

# 2011 -- S 723 SUBSTITUTE A AS AMENDED

LC02162/SUB A/2

## STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED RENEWABLE  
ENERGY

Introduced By: Senator Joshua Miller

Date Introduced: March 23, 2011

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND  
CARRIERS" is hereby amended by adding thereto the following chapter:

### CHAPTER 26.2

#### DISTRIBUTED GENERATION STANDARD CONTRACTS

**39-26.2-1. Short title.** – This chapter shall be known as and may be cited as “The  
Distributed Generation Standard Contracts Act.”

**39-26.2-2. Purpose.** – The purpose of this chapter is to facilitate and promote installation  
of grid-connected generation of renewable energy; support and encourage development of  
distributed renewable energy generation systems; reduce environmental impacts; reduce carbon  
emissions that contribute to climate change by encouraging the local siting of renewable energy  
projects; diversify the state’s energy generation sources; stimulate economic development;  
improve distribution system resilience and reliability; and reduce distribution system costs.

**39-26.2-3. Definitions.** – When used in this chapter, the following terms shall have the  
following meanings:

(1) “Annual target” means the target for total renewable energy nameplate capacity of  
new distributed generation standard contracts set out in section 39-26.2-3.

(2) “Commission” means the Rhode Island public utilities commission.

(3) “Board” shall mean the distributed generation standard contract board established

1 pursuant to the provisions of chapter 39-26.2-9, or the office of energy resources. Until such time  
2 as the board is duly constituted, the office of energy resources shall serve as the board with the  
3 same powers and duties pursuant to this chapter.

4 (4) “Distributed generation contract capacity” means ten percent (10%) of an electric  
5 distribution company’s minimum long-term contract capacity under the long-term contracting  
6 standard for renewable energy in section 39-26.1-2, inclusive of solar capacity. The distributed  
7 generation contract capacity shall be reserved for acquisition by the electric distribution company  
8 through standard contracts pursuant to the provisions of this chapter.

9 (5) “Distributed generation facility” means an electrical generation facility that is a newly  
10 developed renewable energy resource as defined in section 39-26.1-2, located in the electric  
11 distribution company’s load zone with a nameplate capacity no greater than five megawatts (5  
12 MW), using eligible renewable energy resources as defined by section 39-26-5, including biogas  
13 created as a result of anaerobic digestion, but, specifically excluding all other listed eligible  
14 biomass fuels, and connected to an electrical power system owned, controlled, or operated by the  
15 electric distribution company.

16 (6) “Distributed generation project” means a distinct installation of a distributed  
17 generation facility. An installation will be considered distinct if it is installed in a different  
18 geographical location and at a different time, or if it involves a different type of renewable energy  
19 class.

20 (7) "Electric distribution company" means a company defined in subdivision 39-1-2(12),  
21 supplying standard offer service, last resort service, or any successor service to end-use  
22 customers, but not including the Block Island Power Company or the Pascoag Utility District.

23 (8) “Large distributed generation project” means a distributed generation project that has  
24 a nameplate capacity that exceeds the size of a small distributed generation project in a given  
25 year, but is no greater than five megawatts (5 MW) nameplate capacity.

26 (9) “Program year” means a calendar year beginning January 1 and ending December 31.

27 (10) “Renewable energy classes” means categories for different renewable energy  
28 technologies using eligible renewable energy resources as defined by section 39-26-5. For each  
29 program year, the board shall determine the renewable energy classes as are reasonably feasible  
30 for use in meeting distributed generation objectives from renewable energy resources and are  
31 consistent with the goal of meeting the annual target for the program year. For the program year  
32 ending December 31, 2012, there shall be at least four (4) technology classes and at least two (2)  
33 shall be for solar generation technology, and at least one shall be for wind. The board may add,  
34 eliminate, or adjust renewable energy classes for each program year with public notice given at

1 least sixty (60) days previous to any renewable energy class change becoming effective. For each  
2 program year, the board shall set renewable energy class targets for each class established. Class  
3 targets are the total program-year target amounts of nameplate capacity reserved for standard  
4 contracts for each renewable energy class. The sum of all the class targets shall equal the annual  
5 target.

