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LC01651/SUB A/2  
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## STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED GENERATION  
STANDARD CONTRACTS

Introduced By: Representatives Handy, Ruggiero, Gallison, McNamara, and Carnevale

Date Introduced: February 28, 2013

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 39-26.1-3 of the General Laws in Chapter 39-26.1 entitled "Long-  
2   Term Contracting Standard for Renewable Energy" is hereby amended to read as follows:

3           **39-26.1-3. Long-term contract standard.** -- (a) Beginning on or before July 1, 2010,  
4   each electric distribution company shall be required to annually solicit proposals from renewable  
5   energy developers and, provided commercially reasonable proposals have been received, enter  
6   into long-term contracts with terms of up to fifteen (15) years for the purchase of capacity, energy  
7   and attributes from newly developed renewable energy resources. Subject to commission  
8   approval, the electric distribution company may enter into contracts for term lengths longer than  
9   fifteen (15) years. Notwithstanding any other provisions of this chapter, on or before August 15,  
10   2009, the electric distribution company shall solicit proposals for one newly developed renewable  
11   energy resources project as required in section 39-26.1-7. Proposals for the sale of output from an  
12   offshore wind project received under the provisions of this section shall be diligently and fully  
13   considered without prejudice, regardless of the status of any proceedings under sections 39-26.1-7  
14   or 39-26.1-8.

15           (b) The timetable and method for solicitation and execution of such contracts shall be  
16   proposed by the electric distribution company, and shall be subject to review and approval by the  
17   commission prior to issuance by the company; provided that the timetable is reasonably designed  
18   to result in the electric distribution company having the minimum long-term contract capacity

1 under contract within four (4) years of the date of the first solicitation; it is not necessary that the  
2 projects associated with these contracts be operational within these four (4) years, as the  
3 operational dates shall be specified in the contract. The electric distribution company shall,  
4 subject to review and approval of the commission, select a reasonable method of soliciting  
5 proposals from renewable energy developers, which shall include, at a minimum, an annual  
6 public solicitation, but may also include individual negotiations. The solicitation process shall  
7 permit a reasonable amount of negotiating discretion for the parties to engage in commercially  
8 reasonable arms-length negotiations over final contract terms. Each long-term contract entered  
9 into pursuant to this section shall contain a condition that it shall not be effective without  
10 commission review and approval. The electric distribution company shall file such contract, along  
11 with a justification for its decision, within a reasonable time after it has executed the contract  
12 following a solicitation or negotiation. The commission shall hold public hearings to review the  
13 contract within forty-five (45) days of the filing and issue a written order approving or rejecting  
14 the contract within sixty (60) days of the filing; in rejecting a contract the commission may advise  
15 the parties of the reason for the contract being rejected and direct the parties to attempt to address  
16 the reasons for rejection in a revised contract within a specified period not to exceed ninety (90)  
17 days. The commission shall approve the contract if it determines that: (1) the contract is  
18 commercially reasonable; (2) the requirements for the annual solicitation have been met; and (3)  
19 the contract is consistent with the purposes of this chapter. A report on each solicitation shall be  
20 filed with the commission each year within a reasonable time after decisions are made by the  
21 electric distribution company regarding the solicitation results, even if no contracts are executed  
22 following the solicitation.

23 (c) (1) No electric distribution company shall be obligated to enter into long-term  
24 contracts for newly developed renewable energy resources on terms which the electric  
25 distribution company reasonably believes to be commercially unreasonable; provided, however, if  
26 there is a dispute about whether these terms are commercially unreasonable, the commission shall  
27 make the final determination after an evidentiary hearing. The electric distribution company shall  
28 not be obligated to enter into long-term contracts pursuant to this section that would, in the  
29 aggregate, exceed the minimum long-term contract capacity, but may do so voluntarily subject to  
30 commission approval. As long as the electric distribution company has entered into long-term  
31 contracts in compliance with this section, the electric distribution company shall not be required  
32 by regulation or order to enter into power purchase contracts with renewable generation projects  
33 for power, renewable energy certificates, or any other attributes with terms of more than three (3)  
34 years in meeting its applicable annual renewable portfolio standard requirements set forth in

1 section 39-26-4 or pursuant to any other provision of the law.

