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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representatives Lima, J. Brien, Phillips, Casey, and Costantino

Date Introduced: February 28, 2025

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.4-2 of the General Laws in Chapter 39-26.4 entitled "Net  
2 Metering" is hereby amended to read as follows:

3 **39-26.4-2. Definitions.**

4 Terms not defined in this section herein shall have the same meaning as contained in  
5 chapter 26 of this title. When used in this chapter:

6 (1) "Community remote net-metering system" means a facility generating electricity using  
7 an eligible net-metering resource that allocates net-metering credits to a minimum of one account  
8 for a system associated with low- or moderate-income housing eligible credit recipients, or three  
9 (3) eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of  
10 the credits produced by the system are allocated to one eligible credit recipient, and provided further  
11 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining  
12 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-  
13 five kilowatt (25 KW) AC capacity. The community remote net-metering system may transfer  
14 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage of  
15 the eligible credit recipient accounts measured by the three-year (3) average annual consumption  
16 of energy over the previous three (3) years. A projected annual consumption of energy may be used  
17 until the actual three-year (3) average annual consumption of energy over the previous three (3)  
18 years at the eligible credit recipient accounts becomes available for use in determining eligibility  
19 of the generating system. The community remote net-metering system may be owned by the same

1 entity that is the customer of record on the net-metered account or may be owned by a third party.

2 (2) “Core forest” refers to unfragmented forest blocks of single or multiple parcels totaling  
3 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25)  
4 yards from mapped roads, with eligibility questions to be resolved by the director of the department  
5 of environmental management. Such determination shall constitute a contested case as defined in  
6 § 42-35-1.

7 (3) “Electric distribution company” shall have the same meaning as § 39-1-2, but shall not  
8 include Block Island Power Company or Pascoag Utility District, each of whom shall be required  
9 to offer net metering to customers through a tariff approved by the public utilities commission after  
10 a public hearing. Any tariff or policy on file with the public utilities commission on the date of  
11 passage of this chapter shall remain in effect until the commission approves a new tariff.

12 (4) “Eligible credit recipient” means one of the following eligible recipients in the electric  
13 distribution company’s service territory whose electric service account or accounts may receive  
14 net-metering credits from a community remote net-metering system. Eligible credit recipients  
15 include the following definitions:

16 (i) Residential accounts in good standing.

17 (ii) “Low- or moderate-income housing eligible credit recipient” means an electric service  
18 account or accounts in good standing associated with any housing development or developments  
19 owned or operated by a public agency, nonprofit organization, limited-equity housing cooperative,  
20 or private developer that receives assistance under any federal, state, or municipal government  
21 program to assist the construction or rehabilitation of housing affordable to low- or moderate-  
22 income households, as defined in the applicable federal or state statute, or local ordinance,  
23 encumbered by a deed restriction or other covenant recorded in the land records of the municipality  
24 in which the housing is located, that:

25 (A) Restricts occupancy of no less than fifty percent (50%) of the housing to households  
26 with a gross, annual income that does not exceed eighty percent (80%) of the area median income  
27 as defined annually by the United States Department of Housing and Urban Development (HUD);

28 (B) Restricts the monthly rent, including a utility allowance, that may be charged to  
29 residents, to an amount that does not exceed thirty percent (30%) of the gross, monthly income of  
30 a household earning eighty percent (80%) of the area median income as defined annually by HUD;

31 (C) Has an original term of not less than thirty (30) years from initial occupancy.

32 Electric service account or accounts in good standing associated with housing  
33 developments that are under common ownership or control may be considered a single low- or  
34 moderate-income housing eligible credit recipient for purposes of this section. The value of the

1 credits shall be used to provide benefits to tenants.

2 (iii) “Educational institutions” means public and private schools at the primary, secondary,  
3 and postsecondary levels.

4 (iv) “Commercial or industrial customers” means any nonresidential customer of the  
5 electric distribution company.