6 (11) “Renewable energy credit” means a New England Generation Information System  
7 renewable energy certificate as defined in subdivision 39-26-2(15);

8 (12) “Small distributed generation project” means a distributed generation project that  
9 has a nameplate capacity no larger than the following: Solar: five hundred kilowatts (500 KW);  
10 Wind: one and one-half megawatts (1.5 MW). For technologies other than solar and wind, the  
11 board shall set the nameplate capacity size limits, but such limits may not exceed one megawatt.  
12 The board may lower the nameplate capacity from year to year for any of these categories, but  
13 may not increase the capacity beyond what is specified in this definition. In no case may a  
14 project developer be allowed to segment a distributed generation project into smaller sized  
15 projects in order to fall under this definition.

16 (13) “Standard contract” means a contract with a term of fifteen (15) years at a fixed rate  
17 for the purchase of all capacity, energy, and attributes generated by a distributed generation  
18 facility. A contract may have a different term if it is mutually agreed to by the seller and the  
19 electric distribution company and it is approved by the commission. The terms of the standard  
20 contract for each program year and for each renewable energy class shall be set pursuant to the  
21 provisions of this chapter.

22 (14) “Standard contract ceiling price” means the standard contract price for the output of  
23 a distributed generation facility which price is approved annually for each renewable energy class  
24 pursuant to the procedure established in this chapter, for the purchase of energy, capacity,  
25 renewable energy certificates, and all other environmental attributes and market products that are  
26 available or may become available from the distributed generation facility.

27 **39-26.2-4. Standard contracts – Annual targets.** – (a) To the extent eligible projects are  
28 available and submit conforming applications, an electric distribution company shall enter into  
29 standard contracts for an aggregate nameplate capacity of at least forty megawatts (40 MW) of  
30 distributed generation projects by the end of 2014, unless such schedule is extended by the board.  
31 The contracting shall be spread over four (4) years, based on the annual targets, aggregated to  
32 reflect annual targets from prior program years, contained in the following four (4) year phased  
33 schedule, unless such schedule is adjusted by the board in any given year:

34 (1) By December 30, 2011: a minimum of five megawatts (5 MW) nameplate;

1           (2) By December 30, 2012: a minimum aggregate of twenty megawatts (20 MW)  
2     nameplate;  
3           (3) By December 30, 2013: a minimum aggregate of thirty megawatts (30 MW)  
4     nameplate;  
5           (4) By December 30, 2014: a minimum aggregate of forty megawatts (40 MW)  
6     nameplate.  
7           (b) By October 15, 2011 and each calendar year following until October 15, 2013, the  
8     board may recommend to the commission that the annual target for the following program year  
9     be adjusted upward to reflect any shortfalls in meeting the previous program year's annual target  
10    or to reflect any standard contracts entered into during prior program years that are voided. The  
11    board may also recommend to the commission that the annual target for the following program  
12    year be adjusted downward by any amounts that the previous program year's annual targets were  
13    exceeded by the standard contracts entered into during that program year.  
14           (c) The board may, based on market data and other information available to it including  
15    pricing for standard contracts received during previous program years, recommend a reduction of  
16    the annual target for the upcoming program year where the board determines that market  
17    conditions would be likely to produce unfavorably high target pricing for standard contracts  
18    during that upcoming program year. In considering such issues, the board may take into account  
19    the reasonableness of current pricing and its impact on all electric distribution customers who will  
20    be paying for the output for up to twenty (20) years at such prices. The board may also  
21    recommend an extension of time to achieve the forty megawatt (40 MW) target, to allow for  
22    contracting to occur after 2014, if necessary.  
23           (d) The electric distribution company must contract for at least forty megawatts (40  
24    MW) of nameplate capacity distributed generation projects by the end of 2014, unless such  
25    schedule is extended by the board. The electric distribution company may not be required to  
26    contract for more than forty megawatts (40 MW) or the distributed generation contract capacity,  
27    but may do so voluntarily, subject to commission approval.  
28           (e) Each year, the board shall file its recommendations relating to the schedule, along  
29    with its report and recommendations regarding ceiling prices, for the commission's review and  
30    approval as specified in subsection 39-26.2-5(b).  
31           (f) Nothing in this chapter shall derogate from the statutory authority of the commission  
32    or the division, including, but not limited to, the authority to protect ratepayers from unreasonable  
33    rates.  
34           **39-26.2-5. Standard contract ceiling price. – (a) Within a period of time sufficient to**

