

**2017 -- S 0880 SUBSTITUTE A**

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LC002637/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2017**

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - NET METERING

Introduced By: Senators Coyne, Sosnowski, Conley, Archambault, and Miller

Date Introduced: May 11, 2017

Referred To: Senate Commerce

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  
6 renewable 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  
16 energy resources. The commission shall determine within six (6) months of such petition being  
17 docketed by the commission whether the benefits of the proposed expansion exceed the cost. This  
18 aggregate amount shall not apply to public entity facilities or multi-municipal collaborative  
19 facilities. By June 30, ~~2019~~ [2018](#), the commission shall conduct a study examining the cost [and](#)

1 [benefit](#) to all customers of the inclusion of the distribution charge as a part of the net-metering  
2 calculation.

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

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

8 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering-  
9 system site or the sum of the consumption of the eligible credit-recipient accounts associated with  
10 the community remote-net-metering system, and establish a monthly billing plan that reflects the  
11 expected credits that would be applied to the net-metered accounts over twelve (12) months. The  
12 billing plan would be designed to even out monthly billings over twelve (12) months, regardless  
13 of actual production and usage. If such election is made by the electric-distribution company, the  
14 electric-distribution company would reconcile payments and credits under the billing plan to  
15 actual production and consumption at the end of the twelve-month (12) period and apply any  
16 credits or charges to the net-metered accounts for any positive or negative difference, as  
17 applicable. Should there be a material change in circumstances at the eligible net-metering system  
18 site or associated accounts during the twelve-month (12) period, the estimates and credits may be  
19 adjusted by the electric-distribution company during the reconciliation period. The electric-  
20 distribution company also may elect (but is not required) to issue checks to any net-metering  
21 customer in lieu of billing credits or carry-forward credits or charges to the next billing period.  
22 For residential-eligible net-metering systems and community-remote-net-metering systems  
23 twenty-five kilowatts (25 kw) or smaller, the electric-distribution company, at its option, may  
24 administer renewable net-metering credits month to month allowing unused credits to carry  
25 forward into the following billing period.

26 (3) If the electricity generated by an eligible net-metering system or community remote-  
27 net-metering system during a billing period is equal to, or less than, the net-metering customer's  
28 usage at the eligible net-metering-system site or the sum of the usage of the eligible credit-  
29 recipient accounts associated with the community remote-net-metering system during the billing  
30 period, the customer shall receive renewable net-metering credits, that shall be applied to offset  
31 the net-metering customer's usage on accounts at the eligible net-metering-system site, or shall be  
32 used to credit the eligible credit-recipient's electric account.

33 (4) If the electricity generated by an eligible net-metering system or community remote-  
34 net-metering system during a billing period is greater than the net-metering customer's usage on

1 accounts at the eligible net-metering-system site or the sum of the usage of the eligible credit-  
2 recipient accounts associated with the community remote-net-metering system during the billing  
3 period, the customer shall be paid by excess renewable net-metering credits for the excess  
4 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering  
5 customer's usage at the eligible net-metering-system site, or the sum of the usage of the eligible  
6 credit-recipient accounts associated with the community remote net-metering system during the  
7 billing period; unless the electric-distribution company and net-metering customer have agreed to  
8 a billing plan pursuant to subdivision (2).

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

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

17 (c) Any prudent and reasonable costs incurred by the electric-distribution company  
18 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable  
19 net-metering credits or excess, renewable net-metering credits provided to accounts associated  
20 with eligible net-metering systems or community remote-net-metering systems, shall be  
21 aggregated by the distribution company and billed to all distribution customers on an annual basis  
22 through a uniform, per-kilowatt-hour (kwh) surcharge embedded in the distribution component of  
23 the rates reflected on customer bills.

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

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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RELATING TO PUBLIC UTILITIES AND CARRIERS - NET METERING

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1           This act would include the benefit to all customers in the public utility commission's  
2 study examining the cost of the inclusion of the distribution charge as part of the net metering  
3 calculation.

4           This act would take effect upon passage.

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