

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators DiPalma, Seveney, Miller, Satchell, and Kettle

Date Introduced: March 29, 2017

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.3-2 of the General Laws in Chapter 39-26.3 entitled
2 "Distributed Generation Interconnection" is hereby amended to read as follows:

3 **39-26.3-2. Definitions.**

4 The following terms shall have the meanings given below for purposes of this chapter:

5 (1) "Applicant" means an electric distribution customer or distributed generation
6 developer who submits an application to the electric distribution company for the installation of a
7 renewable distributed generation interconnection to the distribution system for a renewable
8 distributed generation project that, as contemplated, meets the eligibility requirements for net
9 metering contained within title 39 or the eligibility requirements for a standard contract contained
10 within title 39.

11 (2) "Impact study" means an engineering study that includes an estimate of the cost of
12 interconnecting to the distribution system that would be assessed on the applicant for an
13 interconnection that is based on an engineering study of the details of the proposed generation
14 project. Such estimate generally will have a probability of accuracy of plus or minus twenty five
15 percent (25%). Such an estimate may be relied upon by the applicant for purposes of determining
16 the expected cost of interconnection, but the distribution company may not be held liable or
17 responsible if the actual costs exceed the estimate as long as the estimate was provided in good
18 faith and the interconnection was implemented prudently by the electric distribution company.

19 (3) "Impact study fee" means a fee that shall be charged to the applicant to obtain an

1 impact study as specified in § 39-26.2-4 of this chapter.

2 (4) "Feasibility study" means a high-level project assessment that includes an estimate of
3 the cost of interconnecting to the distribution system that would be assessed on the applicant for
4 an interconnection. Such estimate is not based on any engineering study, but is based on past
5 experience and judgment of the electric distribution company, taking into account the information
6 in the application, the location of the interconnection, and general knowledge of the distribution
7 and transmission system. Such estimate cannot be relied upon by the applicant for purposes of
8 holding the electric distribution company liable or responsible for its accuracy as long as the
9 electric distribution company has provided the estimate in good faith. The feasibility study
10 estimate shall be a range within which the electric distribution company believes the
11 interconnection costs are likely to be and shall include a disclaimer that explains the nature of the
12 estimate.

13 (5) "Feasibility study fee" means a fee that shall be charged to the applicant to obtain a
14 feasibility study as specified in § 39-26.2-4 of this chapter.

15 (6) "Renewable energy resource" shall have the same meaning as defined in §39-26-5.

16 SECTION 2. Chapter 39-26.3 of the General Laws entitled "Distributed Generation
17 Interconnection" is hereby amended by adding thereto the following section:

18 **39-26.3-7. Interconnection standards.**

19 (a) The electric distribution company may only charge an interconnecting renewable
20 energy customer for any system modifications to its electric power system specifically necessary
21 for and directly related to its interconnection. Any system modifications benefiting other
22 customers shall be included in rates as determined by the public utilities commission.

23 (b) If the public utilities commission determines that a specific system modification
24 benefiting other customers has been accelerated due to an interconnection request, it may order
25 the interconnecting customer to fund the modification subject to repayment of the depreciated
26 value of the modification as of the time the modification would have been necessary as
27 determined by the public utilities commission.

28 (c) If an interconnecting renewable energy customer is required to pay for system
29 modifications and a subsequent renewable energy or commercial customer relies on those
30 modifications to connect to the distribution system within ten (10) years of the earlier
31 interconnecting renewable energy customer's payment, the subsequent customer will make a
32 prorated contribution toward the cost of the system modifications which will be credited to the
33 earlier interconnecting renewable energy customer as determined by the public utilities
34 commission.

1 (d) All interconnection work must be performed no longer than two hundred seventy
2 (270) calendar days from completion of the renewable energy customer's interconnection impact
3 study pursuant to §39-26.3-3, if required, or else no more than three hundred sixty (360) calendar
4 days from the customer's completed application for interconnection. Any disputes regarding
5 whether and when an application is complete shall be resolved expeditiously by the public
6 utilities commission. Deadlines shall not be extended due to customer delays in providing
7 required information, all of which must be requested and obtained before completion of the
8 impact study. Within thirty (30) days after receipt of an initial application for interconnection, the
9 distribution company shall advise the customer, in writing, whether the application is complete,
10 and, if not, shall specify all additional information the customer is required to provide. The
11 customer must then complete the application within thirty (30) working days. The electric
12 distribution company will then have ten (10) working days to determine and inform the applicant
13 whether the application is complete. The deadlines for completion of interconnection will be
14 extended only to the extent of events that are clearly not under the control of the electric
15 distribution company, such as extended prohibitive weather, union work stoppage or force
16 majeure, and cannot be resolved despite commercially reasonable, diligent efforts. The electric
17 distribution company shall clearly notify the customer of the start of any claimed deadline
18 extension at the time it begins, its cause and when it concludes in writing. The electric
19 distribution company will be liable to the interconnecting customer for all actual and
20 consequential damages resulting from the noncompliant interconnection delay including, but not
21 limited to, the full value of any lost energy production, and any reasonable legal fees and costs
22 associated with the recovery of those damages. The public utilities commission shall hold a
23 hearing to determine whether any penalties and damages are due to developer under this section.
24 No later than thirty (30) days from the date of the commission's written decision, the electric
25 distribution company shall remit to the interconnecting renewable energy customer an amount
26 equal to such reasonable compensation as determined by the commission. The compensation shall
27 be paid out of the incentive amount earned by the electric distribution company as provided for in
28 §39-26.6-12(j)(3) and, until January 1, 2022, as provided for in §39-26.1-4.

29 (e) The interconnection of any new renewable energy resource that replaces the same
30 existing renewable energy resource of the same or less nameplate capacity shall not be considered
31 a material modification requiring interconnection study or approval other than a review to
32 determine consistency with this section and to establish any costs specifically necessary to
33 interconnect the replacement renewable energy resource, which shall not include any system
34 modifications or system improvements. This review shall take no longer than sixty (60) days

1 [subject to the penalties provided in subsection \(d\) of this section.](#)

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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1 This act would prohibit electrical distribution companies from charging an
2 interconnecting renewable energy customer for system modifications that are not directly related
3 to the interconnection, except accelerated modifications for which the developer is repaid when
4 the modification would have otherwise been made. It would require that any interconnection
5 work must be completed no later than two hundred seventy (270) days from the applicant's
6 impact study or three hundred sixty (360) days from its initial applications. The act would enable
7 replacement of a renewable energy resource without study or system improvement.

8 This act would take effect upon passage.

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