1 accomplish the purposes of this section, but not longer than ninety (90) days after the effective  
2 date of this chapter, the board shall set ceiling prices and annual targets for each renewable  
3 energy class of distributed generation for the 2011 program year and make a filing with the  
4 commission pursuant to this chapter recommending such prices and targets. Thereafter annually  
5 by no later than October 15 of each year, the board shall make filings with the commission to  
6 recommend the standard contract ceiling prices and annual targets for each renewable energy  
7 class of distributed generation facility. The ceiling price for each technology should be a price  
8 that would allow a private owner to invest in a given project at a reasonable rate of return, based  
9 on recent reported and forecast information on the cost of capital, and the cost of generation  
10 equipment. The calculation of the reasonable rate of return for a project shall include where  
11 applicable any state or federal incentives including but not limited to tax incentives. In setting the  
12 ceiling prices, the board also may consider: (1) Transactions for newly developed renewable  
13 energy resources, by technology and size, in the ISO-NE region and the northeast corridor; (2)  
14 Pricing for standard contracts received during the previous program year; (3) Environmental  
15 benefits, including, but not limited to, reducing carbon emissions, and system benefits; and (4)  
16 Cost effectiveness. The board shall in performing this assessment involve representation from its  
17 advisory council, if applicable, and from the office of energy resources, the electric distribution  
18 company, and the energy efficiency and resources management council. The board shall hold,  
19 with at least ten (10) business days notice, a public community review meeting. The board shall  
20 issue a report of its findings from the assessment process recommending standard contract ceiling  
21 prices for the upcoming program year. Such report shall be filed with the commission, along with  
22 a recommendation for the approval of the ceiling prices for the program year.

23 (b) The commission shall open a docket to consider for approval ceiling prices proposed  
24 by the board. In reviewing the recommended ceiling prices the commission shall give due  
25 consideration to the recommendations and report of the board and the standards set forth in  
26 subsection (a) of this section. The commission shall issue a decision within sixty (60) days after  
27 said recommendations and report are filed with the commission establishing the ceiling prices to  
28 be used by electric distribution companies in standard contracts applicable to each renewable  
29 energy class in order to effectuate the purposes and provisions of this chapter.

30 (c) During any program year, the board may on its own initiative, elect to revisit the  
31 ceiling prices if the board determines that the prices are either too low or too high. In such case, it  
32 may make a filing with the commission to seek a modification to the program for that year, which  
33 shall be acted upon by the commission within sixty (60) days. While such request is pending, the  
34 electric distribution company may suspend executing standard contracts until a decision is

1 reached on the request.