2 (2) Except as provided in section 39-26.1-7 and 39-26.1-8, an electric distribution  
3 company shall not be required to enter into long-term contracts for newly developed renewable  
4 energy resources that exceed the following ~~four (4)~~ five (5) year phased schedule:

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

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

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

11 By December 30, ~~2013~~ 2014: One hundred percent (100%) of the minimum long-term  
12 contract capacity; but may do so earlier voluntarily, subject to commission approval.

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

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

25 SECTION 2. Sections 39-26.2-3, 39-26.2-4, 39-26.2-6, 39-26.2-7, 39-26.2-8 and 39-  
26 26.2-12 of the General Laws in Chapter 39-26.2 entitled "Distributed Generation Standard  
27 Contracts" are hereby amended to read as follows:

28 **39-26.2-3. Definitions.** -- When used in this chapter, the following terms shall have the  
29 following meanings:

30 (1) "Annual target" means the target for total renewable energy nameplate capacity of  
31 new distributed generation standard contracts set out in section 39-26.2-3.

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

33 (3) "Board" shall mean the distributed generation standard contract board established  
34 pursuant to the provisions of chapter 39-26.2-9, or the office of energy resources. Until such time

1 as the board is duly constituted, the office of energy resources shall serve as the board with the  
2 same powers and duties pursuant to this chapter.

3 (4) "Distributed generation contract capacity" means ten percent (10%) of an electric  
4 distribution company's minimum long-term contract capacity under the long-term contracting  
5 standard for renewable energy in section 39-26.1-2, inclusive of solar capacity. The distributed  
6 generation contract capacity shall be reserved for acquisition by the electric distribution company  
7 through standard contracts pursuant to the provisions of this chapter.

8 (5) "Distributed generation facility" means an electrical generation facility that is a  
9 newly developed renewable energy resource as defined in section 39-26.1-2, located in the  
10 electric distribution company's load zone with a nameplate capacity no greater than five  
11 megawatts (5 MW), using eligible renewable energy resources as defined by section 39-26-5,  
12 including biogas created as a result of anaerobic digestion, but, specifically excluding all other  
13 listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or  
14 operated by the electric distribution company.

15 (6) "Distributed generation project" means a distinct installation of a distributed  
16 generation facility. An installation will be considered distinct if it is installed in a different  
17 geographical location and at a different time, or if it involves a different type of renewable energy  
18 class.

19 (7) "Electric distribution company" means a company defined in subdivision 39-1-2(12),  
20 supplying standard offer service, last resort service, or any successor service to end-use  
21 customers, but not including the Block Island Power Company or the Pascoag Utility District.

22 (8) "Large distributed generation project" means a distributed generation project that has  
23 a nameplate capacity that exceeds the size of a small distributed generation project in a given  
24 year, but is no greater than ~~five~~ three megawatts (~~5 MW~~) (3 MW) nameplate capacity.

25 (9) "Office" means the Rhode Island office of energy resources.

26 ~~(9)~~(10) "Program year" means a calendar year beginning January 1 and ending  
27 December 31.

28 ~~(10)~~(11) "Renewable energy classes" means categories for different renewable energy  
29 technologies using eligible renewable energy resources as defined by section 39-26-5. For each  
30 program year, the board shall determine the renewable energy classes as are reasonably feasible  
31 for use in meeting distributed generation objectives from renewable energy resources and are  
32 consistent with the goal of meeting the annual target for the program year. For the program year  
33 ending December 31, 2012, there shall be at least four (4) technology classes and at least two (2)  
34 shall be for solar generation technology, and at least one shall be for wind. The board may add,

1 eliminate, or adjust renewable energy classes for each program year with public notice given at  
2 least sixty (60) days previous to any renewable energy class change becoming effective. For each  
3 program year, the board shall set renewable energy class targets for each class established. Class  
4 targets are the total program-year target amounts of nameplate capacity reserved for standard  
5 contracts for each renewable energy class. The sum of all the class targets shall equal the annual  
6 target.

