

2021 -- H 6066

LC002139

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS --DISTRIBUTED GENERATION INTERCONNECTION

Introduced By: Representative Edward T. Cardillo

Date Introduced: March 03, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-26.3-4 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 **39-26.3-4. Study cost fees.**

4 (a) ~~After thirty (30) days from the enactment of this chapter until the end of calendar year~~  
5 ~~2012, the feasibility study fee shall be in accordance with the schedule set forth below:~~

6 ~~(1) Residential applicants for interconnections of UL 1741.1 approved renewable~~  
7 ~~distributed generation that is twenty five kilowatts (25 KW) or less: zero dollars (\$0).~~

8 ~~(2) Residential applicants for interconnections of UL 1741.1 approved renewable~~  
9 ~~distributed generation that is greater than twenty five kilowatts (25 KW): fifty dollars (\$50.00).~~

10 ~~(3) Nonresidential applicants for interconnections of UL 1741.1 approved renewable~~  
11 ~~distributed generation that is one hundred kilowatts (100 KW) or less: one hundred dollars (\$100).~~

12 ~~(4) Nonresidential applicants for interconnections of UL 1741.1 approved renewable~~  
13 ~~distributed generation that is two hundred fifty kilowatts (250 KW) or less: three hundred dollars~~  
14 ~~(\$300).~~

15 ~~(5) Nonresidential applicants for interconnections of renewable distributed generation that~~  
16 ~~is greater than two hundred fifty kilowatts (250 KW), up to one megawatt (1 MW): one thousand~~  
17 ~~dollars (\$1,000).~~

18 ~~(6) Nonresidential applicants for interconnections of renewable distributed generation~~

1 ~~greater than one megawatt (1 MW): two thousand five hundred dollars (\$2,500).~~

2 Beginning January 1, 2013, and for every year thereafter, the commission shall set a new  
3 fee schedule that is no less than what is specified herein. The purpose of the fee schedule is to  
4 provide a disincentive to applicants contemplating a renewable distributed-generation project from  
5 requesting order of magnitude estimates unless they are serious about pursuing such projects, and  
6 to prevent the electric distribution company from charging more than it actually costs to conduct  
7 such studies, with all due efficiency.

8 (b) After thirty (30) days from the enactment of this chapter until the end of calendar year  
9 2012, the impact study fee shall be in accordance with the schedule set forth below:

10 (1) Residential applicants for interconnections of UL 1741.1 approved renewable  
11 distributed generation that is twenty-five kilowatts (25 KW) or less: zero dollars (\$0).

12 (2) Residential applicants for interconnections of UL 1741.1 approved renewable  
13 distributed generation that is greater than twenty-five kilowatts (25 KW): one hundred dollars  
14 (\$100).

15 (3) Nonresidential applicants for interconnections of UL 1741.1 approved renewable  
16 distributed generation that is one hundred kilowatts (100 KW) or less: five hundred dollars (\$500)

17 (4) Nonresidential applicants for interconnections of UL 1741.1 approved renewable  
18 distributed generation that is two hundred fifty kilowatts (250 KW) or less: one thousand five  
19 hundred dollars (\$1,500).

20 (5) Nonresidential applicants for interconnections of renewable distributed generation that  
21 is greater than two hundred fifty kilowatts (250 KW), up to one megawatt (1 MW): five thousand  
22 dollars (\$5,000).

23 (6) Nonresidential applicants for interconnections of renewable distributed generation  
24 greater than one megawatt (1 MW): actual cost or ten thousand dollars (\$10,000), whichever is  
25 less.

26 Beginning January 1, 2013, and for every year thereafter, the commission shall set a new  
27 fee schedule that is no less than what is specified herein. The purpose of the impact study fee  
28 schedule is to assure that an applicant is responsible for paying a reasonable amount of the cost of  
29 the study in advance of installing the distributed generation, but that the advance cost is justified  
30 and is not so high as to discourage an applicant from pursuing a project.

31 (c) To the extent that an impact study fee established under this section does not cover the  
32 reasonable cost of an impact study for a given nonresidential project that commences operation,  
33 the balance of these costs shall be recovered from such applicant through billings after the project  
34 is online. The electric distribution company may, at its sole election, offset net-metering credits or

1 any standard contract payments until the full fee(s) is reimbursed, if it finds it administratively  
2 convenient to use that means of billing for the balance of the fee for a given project.