2 **39-26.2-6. Standard contract enrollment program.** – (a) Each electric distribution  
3 company shall conduct at least three (3) standard contract enrollments during each program year;  
4 however, during 2011 the electric distribution company need only conduct one enrollment. Each  
5 enrollment shall be open for a two (2) week period during which the electric distribution  
6 company is required to receive standard short-form applications requesting standard contracts for  
7 distributed generation energy projects. The short-form applications shall require the applicant to  
8 provide the project owner’s identity and the project’s proposed location, nameplate capacity, and  
9 renewable energy class and allow for additional information relative to the permitting, financial  
10 feasibility, ability to build, and timing for deployment of the proposed projects. For small  
11 distributed generation projects, the applicant must submit an affidavit confirming that the project  
12 is not a segment of a larger project being planned for enlargement over time. For large  
13 distributed generation projects, the short-form application shall also require the applicant to bid a  
14 bundled price for the sale of the energy, capacity, renewable energy certificates, and all other  
15 environmental attributes and market products that are available or may become available from the  
16 distributed generation facility, on a per kilowatt-hour basis for the output of the project. Subject  
17 to the provisions of subsections (b) and (c) below, the electric distribution company shall not be  
18 required to enter into standard contracts in excess of the annual target for the applicable program  
19 year and shall not be required to enter into standard contracts in excess of any limit set by the  
20 board and approved by the commission for a given enrollment. However, the electric distribution  
21 company may voluntarily exceed an enrollment period limit as long as it does not exceed an  
22 annual target for the applicable program year.

23 (b) For small distributed generation projects, the electric distribution company on a first-  
24 come, first-served basis, shall enter into standard contracts at the applicable standard contract  
25 ceiling price with any distributed generation project which meets the requirements of all  
26 applicable tariffs and regulations, and meets the criteria of a renewable energy class in effect,  
27 until the class target is met. Enrollment periods will be governed by a solicitation and enrollment  
28 process rules that shall be filed with the commission each October 15 by the electric distribution  
29 company, and approved by the commission within sixty (60) days of such filing.

30 (c) For large distributed generation projects, the electric distribution company shall select  
31 projects for standard contracts based on the lowest proposed prices received, but not to exceed the  
32 applicable standard contract ceiling price, provided, that the selected projects meet the  
33 requirements of all applicable tariffs and regulations and meet the criteria of a renewable energy  
34 class in effect until the class target is met. Except for 2011, no enrollment period shall seek to

1 enroll more than one-third (1/3) of the annual goal for the distribution company for large  
2 distributed generation projects.

3 (d) If there are more projects than what is specified for a class target at the same price,  
4 the electric distribution company shall review the applications submitted and select first those  
5 projects that appear to be the furthest along in development and likely to be deployed. Those  
6 projects that are likely to be deployed on the earliest timelines shall be selected. To the extent the  
7 electric distribution company is unable to make a clear distinction on this basis, the electric  
8 company shall report the results to the board and not enter into contracts with those projects that  
9 are tied on pricing. In such case, the board may take such action as it deems appropriate for the  
10 selection of projects, including seeking more information from the projects. Alternatively, the  
11 board may consider adjustments to the ceiling price and a rebid, or simply wait until the next  
12 enrollment.

13 (e) Should an electric distribution company determine that it has entered into sufficient  
14 standard contracts to achieve a program-year class target, it shall immediately report this to the  
15 board, the office of energy resources, and the commission, and cease entering into standard  
16 contracts for that renewable energy class for the remainder of the program year. An electric  
17 distribution company may exceed the renewable energy class target if the last standard contract  
18 entered into may cause the total purchased to exceed the target.

19 (f) The electric distribution company is authorized to enter into standard contracts up to  
20 the applicable ceiling price. As long as the terms of the standard contract are materially the same  
21 as the standard contract terms approved by the commission and the pricing is no higher than the  
22 applicable ceiling price, such contracts shall be deemed prudent and approved by the commission  
23 for purposes of recovering the costs in rates.

24 (g) A distributed generation project that also is being employed by a customer for net  
25 metering purposes may submit an application to sell the excess output from its distributed  
26 generation project. In such case, however, at the election of the self-generator all of the renewable  
27 energy certificates and environmental attributes pertaining to the energy consumed on site may be  
28 sold to the electric distribution company on a month-to-month basis outside of the terms of the  
29 standard contract. In such case, the portion of the renewable energy certificates that pertain to the  
30 energy consumed on site during the net metering billing period shall be priced at the average  
31 market price of renewable energy certificates, which may be determined by using the price of  
32 renewable energy certificates purchased or sold by the electric distribution company.

