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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY GROWTH PROGRAM

Introduced By: Representatives Ruggiero, O`Grady, Blazejewski, Barros, and Tanzi

Date Introduced: January 03, 2018

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.6-12 of the General Laws in Chapter 39-26.6 entitled "The
2 Renewable Energy Growth Program" is hereby amended to read as follows:

3 **39-26.6-12. Annual bidding and enrollments.**

4 (a) With the exception of the first program year (2015), the electric-distribution company,
5 in consultation with the board and office, shall conduct at least three (3) tariff enrollments for
6 each distributed-generation class each program year. For the first program year, the board may
7 recommend that either two (2) or three (3) enrollments be conducted.

8 (b) During each program year, the tariff enrollments shall have both an annual targeted
9 amount of nameplate megawatts ("annual MW target") and a nameplate megawatt target for each
10 separate enrollment event ("enrollment MW target"). The enrollment MW target shall comprise
11 the specific portion of the annual MW target sought to be obtained in that enrollment. The
12 enrollment MW targets shall be recommended by the board each year, subject to commission
13 approval. The board shall also recommend a megawatt target for each class ("class MW target")
14 that comprises a specified portion of the enrollment MW target, subject to commission approval.
15 If the electric-distribution company, the office, and the board mutually agree, they may reallocate
16 megawatts during an enrollment from one class to another without commission approval if there
17 is an over-subscription in one class and an under-subscription in another, provided that the annual
18 MW Target is not being exceeded, except as provided in § 39-26.6-7.

1 (c) The annual MW targets shall be established as follows; provided, however that at
2 least three megawatts (3 MW) of nameplate capacity shall be carved out exclusively for small-
3 scale solar projects in each of the first four (4) program years:

4 (1) For the first program year (2015), the annual MW target shall be twenty-five (25)
5 nameplate megawatts;

6 (2) For the second program year, the annual targets shall be forty (40) nameplate
7 megawatts;

8 (3) For the third and fourth program years, the annual target shall be forty (40) nameplate
9 megawatts, subject to the conditions set forth in subsection (f) of this section having been met for
10 the applicable prior program year as determined in the manner specified in subsection (g) of this
11 section and in the event that in the third or fourth program year, any standard incentive
12 enrollment class is fully subscribed by or before the close of the third quarter of the program year
13 and reallocations from undersubscribed classes in that program year would not be sufficient to
14 maintain installations in that standard incentive class, the electric distribution with the approval of
15 the office may add up to two megawatts (2 MW) name plate capacity to the program year
16 megawatt allocation for that standard incentive enrollment class from the shortfall amount of
17 capacity procured under chapter 26.2 of title 39, in order to provide for installations in that
18 standard incentive class during the fourth quarter of the program year; such added capacity shall
19 not increase the total amount of capacity authorized to be installed under this chapter and shall be
20 deducted from the amount of shortfall capacity that may be added to the aggregate amount of
21 nameplate capacity to be achieved in accordance with subsection (e) of this section; and

22 (4) For the fifth program year, the annual target shall be set to obtain the balance of
23 capacity needed to achieve one hundred sixty (160) nameplate megawatts within the five-year (5)
24 distributed-generation growth program, subject to § 39-26.6-12(e) and the conditions set forth in
25 § 39-26.6-12(f) having been met for the fourth program year as determined in the manner
26 specified in § 39-26.6-12(g); and

27 (5) From the year 2020 through the year 2029, the annual target for each program year
28 shall be an additional forty (40) nameplate megawatts above the annual target for the preceding
29 program year.

30 (d) During the fifth year of the distributed-generation growth program, the board may
31 recommend to the commission an extension of time in the event that additional time is required to
32 achieve the full one hundred sixty (160) nameplate megawatt target of the program. The
33 commission shall approve the recommendation of the board; provided, however, that the
34 commission may make any modifications to the board's recommendation that the commission

1 deems appropriate, consistent with the legislative purposes of this chapter as set forth herein.

2 (e) To the extent there was a shortfall of capacity procured under chapter 26.2 of title 39
3 from distributed generation procurements in 2014, such shortfall amount may be added to the one
4 hundred sixty megawatt (160MW) target for acquisition in the fifth program year under this
5 chapter. In no event shall the electric distribution company be required to exceed the aggregate
6 amount of one hundred sixty (160) nameplate capacity plus any such shortfall amount over the
7 five (5) years, but may do so voluntarily, in consultation with the board and subject to
8 commission approval.