6 (5) “Eligible net-metering resource” means eligible renewable energy resource, as defined  
7 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding  
8 all other listed eligible biomass fuels.

9 (6) “Eligible net-metering system” means a facility generating electricity using an eligible  
10 net-metering resource that is reasonably designed and sized to annually produce electricity in an  
11 amount that is equal to, or less than, the renewable self-generator’s usage at the eligible net-  
12 metering system site measured by the three-year (3) average annual consumption of energy over  
13 the previous three (3) years at the electric distribution account(s) located at the eligible net-metering  
14 system site. A projected annual consumption of energy may be used until the actual three-year (3)  
15 average annual consumption of energy over the previous three (3) years at the electric distribution  
16 account(s) located at the eligible net-metering system site becomes available for use in determining  
17 eligibility of the generating system. The eligible net-metering system may be owned by the same  
18 entity that is the customer of record on the net-metered accounts or may be owned by a third party  
19 that is not the customer of record at the eligible net-metering system site and which may offer a  
20 third-party, net-metering financing arrangement or net-metering financing arrangement, as  
21 applicable. Notwithstanding any other provisions of this chapter, any eligible net-metering  
22 resource: (i) Owned by a public entity, educational institution, hospital, nonprofit, or multi-  
23 municipal collaborative; or (ii) Owned and operated by a renewable-generation developer on behalf  
24 of a public entity, educational institution, hospital, nonprofit, or multi-municipal collaborative  
25 through a net-metering financing arrangement shall be treated as an eligible net-metering system  
26 and all accounts designated by the public entity, educational institution, hospital, nonprofit, or  
27 multi-municipal collaborative for net metering shall be treated as accounts eligible for net metering  
28 within an eligible net-metering system site; or (iii) Owned and operated by a renewable-generation  
29 developer on behalf of one or more commercial or industrial customer(s) through net-metering  
30 financing arrangement(s) shall be treated as an eligible net-metering system within an eligible net-  
31 metering system site. Notwithstanding any other provision to the contrary, effective July 1, 2060,  
32 an eligible net-metering system means a facility generating electricity using an eligible net-  
33 metering resource that is interconnected behind the same meter as the net-metering customer’s load.

34 (7) “Eligible net-metering system site” means the site where the eligible net-metering

1 system or community remote net-metering system is located or is part of the same campus or  
2 complex of sites contiguous to one another and the site where the eligible net-metering system or  
3 community remote net-metering system is located or a farm on which the eligible net-metering  
4 system or community remote net-metering system is located. Except for an eligible net-metering  
5 system owned by or operated on behalf of a public entity, educational institution, hospital,  
6 nonprofit, or multi-municipal collaborative or for a commercial or industrial customer through a  
7 net-metering financing arrangement, the purpose of this definition is to reasonably assure that  
8 energy generated by the eligible net-metering system is consumed by net-metered electric service  
9 account(s) that are actually located in the same geographical location as the eligible net-metering  
10 system. All energy generated from any eligible net-metering system is, and will be considered,  
11 consumed at the meter where the renewable energy resource is interconnected for valuation  
12 purposes. Except for an eligible net-metering system owned by, or operated on behalf of, a public  
13 entity, educational institution, hospital, nonprofit, or multi-municipal collaborative, or for a  
14 commercial or industrial customer through a net-metering financing arrangement, or except for a  
15 community remote net-metering system, all of the net-metered accounts at the eligible net-metering  
16 system site must be the accounts of the same customer of record and customers are not permitted  
17 to enter into agreements or arrangements to change the name on accounts for the purpose of  
18 artificially expanding the eligible net-metering system site to contiguous sites in an attempt to avoid  
19 this restriction. However, a property owner may change the nature of the metered service at the  
20 accounts at the site to be master metered in the owner's name, or become the customer of record  
21 for each of the accounts, provided that the owner becoming the customer of record actually owns  
22 the property at which the account is located. As long as the net-metered accounts meet the  
23 requirements set forth in this definition, there is no limit on the number of accounts that may be net  
24 metered within the eligible net-metering system site.