33 **39-26.2-7. Standard contract – Form and provisions.** – The following process shall be  
34 implemented to establish the non-price terms and conditions of the standard contract:

1       (1) A working group (“contract working group”) shall be established and supervised by  
2 the board, consisting of the following members: (i) The director of the office of energy resources;  
3 (ii) A designee from the division of public utilities and carriers; (iii) Two (2) designees of the  
4 electric distribution company; (iv) Two (2) individuals designated by the office of energy  
5 resources who are experienced developers of renewable generation projects; (v) One individual  
6 designated by the office of energy resources who represents a customer of the electric distribution  
7 company; and (vi) A lawyer designated by the office of energy resources who has at least three  
8 (3) years of experience in negotiating and/or developing power purchase agreements. With  
9 respect to the lawyer designated in (vi) above, the electric distribution company shall enter into a  
10 cost reimbursement agreement with such lawyer, to compensate the lawyer for the time spent  
11 serving in the contract working group at the reasonable hourly rate negotiated by the office of  
12 energy resources. The costs incurred by the electric distribution company under the  
13 reimbursement agreement shall be recovered in rates by the electric distribution company in the  
14 year incurred or the year following incurrence through an appropriate filing with the commission.  
15 The contract working group shall be an advisory group that is not to be considered to be an  
16 agency for purposes of the administrative procedures act or any other laws pertaining to public  
17 bodies.

18       (2) The contract working group shall work in good faith to develop standard contracts  
19 that would be applicable for various technologies for both small and large distributed generation  
20 projects. The standard contracts should balance the need for the project to obtain financing  
21 against the need for the distribution company to protect itself and its distribution customers  
22 against unreasonable risks. The standard contract should be developed from contracting terms  
23 typically utilized in the wholesale power industry, taking into account the size of each project and  
24 the technology. The standard contracts shall provide for the purchase of energy, capacity,  
25 renewable energy certificates, and all other environmental attributes and market products that are  
26 available or may become available from the distributed generation facility. However, the electric  
27 distribution company shall retain the right to separate out pricing for each market product under  
28 the contracts for administrative and accounting purposes to avoid any detrimental accounting  
29 effects or for administrative convenience, provided that such accounting as specified in the  
30 contract does not affect the price and financial benefits to the seller as a seller of a bundled  
31 product. The standard contract also shall:

32       (i) Hold the distributed generation facility owner liable for the cost of interconnection  
33 from the distributed generation facility to the interconnect point with the distribution system, and  
34 for any upgrades to the existing distributed generation system that may be required by the electric



1 distribution company. However, a distributed generation facility owner may appeal to the  
2 commission to reduce any required system upgrade costs to the extent such upgrades can be  
3 shown to benefit other customers of the electric distribution company and the balance of such  
4 costs shall be included in rates by the electric distribution company for recovery in the year  
5 incurred or the year following incurrence;

6 (ii) Require the distributed generation facility owner to make a performance guarantee  
7 deposit to the electric distribution company of fifteen dollars (\$15.00) for small distributed  
8 generation projects or twenty-five dollars (\$25.00) for large distributed generation projects for  
9 every renewable energy certificate estimated to be generated per year under the contract, but at  
10 least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000), paid  
11 at the time of contract execution;

12 (iii) Require the electric distribution company to refund the performance guarantee  
13 deposit on a pro-rated basis of renewable energy credits actually delivered by the distributed  
14 generation facility over the course of the first year of the project's operation, paid quarterly;

15 (iv) Provide that if the distributed generation facility has not generated the output  
16 proposed in its enrollment application within eighteen (18) months after execution of the contract,  
17 the contract is automatically voided and the performance guarantee is forfeited. Any forfeited  
18 performance guarantee deposits shall be credited to all distribution customers in rates and not  
19 retained by the electric distribution company;

