of this section, the commission shall
11 establish a docket to review and analyze solar energy development in Rhode Island.

12 (b) The commission review and analysis conducted pursuant to this chapter shall include,
13 but not be limited to:

14 (1) Comparing and contrasting the various solar energy development programs offered
15 through the electric distribution company's tariffs, excluding Block Island Utility District and
16 Pascoag Utility District, performing a cost-benefit analysis of investment in a range of solar project
17 types and conducting an analysis of the different allocation of costs and benefits to participants and
18 non-participants caused by increased investment in the project types from the programs offered
19 through the electric distribution company's tariffs;

20 (2) Including and factoring into consideration, in addition to direct costs and benefits,
21 environmental costs and benefits, and other indirect and ancillary costs and benefits for each solar
22 energy development project type;

23 (3) Including and factoring into consideration impacts on health, jobs, land use,
24 environmental justice, electric service reliability and affordable consumer rates;

25 (4) Including and factoring into consideration federal, state, local and other renewable
26 investment tax credits, incentives and grants available for these projects;

27 (5) Including and factoring into consideration interconnection costs, the commission
28 approved community solar ceiling prices for the 2020 and 2021 renewable energy growth program
29 years, historic net metering rates between 2019 and 2021, other relevant rates, and the project
30 subscriber process as well as the programmatic rules and cost differences; and

31 (6) Addressing the developers' need for a reliable source of revenue which provides a
32 reasonable foundation for financing their projects against the need to assure that ratepayers are not
33 paying more than necessary to achieve the targets set in the Renewable Energy Standard, chapter
34 26 of title 39 (the "renewable energy standard"), including a range of electric load growth scenarios

1 that address the targets for greenhouse gas emission reductions set in the Act on Climate, chapter
2 6.2 of title 42 (the "act on climate").

3 (c) For each type of solar energy development program, the commission shall analyze:

4 (1) Whether expansion of each program encourages investment in solar projects where the
5 benefits exceed the costs; and

6 (2) Whether sustainability and stability of each program can be maintained without
7 unreasonable burden to ratepayers.

8 (d) Taking subsections (a), (b), and (c) of this section into consideration, in its report on
9 the review and analysis, the commission shall make a reasoned recommendation of which solar
10 energy development program or programs, combination of programs or new programs is or are the
11 most reasonable and effective means of procuring the best value for solar resources at the overall
12 best rate to Rhode Island ratepayers through 2030.

13 (e) Prior to the draft report and recommendations, the commission shall provide for at least
14 three (3) public meetings through an informal process that provides for meaningful public
15 engagement.

16 (f) The commission shall provide a minimum of thirty (30) days for public comment on
17 the report and host at least one technical working session for interested parties to comment on the
18 criteria listed above and other data utilized by the commission in making its recommendations. The
19 commission shall conduct an inclusive process that allows for meaningful public engagement and
20 publicly and financially accessible meetings and may hold other technical working sessions and/or
21 evidentiary hearings, as needed.

22 (g) The commission shall issue its report on Rhode Island's solar energy development
23 programs with its review, analysis and recommendations to the governor, the senate president and
24 the speaker of the house no later than December 1, 2023 or one year after the docket's establishment
25 date.

26 SECTION 3. 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 -- RENEWABLE ENERGY
STANDARD -- SOLAR ENERGY ANALYSIS

- 1 This act would require the public utilities commission to establish a docket to review and
- 2 analyze solar energy development in Rhode Island.
- 3 This act would take effect upon passage.

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