7 ~~(11)~~(12) "Renewable energy credit" means a New England Generation Information  
8 System renewable energy certificate as defined in subdivision 39-26-2(15);

9 ~~(12)~~(13) "Small distributed generation project" means a distributed generation renewable  
10 energy project that has a nameplate capacity ~~no larger than~~ within the following: Solar: fifty  
11 kilowatts (50 KW) to five hundred kilowatts (500 KW); Wind: fifty kilowatts (50 KW) to one and  
12 one-half megawatts (1.5 MW). For technologies other than solar and wind, the board shall set the  
13 nameplate capacity size limits, but such limits may not exceed one megawatt. The board may  
14 lower the nameplate capacity from year to year for any of these categories, but may not increase  
15 the capacity beyond what is specified in this definition. In no case may a project developer be  
16 allowed to segment a distributed generation project into smaller sized projects in order to fall  
17 under this definition.

18 ~~(13)~~(14) "Standard contract" means a contract with a term of fifteen (15) years at a fixed  
19 rate for the purchase of all capacity, energy, and attributes generated by a distributed generation  
20 facility. A contract may have a different term if it is mutually agreed to by the seller and the  
21 electric distribution company and it is approved by the commission. The terms of the standard  
22 contract for each program year and for each renewable energy class shall be set pursuant to the  
23 provisions of this chapter.

24 ~~(14)~~(15) "Standard contract ceiling price" means the standard contract price for the  
25 output of a distributed generation facility which price is approved annually for each renewable  
26 energy class pursuant to the procedure established in this chapter, for the purchase of energy,  
27 capacity, renewable energy certificates, and all other environmental attributes and market  
28 products that are available or may become available from the distributed generation facility.

29 **39-26.2-4. Standard contracts -- Annual targets.** -- (a) To the extent eligible projects  
30 are available and submit conforming applications, an electric distribution company shall enter  
31 into standard contracts for an aggregate nameplate capacity of at least forty megawatts (40 MW)  
32 of distributed generation projects by the end of 2014, unless such schedule is extended by the  
33 board. The contracting shall be spread over four (4) years, based on the annual targets, aggregated  
34 to reflect annual targets from prior program years, contained in the following four (4) year phased

1 schedule, unless such schedule is adjusted by the board in any given year:

2 (1) By December 30, 2011: a minimum of five megawatts (5 MW) nameplate;

3 (2) By December 30, 2012: a minimum aggregate of twenty megawatts (20 MW)  
4 nameplate;

5 (3) By December 30, 2013: a minimum aggregate of thirty megawatts (30 MW)  
6 nameplate;

7 (4) By December 30, 2014: a minimum aggregate of forty megawatts (40 MW)  
8 nameplate.

9 (b) By October 15, 2011 and each calendar year following until October 15, 2013, the  
10 board may recommend to the commission that the annual target for the following program year  
11 be adjusted upward to reflect any shortfalls in meeting the previous program year's annual target  
12 or to reflect any standard contracts entered into during prior program years that are voided. The  
13 board may also recommend to the commission that the annual target for the following program  
14 year be adjusted downward by any amounts that the previous program year's annual targets were  
15 exceeded by the standard contracts entered into during that program year.