20 (v) Provide for flexible payment schedules that may be negotiated between the buyer and  
21 seller, but shall be no longer than quarterly if an agreement cannot be reached;

22 (vi) Require that an electric meter which conforms with standard industry norms be  
23 installed to measure the electrical energy output of the distributed generation facility, and require  
24 a system or procedure by which the distributed generation facility owner shall demonstrate  
25 creation of renewable energy credits, in a manner recognized and accounted for by the GIS; such  
26 demonstration of renewable energy credit creation to be at the distributed generation facility  
27 owner's expense. The electric distribution company may, at its discretion, offer to provide such a  
28 renewable energy credit measurement and accounting system or procedure to the distributed  
29 generation facility owner, and the distributed generation facility owner may, at its discretion, use  
30 the electric distribution company's program, or use that of an independent third party, approved  
31 by the commission, and the costs of such measurement and accounting are paid for by the  
32 distributed generation facility owner.

33 (3) If the contract working group reaches agreement on the terms of standard contracts,  
34 the board shall file the contracts with the commission for approval. If there are any

1 disagreements, they shall be identified to the commission. The commission shall review the  
2 standard contracts for conformance with the standards set forth in subsection (2). Should there be  
3 any disputes, the commission shall issue an order resolving them. To the extent the commission  
4 needs expert assistance to resolve any disagreements noted in the filing, the commission is  
5 authorized to hire a consultant to assist it in the proceedings, the costs of which shall be recovered  
6 from electric distribution customers pursuant to a uniform factor established by the commission  
7 in rates for recovery by the electric distribution company in the year incurred or the year  
8 following incurrence, as requested through a filing by the electric distribution company. The  
9 commission shall issue an order approving standard forms of contract within sixty (60) days of  
10 the filing.

11 **39-26.2-8. Standard contract - Reporting.** – (a) After each enrollment during a program  
12 year the electric distribution companies shall provide a report to the board, office of energy  
13 resources, and the commission of the aggregate amount of project nameplate capacity that was  
14 the subject of standard contracts entered into during that enrollment and the prices under each of  
15 the standard contracts that were executed.

16 (b) Each quarter of a program year, the electric distribution company shall provide an  
17 accounting to office of energy resource, the board, and the commission of the total amount paid to  
18 distributed generation facilities under standard contracts during that quarter, until the forty  
19 megawatt (40 MW) target is met;

20 (c) Until the forty megawatt (40 MW) target is met, the electric distribution company  
21 shall submit preliminary reports to office of energy resources, the board, and the commission  
22 indicating the number of standard contracts and total estimated annual generation, price, class,  
23 and any other relevant information for the purposes of better specifying classes, targets, or  
24 standard contract prices so as to achieve the purposes set forth in this chapter. Such reports shall  
25 be submitted no later than sixty (60) days prior to the end of the calendar year.

26 **39-26.2-9. Interaction with other statutory provisions.** – Except as expressly  
27 differentiated in this chapter, standard contracts entered into pursuant to this chapter shall be  
28 treated for all purposes as long-term contracts entered into under the provisions of the long-term  
29 contracting standards for renewable energy found in chapter 26.1 of title 39 of the general laws,  
30 and all such provisions shall apply to such contracts.

31 **39-26.2-10. Establishment of board -- Purposes.** – (a) There is hereby authorized,  
32 created and established a board to be known as "The Distributed Generation Standard Contract  
33 Board" with the powers and duties set forth in this chapter.

34 (b) The purposes of this board are to:

1 (1) Evaluate and make recommendations to the commission regarding ceiling prices and  
2 annual contracting targets, the make-up of renewable energy classes, and the terms of standard  
3 contracts under the provisions of this chapter;

4 (2) Provide consistent, comprehensive, informed and publicly accountable involvement  
5 by representatives of groups impacted by, involved in, and knowledgeable regarding the  
6 development of distributed generation projects that are eligible to enter into standard contracts;  
7 and

8 (3) Monitor and evaluate the effectiveness of the distributed generation standard  
9 contracting program for the purchase of the energy output of distributed renewable generation  
10 projects.

