

2022 -- S 3025

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators Lombardo, Ciccone, and DiMario

Date Introduced: June 16, 2022

Referred To: Senate Housing & Municipal Government

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 renewable
6 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 Utility District doing business as Block Island
10 Power Company and the Pascoag Utility District shall not exceed a maximum percentage of peak
11 load for each utility district as set by the utility district based on its operational characteristics,
12 subject to commission approval; and

13 (ii) Through December 31, 2018, the maximum aggregate amount of community remote
14 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
15 after December 31, 2018, shall remain available to community remote net-metering systems until
16 the MW aggregate amount is interconnected. After December 31, 2018, the commission may
17 expand or modify the aggregate amount after a public hearing upon petition by the office of energy
18 resources. The commission shall determine within six (6) months of such petition being docketed
19 by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate

1 amount shall not apply to any net-metering financing arrangement involving public entity facilities,
2 multi-municipal collaborative facilities, educational institutions, the federal government, hospitals,
3 or nonprofits. By June 30, 2018, the commission shall conduct a study examining the cost and
4 benefit to all customers of the inclusion of the distribution charge as a part of the net-metering
5 calculation.

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

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

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

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

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

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

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

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

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

28 (e) Eligible net-metering systems or community remote net-metering systems shall not be
29 located within a residential zone or abut a residential property.

30 SECTION 2. Sections 39-26.6-7, 39-26.6-9 and 39-26.6-27 of the General Laws in Chapter
31 39-26.6 entitled "The Renewable Energy Growth Program" are hereby amended to read as follows:

32 **39-26.6-7. Solar project size categories.**

33 (a) Tariff(s) shall be proposed for each of the following solar distributed- generation
34 classes:

- 1 (1) Small-scale solar projects;
- 2 (2) Medium-scale solar projects;
- 3 (3) Commercial-scale solar projects; and
- 4 (4) Large-scale solar projects.

5 (b) Such classes of solar distributed-generation projects shall be established based on
6 nameplate megawatt size as follows:

7 (1) Large scale: solar projects from one megawatt (1 MW), up to and including, five
8 megawatts (5 MW) nameplate capacity;

9 (2) Commercial scale: solar projects greater than two hundred fifty kilowatts (250 KW),
10 but less than one megawatt (1 MW) nameplate capacity;

11 (3) Medium scale: solar projects greater than twenty-five kilowatts (25 KW), up to and
12 including, two hundred fifty kilowatts (250 KW) nameplate capacity; and

13 (4) Small scale: solar projects, up to and including, twenty-five kilowatts (25 KW)
14 nameplate capacity.

15 (c) Other classifications of solar projects may also be proposed by the board, subject to the
16 approval of the commission. After the second program year, the board may make recommendations
17 to the commission to adjust the size categories of the solar classes, provided that the medium-scale
18 solar projects may not exceed two hundred fifty kilowatts (250 KW); and/or allocated capacity to
19 community distributed-generation facilities, allowing them to compete or enroll under a distinct
20 ceiling price.

21 [\(5\) Solar projects greater than twenty-five kilowatts \(25 KW\), except for residential](#)
22 [rooftops solar projects, shall not be located within a residential zone or about a residential property.](#)

23 **39-26.6-9. Project segmentation prohibition.**

24 In no case may a project developer be allowed to segment a distributed-generation project
25 on the same parcel or contiguous parcels into smaller-sized projects in order to fall under a smaller-
26 size project classification. [Segmented distributed-generation projects shall not be located within a](#)
27 [residential zone or about a residential property.](#) Notwithstanding this prohibition, a project
28 developer may designate a generation unit on the same parcel or contiguous parcel for net metering
29 or other means of participating in electricity markets, provided that the unit, or portion of the unit,
30 designated for net metering or other market participation is not receiving performance-based
31 incentives under this chapter; is capable of being segregated electrically; is configured with the
32 electrical segregation; and is separately metered. Further, a project shall not be considered to have
33 been segmented if:

- 34 (1) There is a lapse of at least twenty-four (24) months between: (i) The commencement

1 of construction of new distributed-generation units on a parcel that is the same as, or is contiguous
2 with, a parcel upon which a distributed-generation project has already been constructed; and (ii)
3 The operation date of the preexisting project; or

4 (2) The new project is a different renewable technology.

5 **39-26.6-27. Community remote distributed generation system.**

6 (a) In order to facilitate the adoption of participation in renewable energy projects by
7 eligible customers, the board may allocate a portion of the annual MW goal to a separate class, or
8 classes, of community remote distributed-generation systems, which may compete under separate
9 ceiling prices from non-community remote distributed-generation systems, for program years
10 starting on or after April 1, 2016.

11 (b) Upon such allocation by the board, the electric distribution company shall establish
12 rules and tariffs for program years starting on or after April 1, 2016, which rules and tariffs will set
13 forth the requirements for eligible recipients, credit transfers, consumer protection, and other
14 considerations and terms, with input from the office, for the commission's review and approval.

15 (c) The value of credits to be allocated to credit recipients may be a fixed rate provided by
16 the system owner, but shall not be greater than the sum of the standard-offer service, less the
17 renewable energy standard charge or credit, and the transmission and transition rates, of the credit
18 recipient as offered by the electric distribution company in effect at the time of establishing the
19 transfer. If a fixed credit rate is not provided, the default credit will be the sum of the standard-offer
20 service, less the renewable energy standard charge or credit, and the transmission and transition
21 rates, of the credit recipient as offered by the electric distribution company in effect at the time of
22 the transfer.

23 (d) Any credits not allocated in any month will be valued at the then-current default credit
24 rate, and deducted from the total performance-based incentive of the enrolled system.

25 (e) Community remote distributed-generation systems shall not:

26 (1) Comprise more than thirty percent (30%) of the annual total of capacity available under
27 the renewable energy growth program in each year;

28 (2) Be subject to a ceiling price that is more than fifteen percent (15%) higher than the
29 then-in-effect ceiling price for the same technology of the same size as recommended by the board
30 and approved by the commission; or

31 (3) Transfer credits to any account in an amount that in KWh exceeds the prior three-year
32 (3) annual average usage.

33 (4) Be located within a residential zone or abut a residential property.

1 SECTION 3. 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

1 This act would exclude net-metering systems, solar projects, segmented distribution-
2 generation projects and community remote distributed-generation systems from location within a
3 residential zone or from abutting a residential property.

4 This act would take effect upon passage.

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