25 (8) "Excess renewable net-metering credit" means a credit that applies to an eligible net-  
26 metering system or community remote net-metering system for that portion of the production of  
27 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five  
28 percent (125%) of the renewable self-generator's own consumption at the eligible net-metering  
29 system site or the sum of the usage of the eligible credit recipient accounts associated with the  
30 community remote net-metering system during the applicable billing period. Such excess  
31 renewable net-metering credit shall be equal to the ~~electric distribution company's avoided cost~~  
32 ~~rate, which is hereby declared to be the electric distribution company's last resort service kilowatt~~  
33 ~~hour (KWh) charge for the rate class [wholesale rate](#)~~ and time-of-use billing period (if applicable)  
34 applicable to the customer of record for the eligible net-metering system or applicable to the

1 customer of record for the community remote net-metering system. The commission shall have the  
2 authority to make determinations as to the applicability of this credit to specific generation facilities  
3 to the extent there is any uncertainty or disagreement.

4 (9) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings  
5 associated with the farm shall be eligible for net-metering credits as long as: (i) The buildings are  
6 owned by the same entity operating the farm or persons associated with operating the farm; and (ii)  
7 The buildings are on the same farmland as the project on either a tract of land contiguous with, or  
8 reasonably proximate to, such farmland or across a public way from such farmland.

9 (10) "Hospital" means and shall be defined and established as set forth in chapter 17 of  
10 title 23.

11 (11) "Multi-municipal collaborative" means a group of towns and/or cities that enter into  
12 an agreement for the purpose of co-owning a renewable-generation facility or entering into a  
13 financing arrangement pursuant to subsection (15).

14 (12) "Municipality" means any Rhode Island town or city, including any agency or  
15 instrumentality thereof, with the powers set forth in title 45.

16 (13) "Net metering" means using electrical energy generated by an eligible net-metering  
17 system for the purpose of self-supplying electrical energy and power at the eligible net-metering  
18 system site, or with respect to a community remote net-metering system, for the purpose of  
19 generating net-metering credits to be applied to the electric bills of the eligible credit recipients  
20 associated with the community net-metering system. The amount so generated will thereby offset  
21 consumption at the eligible net-metering system site through the netting process established in this  
22 chapter, or with respect to a community remote net-metering system, the amounts generated in  
23 excess of that amount will result in credits being applied to the eligible credit-recipient accounts  
24 associated with the community remote net-metering system.

25 (14) "Net-metering customer" means a customer of the electric distribution company  
26 receiving and being billed for distribution service whose distribution account(s) are being net  
27 metered.

28 (15) "Net-metering financing arrangement" means arrangements entered into by a public  
29 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or a commercial  
30 or industrial customer with a private entity to facilitate the financing and operation of a net-metering  
31 resource, in which the private entity owns and operates an eligible net-metering resource on behalf  
32 of a public entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or  
33 commercial or industrial customer, where: (i) The eligible net-metering resource is located on  
34 property owned or controlled by the public entity, educational institution, hospital, municipality,

1 multi-municipal collaborative, or commercial or industrial customer as applicable; and (ii) The  
2 production from the eligible net-metering resource and primary compensation paid by the public  
3 entity, educational institution, hospital, nonprofit, multi-municipal collaborative, or commercial or  
4 industrial customer to the private entity for such production is directly tied to the consumption of  
5 electricity occurring at the designated net-metered accounts.

6 (16) “Nonprofit” means a nonprofit corporation as defined and established through chapter  
7 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §  
8 501(d).

9 (17) “Person” means an individual, firm, corporation, association, partnership, farm, town  
10 or city of the state of Rhode Island, multi-municipal collaborative, or the state of Rhode Island or  
11 any department of the state government, governmental agency, or public instrumentality of the  
12 state.

13 (18) “Preferred site” means a location for a renewable energy system that has had prior  
14 development, including, but not limited to: landfills, gravel pits and quarries, highway and major  
15 road median strips, brownfields, superfund sites, parking lots or sites that are designated  
16 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,  
17 industrial, and municipal buildings.

