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LC002243
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2025

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representatives Speakman, and Kennedy

Date Introduced: March 14, 2025

Referred To: House Corporations

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).
- 9 (ii) Eligible net-metering systems shall be sited outside of core forests with the exception
10 of development on preferred sites in the core forest and the exception of systems that, as of April
11 15, 2023, (A) Have submitted a complete application to the appropriate municipality for any
12 required permits and/or zoning changes, or (B) Have requested an interconnection study for which
13 payment has been received by the distribution company, or (C) If an interconnection study is not
14 required, systems that have a completed and paid interconnection application.
- 15 (iii) For systems developed in core forests on preferred sites, no more than one hundred
16 thousand square feet (100,000 sq. ft) of core forest shall be removed, except for work required for
17 utility interconnection or development of a brownfield, in which case no more core forest than
18 necessary for interconnection or brownfield development shall be removed.
- 19 (iv) The aggregate amount of net metering in the Block Island Utility District doing

1 business as Block Island Power Company and the Pascoag Utility District shall not exceed a
2 maximum percentage of peak load for each utility district as set by the utility district based on its
3 operational characteristics, subject to commission approval.

4 (v) Through December 31, 2018, the maximum aggregate amount of community remote
5 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
6 after December 31, 2018, shall remain available to community remote net-metering systems until
7 the MW aggregate amount is interconnected.

8 (vi) The maximum aggregate capacity of remote net metering allowable for ground-
9 mounted eligible net-metering systems, as defined by § 39-26.4-2(6), with the exception of systems
10 that have, as of April 15, 2023, submitted a complete application to the appropriate municipality
11 for any required permits and/or zoning changes or have requested an interconnection study for
12 which payment has been received by the distribution company, or if an interconnection study is not
13 required, a completed and paid interconnection application by the distribution company as of June
14 24, 2023, shall be two hundred seventy-five megawatts, alternating current (275 MWac), excluding
15 off-shore wind. None of the systems to which this cap applies shall be in core forests unless on a
16 preferred site located within the core forest. A project counts against this maximum if it is in
17 operation or under construction by July 1, 2030, as determined by the local distribution company.
18 All eligible ground-mounted net-metering systems must be under construction or in operation by
19 July 1, 2030. This restriction shall not apply to the following: (A) The eligible net-metering system
20 is interconnected behind the same meter as the net-metering customer's load; and/or (B) The energy
21 generated by the eligible net-metering system is consumed by net-metered electric service
22 account(s) of the same owner of record that are actually located on the same or contiguous parcels
23 as the eligible net-metering system.

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

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

29 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering system
30 site or the sum of the consumption of the eligible credit-recipient accounts associated with the
31 community remote net-metering system, and establish a monthly billing plan that reflects the
32 expected credits that would be applied to the net-metered accounts over twelve (12) months. The
33 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of
34 actual production and usage. If such election is made by the electric distribution company, the

1 electric distribution company would reconcile payments and credits under the billing plan to actual
2 production and consumption at the end of the twelve-month (12) period and apply any credits or
3 charges to the net-metered accounts for any positive or negative difference, as applicable. Should
4 there be a material change in circumstances at the eligible net-metering system site or associated
5 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the
6 electric distribution company during the reconciliation period. The electric distribution company
7 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing
8 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-
9 metering systems and community remote net-metering systems twenty-five kilowatts (25 KW) or
10 smaller, the electric distribution company, at its option, may administer renewable net-metering
11 credits month to month allowing unused credits to carry forward into the following billing period.

12 (3) If the electricity generated by an eligible net-metering system or community remote
13 net-metering system during a billing period is equal to, or less than, the net-metering customer's
14 usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient
15 accounts associated with the community remote net-metering system during the billing period, the
16 customer shall receive renewable net-metering credits, that shall be applied to offset the net-
17 metering customer's usage on accounts at the eligible net-metering system site, or shall be used to
18 credit the eligible credit-recipient's electric account.

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

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

33 (b) The commission shall exempt electric distribution company customer accounts
34 associated with an eligible net-metering system from back-up or standby rates commensurate with

1 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such
2 exemption shall be fully recovered by the electric distribution company through rates.

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

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

12 (e) The Rhode Island office of energy resources shall redesign the community solar remote
13 net metering program to reflect the provisions of this chapter and to include a commercial or
14 industrial anchor tenant up to but not to exceed fifty percent (50%) of the project. The remaining
15 fifty percent (50%) must be allocated or subscribed to low- and moderate-income (LMI) residents
16 and/or those living in areas defined as disadvantaged and environmental justice communities. The
17 Rhode Island office of energy resources shall design the net metering credit rate and factor in
18 federal energy funding and tax credits to develop the most cost-effective rate for community solar
19 projects. It is expected that these projects will be operational for a twenty-year (20) period. The
20 Rhode Island office of energy resources shall file a benefit and cost analysis with any program
21 proposal filed to the Rhode Island public utilities commission. Once the Rhode Island office of
22 energy resources files a program proposal to the Rhode Island public utilities commission, a docket
23 shall be established, and the Rhode Island public utilities commission shall issue a ruling on the
24 program no later than one hundred and fifty (150) days. If a program is approved, it will be subject
25 to no greater than twenty megawatts (20 MW) per year for two years until the forty megawatts (40
26 MW) cap is met. Eligible net-metering systems shall be sited outside of core forests with the
27 exception of development on preferred sites in the core forest. [The 275MWac maximum capacity](#)
28 [restriction shall not apply to eligible net-metering systems installed on a preferred site, or mounted](#)
29 [on a raised structure such that substantially all of the ground beneath the eligible net-metering](#)
30 [system can be used for other purposes, such as, but not limited to, parking, pedestrian access,](#)
31 [recreation or agricultural uses.](#)

32 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
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1 This act would allow preferred sites (a location for a renewable energy system that has had
2 prior development, including, but not limited to: landfills, gravel pits and quarries, highway and
3 major road median strips, brownfields, superfund sites, parking lots or sites that are designated
4 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,
5 industrial, and municipal buildings) to be developed without being subject to the cap or rate
6 reduction in the net metering statute.

7 This act would take effect upon passage.

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