16 (c) The board may, based on market data and other information available to it including  
17 pricing for standard contracts received during previous program years, recommend a reduction of  
18 the annual target for the upcoming program year where the board determines that market  
19 conditions would be likely to produce unfavorably high target pricing for standard contracts  
20 during that upcoming program year. In considering such issues, the board may take into account  
21 the reasonableness of current pricing and its impact on all electric distribution customers who will  
22 be paying for the output for up to twenty (20) years at such prices. The board may ~~also~~  
23 recommend and the commission shall authorize an extension of time to achieve the forty  
24 megawatt (40 MW) ~~target~~ targets, to allow for contracting to occur after 2014, if necessary.

25 (d) The electric distribution company must contract for at least forty megawatts (40  
26 MW) of nameplate capacity distributed generation projects by the end of 2014, unless such  
27 schedule is extended by the board. The electric distribution company may not be required to  
28 contract for more than forty megawatts (40 MW) or the distributed generation contract capacity,  
29 but may do so voluntarily, subject to commission approval.

30 (e) Each year, the board shall file its recommendations relating to the schedule, along  
31 with its report and recommendations regarding ceiling prices, for the commission's review and  
32 approval as specified in subsection 39-26.2-5(b).

33 (f) Nothing in this chapter shall derogate from the statutory authority of the commission  
34 or the division, including, but not limited to, the authority to protect ratepayers from unreasonable

1 rates.

2 **39-26.2-6. Standard contract enrollment program.** -- (a) Each electric distribution  
3 company shall conduct at least three (3) standard contract enrollments during each program year;  
4 however, during 2011 the electric distribution company need only conduct one enrollment. Each  
5 enrollment shall be open for a two (2) week period during which the electric distribution  
6 company is required to receive standard short-form applications requesting standard contracts for  
7 distributed generation energy projects. The short-form applications shall require the applicant to  
8 provide the project owner's identity and the project's proposed location, nameplate capacity, and  
9 renewable energy class and allow for additional information relative to the permitting, financial  
10 feasibility, ability to build, and timing for deployment of the proposed projects. For small  
11 distributed generation projects, the applicant must submit an affidavit confirming that the project  
12 is not a segment of a larger project being planned for enlargement over time. For large distributed  
13 generation projects, the short-form application shall also require the applicant to bid a bundled  
14 price for the sale of the energy, capacity, renewable energy certificates, and all other  
15 environmental attributes and market products that are available or may become available from the  
16 distributed generation facility, on a per kilowatt-hour basis for the output of the project. Subject  
17 to the provisions of subsections (b) and (c) below, the electric distribution company shall not be  
18 required to enter into standard contracts in excess of the annual target for the applicable program  
19 year and shall not be required to enter into standard contracts in excess of any limit set by the  
20 board and approved by the commission for a given enrollment. However, the electric distribution  
21 company may voluntarily exceed an enrollment period limit as long as it does not exceed an  
22 annual target for the applicable program year.

23 (b) For small distributed generation projects, the electric distribution company ~~on a first-~~  
24 ~~come, first served basis, shall enter into standard contracts at the applicable standard contract~~  
25 ~~ceiling price~~ shall select projects for standard contracts based on the lowest proposal prices  
26 received with any distributed generation project which meets the requirements of all applicable  
27 tariffs and regulations, and meets the criteria of a renewable energy class in effect, until the class  
28 target is met. Enrollment periods will be governed by a solicitation and enrollment process rules  
29 that shall be filed with the commission each October 15 by the electric distribution company, and  
30 approved by the commission within sixty (60) days of such filing.

31 (c) For large distributed generation projects, the electric distribution company shall  
32 select projects for standard contracts based on the lowest proposed prices received, but not to  
33 exceed the applicable standard contract ceiling price, provided, that the selected projects meet the  
34 requirements of all applicable tariffs and regulations and meet the criteria of a renewable energy

1 class in effect until the class target is met. Except for 2011, no enrollment period shall seek to  
2 enroll more than one-third (1/3) of the annual goal for the distribution company for large  
3 distributed generation projects.

