2014 -- S 2915 SUBSTITUTE A

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2014

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - NET METERING

Introduced By: Senator Louis P. DiPalma

Date Introduced: April 30, 2014

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

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

39-26.4-2. Definitions. -- Terms not defined in this section herein shall have the same meaning as contained in chapter 26 of title 39 of the general laws. When used in this chapter:

(1) "Eligible net metering resource" means eligible renewable energy resource as defined in section 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels;

(2) "Eligible Net Metering System" means a facility generating electricity using an eligible net metering resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the renewable self-generator's usage at the eligible net metering system site measured by the three (3) year average annual consumption of energy over the previous three (3) years at the electric distribution account(s) located at the eligible net metering system site. A projected annual consumption of energy may be used until the actual three (3) year average annual consumption of energy over the previous three (3) years at the electric distribution account(s) located at the eligible net metering system site becomes available for use in determining eligibility of the generating system. The eligible net metering system must be owned by the same entity that is the customer of record on the net metered accounts. Notwithstanding any other provisions of this chapter, any eligible net metering resource: (i) owned by a public entity, municipality or multi-municipal collaborative or (ii) owned...
and operated by a renewable generation developer on behalf of a public entity municipality or multi-municipal collaborative through public entity municipal net metering financing arrangement shall be treated as an eligible net metering system and all municipal accounts designated by the public entity municipality or multi-municipal collaborative for net metering shall be treated as accounts eligible for net metering within an eligible net metering system site.

(3) "Eligible Net Metering System Site" means the site where the eligible net metering system is located or is part of the same campus or complex of sites contiguous to one another and the site where the eligible net metering system is located or a farm in which the eligible net metering system is located. Except for an eligible net metering system owned by or operated on behalf of a public entity municipality or multi-municipal collaborative through a public entity municipal net metering financing arrangement, the purpose of this definition is to reasonably assure that energy generated by the eligible net metering system is consumed by net metered service account(s) that are actually located in the same geographical location as the eligible net metering system. Except for an eligible net metering system owned by or operated on behalf of a public entity municipality or multi-municipal collaborative through a public entity municipal net metering financing arrangement, all of the net metered accounts at the eligible net metering system site must be the accounts of the same customer of record and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the eligible net metering system site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the accounts at the site to be master metered in the owner's name, or become the customer of record for each of the accounts, provided that the owner becoming the customer of record actually owns the property at which the account is located. As long as the net metered accounts meet the requirements set forth in this definition, there is no limit on the number of accounts that may be net metered within the eligible net metering system site.

(4) "Excess Renewable Net Metering Credit" means a credit that applies to an eligible net metering system for that portion of the renewable self-generator's production of electricity beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the renewable self-generator's own consumption at the eligible net metering system site during the applicable billing period. Such excess renewable net metering credit shall be equal to the electric distribution company's avoided cost rate, which is hereby declared to be the electric distribution company's standard offer service kilo-watt hour (kWh) charge for the rate class and time-of-use billing period (if applicable) applicable to the distribution customer account(s) at the eligible net metering system site. Where there are accounts at the eligible net metering system site...
in different rate classes, the electric distribution company may calculate the excess renewable net
metering credit based on the average of the standard offer service rates applicable to those on-site
accounts. The electric distribution company has the option to use the energy received from such
excess generation to serve the standard offer service load. The commission shall have the
authority to make determinations as to the applicability of this credit to specific generation
facilities to the extent there is any uncertainty or disagreement.

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

(6) "Multi-municipal collaborative" means a group of towns and/or cities that enter into
an agreement for the purpose of co-owning a renewable generation facility or entering into a
financing arrangement pursuant to subdivision (7).

(7) "Public entity Municipal net metering financing arrangement" means arrangements
entered into by a public entity municipality or multi-municipal collaborative with a private entity
to facilitate the financing and operation of a net metering resource, in which the private entity
owns and operates an eligible net metering resource on behalf of a public entity municipality or
multi-municipal collaborative, where: (i) The eligible net metering resource is located on property
owned or controlled by the municipality public entity or one of the municipalities, as applicable,
and (ii) The production from the eligible net metering resource and primary compensation paid by
the public entity municipality or multi-municipal collaborative to the private entity for such
production is directly tied to the consumption of electricity occurring at the designated net
metered accounts.

(8) "Net metering" means using electricity generated by an eligible net metering system
for the purpose of self-supplying power at the eligible net metering system site and thereby
offsetting consumption at the eligible net metering system site through the netting process
established in this chapter.

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

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

(11) "Project" means a distinct installation of an eligible net metering system. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

(12) "Public entity" means the state of Rhode Island, municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within this state including the water supply board of the city of Providence.

(12)(13) "Renewable Net Metering Credit" means a credit that applies to an Eligible Net Metering System up to one hundred percent (100%) of the renewable self-generator's usage at the Eligible Net Metering System Site over the applicable billing period. This credit shall be equal to the total kilowatt hours of electricity generated and consumed on-site during the billing period multiplied by the sum of the distribution company's:

(i) Standard offer service kilowatt hour charge for the rate class applicable to the net metering customer;

(ii) Distribution kilowatt hour charge;

(iii) Transmission kilowatt hour charge; and

(iv) Transition kilowatt hour charge.

(13)(14) "Renewable self-generator" means an electric distribution service customer who installs or arranges for an installation of renewable generation that is primarily designed to produce electricity for consumption by that same customer at its distribution service account(s).

(14)(15) "Municipality and towns and cities" means any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in title 45 of the general laws.

SECTION 2. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC UTILITIES AND CARRIERS - NET METERING

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1 This act would define "public entities" for purposes of net metering. Net metering is a
2 process whereby certain electric consumers are permitted to generate electricity and offset their
3 own electric consumption.
4 This act would take effect upon passage.

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