3 (d) The electric distribution company shall report the total number of interconnection  
4 studies and its total charges to conduct feasibility and impact studies on each individual circuit in  
5 Rhode Island, to the independent interconnection ombudsman, the division of public utilities and  
6 carriers, and the public utilities commission, no later than October 30, 2021, and update that report  
7 every six (6) months. The electric distribution company shall not charge more than it cost to conduct  
8 any interconnection studies, or for time spent studying feasibility or impact, that can be assessed  
9 based on prior studies, nor shall an electric distribution company charge a customer for any time  
10 spent responding to disputes related to those studies.

11 **39-26.3-4.1. Interconnection standards.**

12 (a) The electric distribution company may only charge an interconnecting, renewable  
13 energy customer for any system modifications to its electric power distribution system specifically  
14 necessary for and directly related to the interconnection. Transmission system improvements are  
15 administered by ISO-NE, pursuant to Federal Energy Regulatory Commission requirements, as  
16 applicable to renewable energy customers, subject to federal jurisdiction. The commission shall not  
17 impose transmission system costs on distribution system interconnections, unless any such specific  
18 charges have been authorized by order of ISO-NE, concluding that the charges are consistent with  
19 ISO-NE's tariffs. The company will provide an industry standard estimate-level detailed audit and  
20 line item budget account of its actual cost to the interconnecting customer, with every cost estimate  
21 it issues and within ninety (90) days of completing any system modifications, always including any  
22 and all supporting records and documentation.

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 the  
25 interconnecting customer to fund the modification subject to repayment of the depreciated value of  
26 the modification as of the time the modification would have been necessary as determined by the  
27 public utilities commission. Any system modifications benefiting other customers shall be included  
28 in rates as determined by the public utilities commission.

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

1 (d) An electric distribution company shall acknowledge to the interconnecting, renewable  
2 energy customer receipt of an application to initiate the interconnection process within three (3)  
3 business days of receipt. The electric distribution company shall notify the interconnecting,  
4 renewable energy customer in writing within ten (10) business days of receipt that the application  
5 is or is not complete and, if not, advise ~~what is missing.~~ of any and all elements of the application  
6 that are materially incomplete within the ten (10) business days. Once the incomplete items that are  
7 material to the interconnection process are addressed, the electric distribution company shall  
8 conduct a supplemental completeness review and application screens, within no more than five (5)  
9 days, notifying the applicant which interconnection process will be followed and whether their  
10 application is still materially incomplete or deficient and providing a complete and specific list of  
11 any and all incomplete items or deficiencies and provide specific detailed instructions or  
12 recommendations, on why items are deficient and how to correct any remaining deficiencies, in a  
13 form that enables the applicant to fully address them. Once all materially deficient items are then  
14 addressed, the electric distribution company shall issue a final decision on all screens and on which  
15 interconnection process shall be followed within two (2) days. As long as the interconnecting  
16 customer provides all requested information within ten (10) days of the request, the interconnection  
17 deadlines in this section will not be extended. The electric distribution company shall maintain an  
18 example of a complete and current model interconnection application, with all required attachments  
19 and supplemental information, in an easily accessible location on its website for ease of reference,  
20 which shall be updated within five (5) calendar days of any update to any of the electric distribution  
21 company's technical standards or specifications for interconnection, as addressed in subsection (h)  
22 of this section. Any disputes regarding whether and when an application to initiate the  
23 interconnection process is complete shall be resolved expeditiously at the public utilities  
24 commission. The maximum time allowed between the date of the completed application and  
25 delivery of an executable interconnection service agreement shall be one hundred seventy-five  
26 (175) calendar days or two hundred (200) calendar days if a detailed study is required. All electric  
27 distribution company system modifications must be completed by the date which is the later of: (1)  
28 No longer than two hundred seventy (270) calendar days, or three hundred sixty (360) calendar  
29 days if substation work is necessary, from the date of the electric distribution company's receipt of  
30 the interconnecting, renewable energy customer's executed interconnection service agreement; or  
31 (2) The interconnecting, renewable energy customer's ~~agreed-upon~~ requested in writing extension  
32 of the time between the execution of the interconnection service agreement and interconnection ~~as~~  
33 ~~set forth in writing~~ as agreed to by the electric distribution company in writing. All deadlines herein  
34 are subject to all payments being made in accordance with the distributed-generation