4 (d) If there are more projects than what is specified for a class target at the same price,  
5 the electric distribution company shall review the applications submitted and select first those  
6 projects that appear to be the furthest along in development and likely to be deployed [in](#)  
7 [consultation with the office](#). Those projects that are likely to be deployed on the earliest timelines  
8 shall be selected. To the extent the electric distribution company is unable to make a clear  
9 distinction on this basis, the electric company shall report the results to the board and not enter  
10 into contracts with those projects that are tied on pricing. In such case, the board may take such  
11 action as it deems appropriate for the selection of projects, including seeking more information  
12 from the projects. Alternatively, the board may consider adjustments to the ceiling price and a  
13 rebid, or simply wait until the next enrollment.

14 (e) Should an electric distribution company determine that it has entered into sufficient  
15 standard contracts to achieve a program-year class target, it shall immediately report this to the  
16 board, the office of energy resources, and the commission, and cease entering into standard  
17 contracts for that renewable energy class for the remainder of the program year. An electric  
18 distribution company may exceed the renewable energy class target if the last standard contract  
19 entered into may cause the total purchased to exceed the target. [The office and the electric](#)  
20 [distribution company shall enter into a memorandum of understanding regarding the sharing of](#)  
21 [the information and data related to the distributed generation program](#).

22 (f) The electric distribution company is authorized to enter into standard contracts up to  
23 the applicable ceiling price. As long as the terms of the standard contract are materially the same  
24 as the standard contract terms approved by the commission and the pricing is no higher than the  
25 applicable ceiling price, such contracts shall be deemed prudent and approved by the commission  
26 for purposes of recovering the costs in rates.

27 (g) A distributed generation project that also is being employed by a customer for net  
28 metering purposes may submit an application to sell the excess output from its distributed  
29 generation project. In such case, however, at the election of the self-generator all of the renewable  
30 energy certificates and environmental attributes pertaining to the energy consumed on site may be  
31 sold to the electric distribution company on a month-to-month basis outside of the terms of the  
32 standard contract. In such case, the portion of the renewable energy certificates that pertain to the  
33 energy consumed on site during the net metering billing period shall be priced at the average  
34 market price of renewable energy certificates, which may be determined by using the price of



1 renewable energy certificates purchased or sold by the electric distribution company.

2 **39-26.2-7. Standard contract -- Form and provisions.** -- The following process shall be  
3 implemented to establish the non-price terms and conditions of the standard contract:

4 (1) A working group ("contract working group") shall be established and supervised by  
5 the board, consisting of the following members: (i) The director of the office of energy resources;  
6 (ii) A designee from the division of public utilities and carriers; (iii) Two (2) designees of the  
7 electric distribution company; (iv) Two (2) individuals designated by the office of energy  
8 resources who are experienced developers of renewable generation projects; (v) One individual  
9 designated by the office of energy resources who represents a customer of the electric distribution  
10 company; and (vi) A lawyer designated by the office of energy resources who has at least three  
11 (3) years of experience in negotiating and/or developing power purchase agreements. With  
12 respect to the lawyer designated in (vi) above, the electric distribution company shall enter into a  
13 cost reimbursement agreement with such lawyer, to compensate the lawyer for the time spent  
14 serving in the contract working group at the reasonable hourly rate negotiated by the office of  
15 energy resources. The costs incurred by the electric distribution company under the  
16 reimbursement agreement shall be recovered in rates by the electric distribution company in the  
17 year incurred or the year following incurrence through an appropriate filing with the commission.  
18 The contract working group shall be an advisory group that is not to be considered to be an  
19 agency for purposes of the administrative procedures act or any other laws pertaining to public  
20 bodies.

