

2022 -- S 2691 SUBSTITUTE A

LC004954/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- 2022 ENERGY STORAGE ACT

Introduced By: Senators Euer, DiPalma, Burke, Murray, Seveney, Miller, Coyne, Kallman, Ruggerio, and Quezada

Date Introduced: March 17, 2022

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 33

4 2022 ENERGY STORAGE ACT

5 **39-33-1. Energy storage target.**

6 It shall be the policy of the State of Rhode Island to meet the following energy storage
7 deployment goals:

8 (1) Reducing the costs of electric generation, the transmission system, and the distribution
9 system to ratepayers;

10 (2) Facilitating the transition to a safe and reliable carbon-free electricity supply; and

11 (3) Reducing peak demand and achieving efficient management of the electric distribution
12 system.

13 **39-33-2. Energy storage compensation study.**

14 (a) On or before July 1, 2022, the public utilities commission shall initiate a docket that
15 allows stakeholder participation to identify issues related to compensation mechanisms for electric
16 energy storage resources, and the ownership of storage services, and capacity connected to the
17 electric distribution or transmission system, including the incorporation of electric energy storage
18 into existing programs and tariffs. The public utilities commission shall consider the following:

19 (1) Identification of the costs and value streams of distributed energy resources;

1 (2) Identification of the costs and value streams of storage and whether storage can
2 participate in existing programs as a standalone or paired resource;

3 (3) Identification of potential market inefficiencies related to any of the resources studied;

4 (4) Ownership of storage products, such as capacity and energy;

5 (5) Other resources that compete with storage for the services storage can provide; and

6 (6) Any other relevant issue identified by the public utilities commission.

7 (b) On or before March 1, 2023 the public utilities commission shall report to the legislature
8 on the status of the docket described in subsection (a) of this section. The public utilities
9 commission shall include in its report whether new tariffs and programs or changes to existing
10 tariffs and programs, are necessary to enable meeting the goals established in § 39-33-1; how the
11 commission intends to address those matters, the expected timeline, and whether any changes of
12 law are necessary. The public utilities commission will report what is known or needed to be known
13 for storage or competing technologies to achieve those objectives, including, but not limited to:

14 (1) Providing positive net present value to all ratepayers, or a subset of ratepayers paying
15 for the benefits, that accrue to that subset of ratepayers;

16 (2) Providing multiple types of benefits to the electric grid, including, but not limited to,
17 customer, local, or community resilience, ancillary services, leveling out peaks in electricity use or
18 that support the deployment of other distributed energy resources;

19 (3) Fostering the sustained, orderly development of a state-based energy storage industry;
20 and

21 (4) Maximizing the value from the participation of energy storage systems in capacity
22 markets. The public utilities commission shall include consideration of all energy storage
23 configurations that are connected to the distribution system, including systems connected in front
24 of the meter and not located at a customer premises.

25 **39-33-3. Energy storage rate design.**

26 (a) On or before July 31, 2023, the public utilities commission shall conclude the docket
27 described in § 39-33-2, with the adoption of a framework for electric rate tariffs to apply to energy
28 storage systems interconnected and providing retail service to their distribution system and targets
29 for installed storage capacity by 2032.

30 (b) After adopting a framework, the electric distribution companies will include tariffs for
31 storage resources and/or the general services and products storage resources provide in its next
32 distribution rate case or at the direction of the public utilities commission, in a revenue neutral rate
33 case. Electric distribution companies with fewer than one hundred thousand (100,000) customers
34 may seek relief from the public utilities commission on the requirements of this subsection for good

1 cause. The filing shall include at least one rate tariff that is applicable to front of the meter energy
2 storage. The tariff shall not include costs that are otherwise recouped via project sponsor-funded
3 interconnection upgrades or otherwise paid directly by the project sponsor, and shall include rates
4 designed to reflect cost causation and ensure that energy storage systems are incentivized to charge
5 and discharge at times that benefit the system.

6 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 -- 2022 ENERGY STORAGE ACT

1 This act would require the public utilities commission to initiate the process of evaluating
2 the barriers to and opportunities for electric energy storage resources to be connected to the electric
3 distribution system, including the filing by the electric distribution company of new tariffs to apply
4 to energy storage systems interconnected and providing retail service to the distribution system.

5 This act would take effect upon passage.

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