

2018 -- H 7677

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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 -- DISTRIBUTED GENERATION
INTERCONNECTION

Introduced By: Representatives Solomon, Johnston, Shanley, Casey, and Coughlin

Date Introduced: February 15, 2018

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-26.3-3 and 39-26.3-4.1 of the General Laws in Chapter 39-26.3
2 entitled "Distributed Generation Interconnection" are hereby amended to read as follows:

3 **39-26.3-3. Application process.**

4 (a) The application process set out in this section shall be applicable to electric
5 distribution companies thirty (30) days after the enactment of this chapter.

6 (b) An applicant for a renewable distributed generation interconnection must submit an
7 application to the electric distribution company for an impact study, including a request for an
8 estimate of the cost of interconnecting the renewable distributed generation resource to the
9 distribution system. The applicant may request a feasibility study prior to requesting an impact
10 study, but the applicant is not required to do so and may submit an application for an impact
11 study without having obtained a feasibility study. The distribution company shall follow the
12 schedule below for all applications.

13 (c) Upon receipt of a completed application requesting a feasibility study and receipt of
14 the applicable feasibility study fee, the electric distribution company shall provide a feasibility
15 study to the applicant within thirty (30) days.

16 (d) Upon receipt of a completed application requesting an impact study and receipt of the
17 applicable impact study fee, the electric distribution company shall provide an impact study
18 within ~~ninety (90)~~ sixty (60) days.

1 (e) In anticipation of the electric distribution company needing to add resources that are
2 not currently in Rhode Island or covered in rates, to provide the necessary services to advance the
3 aggressive goals and objectives set forth in title 39, the electric distribution company shall be
4 authorized to add up to ~~two (2)~~ [five \(5\)](#) incremental employee [and/or subcontracted consultant](#)
5 resources located in Rhode Island that shall be primarily dedicated to servicing Rhode Island
6 applicants and customers in connection with net metering and the development of distributed
7 generation resources, including the requisite resources to perform impact and feasibility studies
8 for distributed generation interconnections and to assure that feasibility studies and impact
9 studies, as well as other engineering activity necessary to facilitate the completion of distributed
10 generation projects in Rhode Island are implemented and delivered on a timely basis. Prior to new
11 rates going into effect following the company's next general rate case filing, the cost of such
12 incremental employee resources shall be recovered through rates on an annual basis through an
13 annual reconciliation mechanism, provided that the total amount of fees collected from impact
14 studies and feasibility studies shall be netted against such costs. Only the cost of time and work
15 actually spent on Rhode Island renewable energy project matters shall be included in such annual
16 reconciliation. The commission shall have the authority to review these positions in the electric
17 distribution company's next general rate case as a cost of service in the same manner as it reviews
18 all other expenses in a rate case to determine whether they should continue. Nothing contained in
19 this section shall preclude the electric distribution company from adding additional resources,
20 subject to commission approval.

21 (f) Notwithstanding any other provision of this chapter, the application process and fees
22 set forth in this chapter apply only to interconnections to the distribution system by renewable
23 distributed generation resources. To the extent that a renewable generation resource seeks an
24 interconnection to the transmission system and such interconnection request is governed by rules
25 and regulations under the exclusive jurisdiction of the federal energy regulatory commission, the
26 provisions of this chapter shall not apply.

27 (g) The rules and fees established in this chapter shall be incorporated within the
28 applicable "Standards for Interconnection of Distributed Generation" approved by the
29 commission.

30 **39-26.3-4.1. Interconnection standards.**

31 (a) The electric distribution company may only charge an interconnecting, renewable-
32 energy customer for any system modifications to its electric power system specifically necessary
33 for and directly related to the interconnection. [The electric distribution company shall provide a](#)
34 [final accounting to the renewable energy customer within sixty \(60\) days after permission to](#)

1 operate has been received from the electric distribution company that includes the following:

2 (1) A detailed accounting ledger for all costs, line item charges, including, but not limited
3 to, wages and benefits, consultants, materials, equipment, overhead allocations, and any and all
4 other charges that are funded by the renewable energy customer;

5 (2) Costs, line item charges and support documents that provide clear verification for
6 each charge (third-party invoices; wages and benefit reports; overhead allocation reports;
7 consultant invoices; material and equipment invoices; and the like).

8 (b) If the public utilities commission determines that a specific system modification
9 benefiting other customers has been accelerated due to an interconnection request, it may order
10 the interconnecting customer to fund the modification subject to repayment of the depreciated
11 value of the modification as of the time the modification would have been necessary as
12 determined by the public utilities commission. Any system modifications benefiting other
13 customers shall be included in rates as determined by the public utilities commission.

14 (c) If an interconnecting, renewable-energy customer is required to pay for system
15 modifications and a subsequent renewable-energy or commercial customer relies on those
16 modifications to connect to the distribution system within ten (10) years of the earlier
17 interconnecting, renewable-energy customer's payment, the subsequent customer will make a
18 prorated contribution toward the cost of the system modifications that will be credited to the
19 earlier interconnecting, renewable-energy customer as determined by the public utilities
20 commission.