21 (2) The contract working group shall work in good faith to develop standard contracts  
22 that would be applicable for various technologies for both small and large distributed generation  
23 projects. The standard contracts should balance the need for the project to obtain financing  
24 against the need for the distribution company to protect itself and its distribution customers  
25 against unreasonable risks. The standard contract should be developed from contracting terms  
26 typically utilized in the wholesale power industry, taking into account the size of each project and  
27 the technology. The standard contracts shall provide for the purchase of energy, capacity,  
28 renewable energy certificates, and all other environmental attributes and market products that are  
29 available or may become available from the distributed generation facility. However, the electric  
30 distribution company shall retain the right to separate out pricing for each market product under  
31 the contracts for administrative and accounting purposes to avoid any detrimental accounting  
32 effects or for administrative convenience, provided that such accounting as specified in the  
33 contract does not affect the price and financial benefits to the seller as a seller of a bundled  
34 product. The standard contract also shall:

1 (i) Hold the distributed generation facility owner liable for the cost of interconnection  
2 from the distributed generation facility to the interconnect point with the distribution system, and  
3 for any upgrades to the existing distributed generation system that may be required by the electric  
4 distribution company. However, a distributed generation facility owner may appeal to the  
5 commission to reduce any required system upgrade costs to the extent such upgrades can be  
6 shown to benefit other customers of the electric distribution company and the balance of such  
7 costs shall be included in rates by the electric distribution company for recovery in the year  
8 incurred or the year following incurrence;

9 (ii) Require the distributed generation facility owner to make a performance guarantee  
10 deposit to the electric distribution company of fifteen dollars (\$15.00) for small distributed  
11 generation projects or twenty-five dollars (\$25.00) for large distributed generation projects for  
12 every renewable energy certificate estimated to be generated per year under the contract, but at  
13 least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000), paid  
14 at the time of contract execution;

15 (iii) Require the electric distribution company to refund the performance guarantee  
16 deposit on a pro-rated basis of renewable energy credits actually delivered by the distributed  
17 generation facility over the course of the first year of the project's operation, paid quarterly;

18 (iv) Provide that if the distributed generation facility has not generated ninety percent  
19 (90%) of the output proposed in its enrollment application within eighteen (18) months after  
20 execution of the contract, the contract ~~is automatically voided~~ shall be terminated and the  
21 performance guarantee ~~is~~ shall be forfeited. An eligible small-scale hydropower distributed  
22 generation facility that has not generated ninety percent (90%) of the output proposed in its  
23 enrollment application within forty-eight (48) months after execution of the contract shall result  
24 in the contract being terminated and the performance guarantee being forfeited. Any forfeited  
25 performance guarantee deposits shall be credited to all distribution customers in rates and not  
26 retained by the electric distribution company;

27 (v) Provide for flexible payment schedules that may be negotiated between the buyer and  
28 seller, but shall be no longer than quarterly if an agreement cannot be reached;

29 (vi) Require that an electric meter which conforms with standard industry norms be  
30 installed to measure the electrical energy output of the distributed generation facility, and require  
31 a system or procedure by which the distributed generation facility owner shall demonstrate  
32 creation of renewable energy credits, in a manner recognized and accounted for by the GIS; such  
33 demonstration of renewable energy credit creation to be at the distributed generation facility  
34 owner's expense. The electric distribution company may, at its discretion, offer to provide such a

1 renewable energy credit measurement and accounting system or procedure to the distributed  
2 generation facility owner, and the distributed generation facility owner may, at its discretion, use  
3 the electric distribution company's program, or use that of an independent third party, approved  
4 by the commission, and the costs of such measurement and accounting are paid for by the  
5 distributed generation facility owner.

6 (vii) All distributed generation projects that have executed contracts will be required to  
7 submit quarterly reports on the progress of the project to the distribution company and the office  
8 of energy resources. Failure to submit these quarterly progress reports may result in the  
9 termination of the contract.