9 (f) The conditions specified in subsections (c)(3) and (c)(4) of this section are as follows:

10 (1) That it is reasonable to conclude that the bid prices submitted in the procurements for the
11 large-scale solar and commercial-scale solar classes were reasonably competitive in the
12 immediately preceding program year; (2) That it is reasonable to conclude that the annual MW
13 target specified for the next program year is reasonably achievable; and (3) That the electric-
14 distribution company was able to, or with reasonably prudent efforts should have been able to,
15 perform the studies and system upgrades on a timely basis necessary to accommodate the number
16 of applications associated with the targets without materially adversely affecting other electric-
17 distribution construction projects needed to provide reliable and safe electric-distribution service.
18 To the extent the board or the commission concludes that any of these conditions have not been
19 met for the applicable program year, the board may recommend, and/or the commission may
20 adopt, a new annual MW target, based on the factors set forth in subsection (h) of this section.

21 (g) Before the third, fourth, and fifth program years, each year the board shall review the
22 conditions specified in subsection (f) of this section and make a recommendation to the
23 commission for findings as to whether they have been met for the applicable year. The
24 recommendation shall be filed with the commission, with copies to the office and the electric
25 distribution company, and any person who has made a written request to the commission to be
26 included in such notification, such list which may be obtained from the commission clerk, and a
27 notice of such filing shall be posted by the commission on its website. If no party files an
28 objection to the recommended findings within ten (10) business days of the posting, the
29 commission may accept them without hearings. If an objection is filed with a reasonable
30 explanation for its basis, the commission shall hold hearings and make the factual determination
31 of whether the conditions have been met.

32 (h) In the event that the conditions in subsection (f) of this section have not been met for
33 any program year, then the board and the commission shall take into account the factors set forth
34 below in setting the annual MW target for the following year. In addition, for every program year

1 the board and the commission shall take into account these factors in setting the class MW
2 targets, and the enrollment MW targets for the following year: (1) That the new annual, class, and
3 enrollment levels reasonably assure that competition among projects for the applicable bidding
4 classifications remains robust and likely to yield reasonable and competitive program costs; (2)
5 That, assuming prudent management of the program, the electric-distribution company should be
6 able to perform the studies and system upgrades on a timely basis necessary to accommodate the
7 number of applications associated with the targets without materially adversely affecting other
8 electric-distribution construction projects needed to provide reliable and safe electric-distribution
9 service; and (3) Any other reasonable factors that are consistent with the legislative purpose of
10 this chapter as set forth herein, including the program purpose to facilitate the development of
11 renewable distributed generation in the load zone of the electric-distribution company at
12 reasonable cost.

13 (i) The renewable energy growth program is intended to achieve at least an aggregate
14 amount of one hundred sixty (160) nameplate megawatts over five (5) years, plus any shortfall
15 amount added in pursuant to subsection (e) of this section. However, after the second program
16 year, the board may, based on market data and other information available to it, including pricing
17 received during previous program years, recommend changes to the annual target for any
18 program year above or below the specified targets in subsection (c) of this section if the board
19 concludes that market conditions are likely to produce favorably low or unfavorably high target
20 pricing during the upcoming program year, provided that the recommendation may not result in
21 the five-year (5) one hundred sixty megawatt (160MW) nameplate target, plus any shortfall added
22 pursuant to subsection (e) of this section, being exceeded. Any megawatt reduction in an annual
23 target shall be added to the target in the fifth year of the program (and any subsequent years if
24 necessary) such that the overall program target of one hundred sixty megawatt (160MW)
25 nameplate capacity, plus any shortfall added pursuant to subsection (e) of this section, is
26 achieved. In considering such issues, the board and the commission may take into account the
27 reasonableness of current pricing and its impact on all electric distribution customers and the
28 legislative purpose of this chapter as set forth herein, including the program purpose to facilitate
29 the development of renewable distributed generation in the load zone of the electric-distribution
30 company at reasonable cost.

31 (j) The provisions of § 39-26.1-4 shall apply to the annual value of performance-based
32 incentives (actual payments plus the value of net-metering credits, as applicable) provided by the
33 electric-distribution company to all the distributed-generation projects under this chapter, subject
34 to the following conditions:

1 (1) The targets set for the applicable program year for the applicable project
2 classifications were met or, if not met, such failure was due to factors beyond the reasonable
3 control of the electric-distribution company;

4 (2) The electric-distribution company has processed applications for service and
5 completed interconnections in a timely and prudent manner for the projects under this chapter,
6 taking into account factors within the electric-distribution company's reasonable control. The
7 commission is authorized to establish more specific performance standards to implement the
8 provisions of this chapter; and

9 (3) The incentive shall be one and three-quarters percent (1.75%) of the annual value of
10 performance-based incentives. The commission is authorized to establish more specific
11 performance standards to implement the provisions of this paragraph.

12 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 -- RENEWABLE ENERGY GROWTH
PROGRAM

1 This act would amend the provisions of the annual bidding and enrollment process
2 provided pursuant to this chapter for the renewable energy growth program to provide for
3 oversubscribed classes in any program year by adding megawatt nameplate capacity.

4 This act would take effect upon passage.

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