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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DISTRIBUTED GENERATION
INTERCONNECTION

Introduced By: Senators Ciccone, Lombardo, F Lombardi, Rogers, and Burke

Date Introduced: March 17, 2022

Referred To: Senate Commerce

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): ten thousand dollars (\$10,000).

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

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

1 convenient to use that means of billing for the balance of the fee for a given project.

2 (d) The electric distribution company shall report the total number of interconnection
3 studies and its total charges to conduct feasibility and impact studies on each individual circuit in
4 Rhode Island, to the independent interconnection ombudsman appointed under § 39-26.3-4.1(h),
5 the division of public utilities and carriers, and the public utilities commission, no later than October
6 30, 2022, and update that report every six (6) months. The electric distribution company shall not
7 charge more than it costs to conduct any interconnection studies, or for time spent studying
8 feasibility or impact, that can be assessed based on prior studies.

9 **39-26.3-4.1. Interconnection standards.**

10 (a) The electric distribution company may only charge an interconnecting, renewable
11 energy customer for any system modifications to its electric power system specifically necessary
12 for and directly related to the interconnection. The electric distribution company shall provide an
13 industry standard line-item budget as an attachment to the interconnection services agreement.
14 Within ninety (90) days of completing any system modifications, the electric distribution company
15 shall provide a final accounting so that the actual costs can be tracked against the initially estimated
16 cost. Upon request, the electric distribution company shall provide supporting documentation.

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

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

29 (d) An electric distribution company shall acknowledge to the interconnecting, renewable
30 energy customer receipt of an application to initiate the interconnection process within three (3)
31 business days of receipt. The electric distribution company shall notify the interconnecting,
32 renewable energy customer in writing within ten (10) business days of receipt that the application
33 is or is not complete and, if not, advise what is missing. Any disputes regarding whether and when
34 an application to initiate the interconnection process is complete shall be resolved expeditiously at

1 the public utilities commission. The maximum time allowed between the date of the completed
2 application and delivery of an executable interconnection service agreement shall be one hundred
3 seventy-five (175) calendar days or two hundred (200) calendar days if a detailed study is required.
4 All electric distribution company system modifications must be completed by the date which is the
5 later of: (1) No longer than two hundred seventy (270) calendar days, or three hundred sixty (360)
6 calendar days if substation work is necessary, from the date of the electric distribution company's
7 receipt of the interconnecting, renewable energy customer's executed interconnection service
8 agreement; or (2) The interconnecting, renewable energy customer's agreed-upon extension of the
9 time between the execution of the interconnection service agreement and interconnection as set
10 forth in writing. All deadlines herein are subject to all payments being made in accordance with the
11 distributed-generation interconnection tariff on file with the public utilities commission and the
12 interconnection service agreement. These system modification deadlines cannot be extended due
13 to customer delays in providing required information, all of which must be requested and obtained
14 before completion of the impact study. The deadlines for completion of system modifications will
15 be extended only to the extent of events that are clearly not under the control of the electric
16 distribution company, such as extended prohibitive weather, union work stoppage or force majeure,
17 or third-party delays, including, without limitation, delays due to ISO-NE requirements not
18 attributable to electric distribution company actions, and that cannot be resolved despite
19 commercially reasonable efforts. The electric distribution company shall notify the customer of the
20 start of any claimed deadline extension as soon as practicable, its cause and when it concludes, all
21 in writing. Any actual or consequential, indirect, incidental, special or punitive damages ~~that a~~
22 ~~court of competent jurisdiction orders the electric distribution company to pay to~~ incurred by an
23 interconnecting, renewable energy customer as a direct result of the electric distribution company's
24 failure to comply with the requirements of this subsection shall be payable to the interconnecting,
25 renewable energy customer by ~~its~~ the electric distribution company's shareholders and may not be
26 recovered from customers, ~~provided that the total amount of damages awarded for any and all such~~
27 ~~claims shall not exceed, in the aggregate, an amount equal to the amount of the incentive the electric~~
28 ~~distribution company would have earned as provided for in §§ 39-26.6-12(j)(3) and 39-26.1-4 in~~
29 ~~the year in which the system modifications were required to be completed. In no event shall the~~
30 ~~electric distribution company be liable to the interconnecting, renewable energy customer for any~~
31 ~~indirect, incidental, special, consequential, or punitive damages of any kind whatsoever as a result~~
32 ~~of the electric distribution company's failure to comply with this section.~~