10 (3) If the contract working group reaches agreement on the terms of standard contracts,  
11 the board shall file the contracts with the commission for approval. If there are any  
12 disagreements, they shall be identified to the commission. The commission shall review the  
13 standard contracts for conformance with the standards set forth in subsection (2). Should there be  
14 any disputes, the commission shall issue an order resolving them. To the extent the commission  
15 needs expert assistance to resolve any disagreements noted in the filing, the commission is  
16 authorized to hire a consultant to assist it in the proceedings, the costs of which shall be recovered  
17 from electric distribution customers pursuant to a uniform factor established by the commission  
18 in rates for recovery by the electric distribution company in the year incurred or the year  
19 following incurrence, as requested through a filing by the electric distribution company. The  
20 commission shall issue an order approving standard forms of contract within sixty (60) days of  
21 the filing.

22 **39-26.2-8. Standard contract -- Reporting.** -- (a) After each enrollment during a  
23 program year the electric distribution companies shall provide a report to the board, office of  
24 energy resources, and the commission of the aggregate amount of project nameplate capacity that  
25 was the subject of standard contracts entered into during that enrollment and the prices under  
26 each of the standard contracts that were executed.

27 (b) Each quarter of a program year, the electric distribution company shall provide an  
28 accounting to office of energy resource, the board, and the commission of the total amount paid to  
29 distributed generation facilities under standard contracts during that quarter, until the forty  
30 megawatt (40 MW) target is met;

31 (c) Until the forty megawatt (40 MW) target is met, the electric distribution company  
32 shall submit preliminary reports to office of energy resources, the board, and the commission  
33 indicating the number of standard contracts and total estimated annual generation, price, class,  
34 and any other relevant information for the purposes of better specifying classes, targets, or

1 standard contract prices so as to achieve the purposes set forth in this chapter. Such reports shall  
2 be submitted no later than sixty (60) days prior to the end of the calendar year.

3 (d) The electric distribution company shall in consultation with the office utilize uniform  
4 standard forms for evaluating project proposals and shall rank projects according to uniform  
5 criteria.

6 (e) At the end of each enrollment, the electric distribution company shall, upon request by  
7 an applicant, provide said applicant with written feedback on the evaluation of said applicant's  
8 project proposal.

9 **39-26.2-12. Powers and duties.** – (a) The board shall have the power to:

10 (1) Develop and recommend to the public utilities commission for review and approval  
11 ceiling prices for standard contracts under the distributed generation standard contracts;

12 (2) Develop and recommend to the commission adjustments up or down to the annual  
13 target for standard contracts for the following program year;

14 (3) Monitor and evaluate performance under the distributed generation standard  
15 contracts act, including an assessment of ratepayer impact and the project selection process, to be  
16 submitted annually in a report to the governor and the general assembly as provided in subsection  
17 39-26.2-12(b).

18 (4) Participate in proceedings of the public utilities commission that pertain to the  
19 purposes of the board.

20 (5) In order to provide funding for the purposes of engaging consultants and professional  
21 services as necessary and appropriate for the board to fulfill its duties and purposes, an allocation  
22 of no less than fifty thousand dollars (\$50,000) from unused portions of Regional Greenhouse  
23 Gas Initiative ("RGGI") auction proceeds not dedicated to efficiency measures but to overhead  
24 expenses shall be transmitted from the office of energy resources to the board.

25 (b) On January 15 of each year the office of energy resources shall submit to the  
26 governor, the president of the senate, and the speaker of the house of representatives, an annual  
27 jobs, economic impact and environmental impact study on the distributed generation standard  
28 contracts program. The study shall include, but not be limited to, environmental benefits,  
29 including carbon emission reductions from the installations; economic impacts including, but not  
30 limited to, direct and indirect jobs created; system reliability improvements; property and income  
31 tax benefits; and ratepayer impacts including, but not limited to, hedges against general inflation  
32 and fuel price volatility, short term price impacts, and wholesale price suppression.

1 SECTION 3. This act shall take effect upon passage.

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LC01651/SUB A/2  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED GENERATION  
STANDARD CONTRACTS

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- 1           This act would amend the definition of a small distributed generation project, and would
- 2 allow hydroelectric projects to participate in the standard contract enforcement program.
- 3           This act would take effect upon passage.

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