1 interconnection tariff on file with the public utilities commission and the interconnection service  
2 agreement. These ~~system modification~~ deadlines cannot be extended due to customer delays in  
3 providing required information, all of which must be requested and obtained before completion of  
4 the impact study. The deadlines for completion of system modifications will be extended only to  
5 the extent of events that are clearly not under the control of the electric distribution company, such  
6 as extended prohibitive weather, union work stoppage or force majeure, or delays directly  
7 attributable to ~~third-party delays, including, without limitation, delays due to~~ parties other than  
8 ISO-NE ~~requirements~~ documented in writing, that are not attributable to electric distribution  
9 company actions, and that cannot be resolved despite commercially reasonable efforts.  
10 Transmission system studies may only be a cause of delay if directly related to potential  
11 transmission system improvement costs authorized by ISO-NE pursuant to § 39-26.3-4.1(a). The  
12 electric distribution company shall notify the customer in writing of the start of any claimed  
13 deadline extension as soon as practicable, ~~its cause and when it concludes, all in writing,~~ and within  
14 five (5) calendar days of occurrence, to allow for customer intervention and involvement, shall  
15 inform the customer of the cause and expected length of the delay, and shall provide a detailed  
16 written explanation and documentation of such cause. The electric distribution company shall  
17 respond within five (5) calendar days, in writing to a customer's request for additional information  
18 and documents, relating to the cause of the delay and the expected length of the delay. Any actual  
19 or consequential, indirect, incidental special, or punitive damages ~~that a court of competent~~  
20 ~~jurisdiction orders the electric distribution company to pay to~~ incurred by an interconnecting,  
21 renewable energy customer as a direct result of the electric distribution company's failure to comply  
22 with the requirements of this subsection shall be payable to the customer by ~~its~~ the electric  
23 distribution company shareholders and may not be recovered from customers, ~~provided that the~~  
24 ~~total amount of damages awarded for any and all such claims shall not exceed, in the aggregate, an~~  
25 ~~amount equal to the amount of the incentive the electric distribution company would have earned~~  
26 ~~as provided for in §§ 39-26.6-12(j)(3) and 39-26.1-4 in the year in which the system modifications~~  
27 ~~were required to be completed. In no event shall the electric distribution company be liable to the~~  
28 ~~interconnecting, renewable energy customer for any indirect, incidental, special, consequential, or~~  
29 ~~punitive damages of any kind whatsoever as a result of the electric distribution company's failure~~  
30 ~~to comply with this section.~~

31 (e) On or before September 1, 2017, the public utilities commission shall initiate a docket  
32 to establish metrics for the electric distribution company's performance in meeting the time frames  
33 set forth herein and in the distributed-generation interconnection standards approved by the public  
34 utilities commission. The public utilities commission may include incentives and penalties in the

1 performance metrics.

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

14 (g) The public utilities commission, in consultation with the office of energy resources,  
15 shall appoint an independently qualified ombudsman to oversee the distribution company's  
16 administration of interconnection, to ensure that the interconnection process works efficiently to  
17 serve the purposes of Rhode Island's energy plan and policy. The appointed ombudsman shall  
18 oversee and supervise any and all elements of the interconnection process including, but not limited  
19 to: providing dispute resolution assistance upon written request by a party to a dispute, under the  
20 interconnection tariff, planning and management of infrastructure safety and reliability investments  
21 and all other investments to ensure and facilitate access to the distribution system; processing of  
22 applications; management of queue position; interactions with ISO-NE; implementation of system  
23 modifications; and administration and exemptions to the interconnection tax. This position shall be  
24 funded out of the electric distribution company's interconnection study fees, assessed to  
25 interconnecting customers.

26 (h) The electric distribution company may not change its technical standards or  
27 specifications for interconnection, as addressed in the company's ESB 756 where applicable, to  
28 Rhode Island "Requirements for Parallel Generation Connected to a National Grid owned EPS" or  
29 otherwise, without approval of the public utilities commission and without properly publishing any  
30 such changes to customers no less than thirty (30) days before implementation. Any changed  
31 interconnection standards will not apply to interconnecting customers with complete  
32 interconnection applications.

33 (i) The electric distribution company shall ensure that its interconnection application  
34 process adequately informs its customers of the procedure to certify qualification and pursue the

1 [internal revenue service's safe-harbor against the contribution in aid of construction tax, exempting](#)  
2 [interconnections designed to send electricity to the electric distribution company.](#)

3 SECTION 2. This act shall take effect thirty (30) days after passage.

=====  
LC002139  
=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS --DISTRIBUTED GENERATION  
INTERCONNECTION

\*\*\*

1           This act would require the electric distribution company to properly account and charge  
2 for their interconnection studies. It also requires the electric distribution company to provide  
3 evidence of its actual cost of interconnection within ninety (90) days of completion. It would clarify  
4 jurisdictional issues related to transmission system studies and impacts. Finally it would establish  
5 an independent ombudsman to oversee the electric distribution company's interconnection  
6 practices.

7           This act would take effect thirty (30) days after passage.

=====  
LC002139  
=====