18 (19) “Project” means a distinct installation of an eligible net-metering system or a  
19 community remote net-metering system. An installation will be considered distinct if it is installed  
20 in a different location, or at a different time, or involves a different type of renewable energy.  
21 Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be  
22 located on adjoining parcels of land within core forests, except for preferred sites.

23 (20) “Public entity” means the federal government, the state of Rhode Island,  
24 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing  
25 plant or system employed for the distribution of water to the consuming public within this state  
26 including the water supply board of the city of Providence.

27 (21) “Public entity net-metering system” means a system generating renewable energy at  
28 a property owned or controlled by the public entity that is participating in a net-metering financing  
29 arrangement where the public entity has designated accounts in its name to receive net-metering  
30 credits.

31 (22) “Renewable net-metering credit” means a credit that applies to an eligible net-  
32 metering system or a community remote net-metering system up to one hundred percent (100%) of  
33 either the renewable self-generator’s usage at the eligible net-metering system site or the sum of  
34 the usage of the eligible credit-recipient accounts associated with the community remote net-

1 metering system over the applicable billing period. This credit shall be equal to the total kilowatt  
2 hours of electrical energy generated up to the amount consumed on-site, and/or generated up to the  
3 sum of the eligible credit-recipient account usage during the billing period multiplied by the sum  
4 of the distribution company's:

5 (i) Last resort service kilowatt-hour charge for the rate class applicable to the net-metering  
6 customer, except that for remote public entity and multi-municipality collaborative net-metering  
7 systems that submit an application for an interconnection study on or after July 1, 2017, and  
8 community remote net-metering systems, the last resort service kilowatt-hour charge shall be net  
9 of the renewable energy standard charge or credit;

10 (ii) Distribution kilowatt-hour charge;

11 (iii) Transmission kilowatt-hour charge; and

12 (iv) Transition kilowatt-hour charge.

13 For projects after April 15, 2023, subject to the allowable two hundred seventy-five  
14 megawatts alternating current (275 MWac), under § 39-26.4-3(a)(1)(vi), the credit shall be reduced  
15 by twenty percent (20%).

16 Notwithstanding the foregoing, except for systems that have requested an interconnection  
17 study for which payment has been received by the distribution company, or if an interconnection  
18 study is not required, a completed and paid interconnection application, by December 31, 2018, the  
19 renewable net-metering credit for all remote public entity and multi-municipal collaborative net-  
20 metering systems shall not include the distribution kilowatt-hour charge commencing on January  
21 1, 2050.

22 (23) "Renewable self-generator" means an electric distribution service customer of record  
23 for the eligible net-metering system or community remote net-metering system at the eligible net-  
24 metering system site which system is primarily designed to produce electrical energy for  
25 consumption by that same customer at its distribution service account(s), and/or, with respect to  
26 community remote net-metering systems, electrical energy which generates net-metering credits to  
27 be applied to offset the eligible credit-recipient account usage.

28 (24) "Third party" means and includes any person or entity, other than the renewable self-  
29 generator, who or that owns or operates the eligible net-metering system or community remote net-  
30 metering system on the eligible net-metering system site for the benefit of the renewable self-  
31 generator.

32 (25) "Third-party, net-metering financing arrangement" means the financing of eligible  
33 net-metering systems or community remote net-metering systems through lease arrangements or  
34 power/credit purchase agreements between a third party and renewable self-generator, except for

1 those entities under a public entity net-metering financing arrangement. A third party engaged in  
2 providing financing arrangements related to such net-metering systems with a public or private  
3 entity is not a public utility as defined in § 39-1-2.

4 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 -- NET METERING

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1           This act would change the excess renewable net-metering credit to be billed at the whole  
2 sale rate from the electric distribution company's avoided cost rate, which is hereby declared to be  
3 the electric distribution company's last resort service kilowatt hour.

4           This act would take effect upon passage.

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