33 (e) On or before September 1, 2017, the public utilities commission shall initiate a docket
34 to establish metrics for the electric distribution company's performance in meeting the time frames

1 set forth herein and in the distributed-generation interconnection standards approved by the public
2 utilities commission. The public utilities commission may include incentives and penalties in the
3 performance metrics.

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

16 (g) If the electric distribution company's impact study estimate for system modifications
17 exceeds one hundred thousand dollars (\$100,000), the interconnecting, renewable energy customer
18 shall have the option to either self-perform or third-party contract for the system modification
19 subject to the following conditions:

20 (1) The engineering, procurement and construction of the system modifications shall
21 comply with all requirements of law and regulation to which the electric distribution company
22 would be subject in the engineering, procurement and construction of electric power system
23 facilities;

24 (2) The modifications shall be implemented and tested in accordance with the electric
25 power system's company documented design standards;

26 (3) The interconnecting, renewable energy customer is able to self-perform the system
27 modifications, either on its own or in conjunction with third-party service providers, in the most
28 cost-effective manner (considering all qualified proposals by other interconnecting, renewable
29 energy customers at the time); and

30 (4) The electric distribution company shall respond to requests for any information made
31 to it by the interconnecting, renewable energy customer related to the system modifications. Upon
32 receiving reasonable prior notice from the electric distribution company, the interconnecting,
33 renewable energy customer shall provide reasonable physical access to the system modifications
34 during construction. The self-performing interconnecting customer shall provide an industry

1 standard line item budget as an attachment to the interconnection services agreement. Within ninety
2 (90) days of completing any system modifications, the self-performing interconnecting customer
3 shall provide a final accounting so that the actual costs can be tracked against the initially estimated
4 costs, providing supporting documentation.

5 (h) On or before September 1, 2022, the public utilities commission, in consultation with
6 the office of energy resources, shall appoint and oversee a neutral, qualified third-party ombudsman
7 to oversee the distribution company's administration of interconnection, to ensure that the
8 interconnection process works efficiently to serve the purposes of Rhode Island's energy plan and
9 policy. The appointed ombudsman shall oversee and supervise any and all elements of the
10 interconnection process including, but not limited to: providing dispute resolution assistance upon
11 written request by a party to a dispute, under the interconnection tariff; processing of applications;
12 management of queue position; interactions with ISO-NE; implementation of system
13 modifications; and administration and exemptions to the interconnection tax. The commission may
14 contract for an engineering and professional services to support the work of the ombudsperson and
15 the commission in addressing interconnection and related issues. The annual cost incurred by the
16 commission for the ombudsperson position and the contracted support services shall be recovered
17 in rates in a manner determined by the commission.

18 (i) The electric distribution company may not prohibit the occupation of a public way by
19 the interconnecting customer's equipment as proposed to develop microgrids or battery storage
20 projects.

21 SECTION 2. This act shall take effect thirty (30) days after passage and shall apply
22 prospectively to all phases of the interconnection process that have yet to commence as of the
23 effective date.

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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 for and
2 implement interconnection study fees and interconnection charges. It would establish an
3 independent ombudsperson to oversee the electric distribution company's interconnection practices
4 and would provide for the recovery of actual, consequential and punitive damages incurred by an
5 interconnecting, renewable energy customer against an electric distribution company's share holder
6 for failure of an electric distribution company to comply with interconnection standards.

7 This act would take effect thirty (30) days after passage and would apply prospectively to
8 all phases of the interconnection process that have yet to commence as of the effective date.

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