11 **39-26.2-11. Composition and appointment.** – (a) The board shall consist of ten (10)  
12 members appointed by the governor with the advice and consent of the senate; seven (7) members  
13 shall be voting members, and the governor shall give due consideration to appointing persons  
14 with knowledge of: (1) Energy regulation and law; (2) Large commercial/industrial users; (3)  
15 Small commercial/industrial users; (4) Residential users; (5) Low income users; (6)  
16 Environmental issues pertaining to energy; and (7) Construction of renewable generation. Three  
17 (3) members shall be ex officio, non-voting members, one representing an electric distribution  
18 company, one representing the commissioner of the office of energy resources and one  
19 representing the economic development corporation. From the seven (7) voting members, the  
20 governor shall appoint one person to be chairperson of the board and one person to be vice  
21 chairperson of the board; the commissioner of the office of energy resources shall be the  
22 executive secretary and executive director of the board.

23 (b) With the exception of the representative of the commissioner of the office of energy  
24 resources, and the representative of the economic development corporation, the initial  
25 appointments of the other ex officio, non-voting member shall be appointed for a term of two (2)  
26 years, to be thereafter reappointed or replaced by a nonvoting member with terms of two (2)  
27 years. Of the initial appointments of voting members, three (3) voting members shall be  
28 appointed for a term of two (2) years, to be thereafter reappointed or replaced by three (3) voting  
29 members with a term of two (2) years, and four (4) voting members shall be appointed for a term  
30 of one year, to be thereafter reappointed or replaced for each of the following three (3) years by  
31 four (4) voting members with a term of one year.

32 (c) A simple majority of the total number of voting members shall constitute a quorum.

33 (d) A vacancy other than by expiration shall be filled in the manner of the original  
34 appointment but only for the unexpired portion of the term. The appointing authority shall have

1 the power to remove its appointee only for just cause.

2 (e) The members of the council shall not be compensated for their service but shall be

3 reimbursed for their actual expenses necessarily incurred in the performance of their duties. The

4 provisions of this subdivision shall not apply to the executive secretary/executive director.

5 **39-26.2-12. Powers and duties.** – The board shall have the power to:

6 (1) Develop and recommend to the public utilities commission for review and approval

7 ceiling prices for standard contracts under the distributed generation standard contracts;

8 (2) Develop and recommend to the commission adjustments up or down to the annual

9 target for standard contracts for the following program year;

10 (3) Monitor and evaluate performance under the distributed generation standard contracts

11 act, including an assessment of ratepayer impact, to be submitted annually in a report to the

12 governor and the general assembly.

13 (4) Participate in proceedings of the public utilities commission that pertain to the

14 purposes of the board.

15 (5) In order to provide funding for the purposes of engaging consultants and professional

16 services as necessary and appropriate for the board to fulfill its duties and purposes, an allocation

17 of no less than fifty thousand dollars (\$50,000) from unused portions of Regional Greenhouse

18 Gas Initiative (“RGGI”) auction proceeds not dedicated to efficiency measures but to overhead

19 expenses shall be transmitted from the office of energy resources to the board.

20 **39-26.2-13. Liberal construction of chapter required.** – This chapter shall be construed

21 liberally in aid of its declared purposes.

22 **39-26.2-14. Severability.** – If any provision of this chapter or the application thereof to

23 any person or circumstances is held invalid, such invalidity shall not affect other provisions or

24 applications of the chapter, which can be given effect without the invalid provision or application,

25 and to this end the provisions of this chapter are declared to be severable.

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

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LC02162/SUB A/2  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED RENEWABLE  
ENERGY

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- 1           This act would facilitate, promote, support and develop the grid connected generation
- 2 renewable energy.
- 3           This act would take effect upon passage.

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED RENEWABLE ENERGY

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Presented by