21 (d) An electric distribution company shall acknowledge to the interconnecting,
22 renewable-energy customer receipt of an application to initiate the interconnection process within
23 three (3) business days of receipt. The electric distribution company shall notify the
24 interconnecting, renewable-energy customer in writing within ten (10) business days of receipt
25 that the application is or is not complete and, if not, advise what is missing. Any disputes
26 regarding whether and when an application to initiate the interconnection process is complete
27 shall be resolved expeditiously at the public utilities commission. The maximum time allowed
28 between the date of the completed application and delivery of an executable interconnection
29 service agreement shall be ~~one hundred seventy five (175)~~ ninety (90) calendar days or ~~two~~
30 ~~hundred (200)~~ one hundred twenty (120) calendar days if a detailed study is required. All electric
31 distribution company system modifications must be completed by the date which is the later of:
32 (1) No longer than two hundred seventy (270) calendar days, or three hundred sixty (360)
33 calendar days if substation work is necessary, from the date of the electric distribution company's
34 receipt of the interconnecting, renewable-energy customer's executed interconnection service

1 agreement; or (2) The interconnecting, renewable-energy customer's agreed upon extension of the
2 time between the execution of the interconnection service agreement and interconnection as set
3 forth in writing. All deadlines herein are subject to all payments being made in accordance with
4 the distributed generation interconnection tariff on file with the public utilities commission and
5 the interconnection service agreement. These system modification deadlines cannot be extended
6 due to customer delays in providing required information, all of which must be requested and
7 obtained before completion of the impact study. The deadlines for completion of system
8 modifications will be extended only to the extent of events that are clearly not under the control
9 of the electric distribution company, such as extended prohibitive weather, union work stoppage
10 or force majeure, or third-party delays, including, without limitation, delays due to ISO-NE
11 requirements not attributable to electric distribution company actions, and which cannot be
12 resolved despite commercially reasonable efforts. The electric distribution company shall notify
13 the customer of the start of any claimed deadline extension as soon as practicable, its cause and
14 when it concludes, all in writing. Any actual or indirect, incidental, special, consequential, or
15 punitive damages of any kind whatsoever that a court of competent jurisdiction orders the electric
16 distribution company to pay to an interconnecting, renewable-energy customer as a direct or
17 indirect result of the electric distribution company's failure to comply with the requirements of
18 this subsection shall be payable by its shareholders and may not be recovered from customers. ~~;~~
19 ~~provided that the total amount of damages awarded for any and all such claims shall not exceed,~~
20 ~~in the aggregate, an amount equal to the amount of the incentive the electric distribution company~~
21 ~~would have earned as provided for in §§ 39-26.6-12(j)(3) and 39-26.1-4 in the year in which the~~
22 ~~system modifications were required to be completed. In no event shall the~~ The electric
23 distribution company shall be liable to the interconnecting, renewable-energy customer for any
24 indirect, incidental, special, consequential, or punitive damages of any kind whatsoever as a result
25 of the electric distribution company's failure to comply with this section. In addition to the
26 electric distribution company's liability to the interconnecting renewable energy customer the
27 division of public utilities and carriers shall open a full investigation for each event of non-
28 compliance with the policy objective herein and determine to levy a penalty for delays consistent
29 with §§ 39-2-27 and 39-2-28.

30 (e) When an applicant (distributed generation developer) has two (2) or more
31 interconnection applications under assessment for separate renewable distributed generation
32 interconnection points by the electric distribution company at the same time and there are
33 redundant system upgrade costs listed on the impact study (Section 9.0 "Cost Estimate") the
34 redundant costs shall be apportioned to each application based on the AC weighted average size

1 of each application. If, for any reason, one or more of the applicant's interconnections
2 applications are withdrawn or terminated, the remaining interconnection applications under
3 assessment shall be assessed the costs attributable to the terminated or withdrawn application and
4 be required to pay the cost difference within thirty (30) days. A withdrawal or termination of one
5 or more applications shall not extend the timetable set forth in § 39-26.3-4.1(d).

6 (f) On or before September 1, 2017, the public utilities commission shall initiate a docket
7 to establish metrics for the electric distribution company's performance in meeting the time
8 frames set forth herein and in the distributed generation interconnection standards approved by
9 the public utilities commission. The public utilities commission may include incentives and
10 penalties in the performance metrics.

11 ~~(f)~~(g) The proposed interconnection of any new renewable energy resource that replaces
12 the same existing renewable energy resource of the same or less nameplate capacity that has been
13 in operation in the twelve (12) months preceding notification of such replacement shall be subject
14 to a sixty-day (60) review. The purpose of such sixty-day (60) review is to allow the electric
15 distribution company to determine whether any system modifications are required to support the
16 interconnection of the replacement renewable energy resource. If there is a need for system
17 modifications because of an interconnection policy change implemented by the electric
18 distribution company, then the system modification may be included in rates as determined by the
19 public utilities commission. If there is a need for system modifications only because of a change
20 in the rating or utility disturbance response that adversely affects the impact of the facility on the
21 distribution system, then the interconnecting, renewable-energy customer shall be responsible for
22 the cost of the system modifications.

23 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 -- DISTRIBUTED GENERATION
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1 This act would reduce the time that an electric distribution company has to provide an
2 applicant for a renewable distributed generation interconnection impact study from ninety (90) to
3 sixty (60) days, authorize additional study to better serve applicants, and provide renewable
4 energy customers a final accounting of changes and costs.

5 This act would take effect upon passage.

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