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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWAL ENERGY RESOURCE
PROJECTS

Introduced By: Representatives Speakman, Ruggiero, Cortvriend, Carson, Donovan,
Tanzi, Ajello, Morales, and Potter

Date Introduced: March 26, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-26.4-2 and 39-26.4-3 of the General Laws in Chapter 39-26.4
2 entitled "Net Metering" are 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

1 of the generating system. The community remote net-metering system may be owned by the same
2 entity that is the customer of record on the net-metered account or may be owned by a third party.

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

8 (3) "Eligible credit recipient" means one of the following eligible recipients in the electric
9 distribution company's service territory whose electric service account or accounts may receive net-
10 metering credits from a community remote net-metering system. Eligible credit recipients include
11 the following definitions:

12 (i) Residential accounts in good standing.

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

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

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

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

28 Electric service account or accounts in good standing associated with housing
29 developments that are under common ownership or control may be considered a single low- or
30 moderate-income housing eligible credit recipient for purposes of this section. The value of the
31 credits shall be used to provide benefits to tenants.

32 (iii) "Educational institutions" means public and private schools at the primary, secondary,
33 and postsecondary levels.

34 (4) "Eligible net-metering resource" means eligible renewable energy resource, as defined

1 in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically excluding
2 all other listed eligible biomass fuels.

3 (5) "Eligible net-metering system" means a facility generating electricity using an eligible
4 net-metering resource that is reasonably designed and sized to annually produce electricity in an
5 amount that is equal to, or less than, the renewable self-generator's usage at the eligible net-metering
6 system site measured by the three-year (3) average annual consumption of energy over the previous
7 three (3) years at the electric distribution account(s) located at the eligible net-metering system site.
8 A projected annual consumption of energy may be used until the actual three-year (3) average
9 annual consumption of energy over the previous three (3) years at the electric distribution
10 account(s) located at the eligible net-metering system site becomes available for use in determining
11 eligibility of the generating system. The eligible net-metering system may be owned by the same
12 entity that is the customer of record on the net-metered accounts or may be owned by a third party
13 that is not the customer of record at the eligible net-metering system site and which may offer a
14 third-party, net-metering financing arrangement or net-metering financing arrangement, as
15 applicable. Notwithstanding any other provisions of this chapter, any eligible net-metering
16 resource: (i) Owned by a public entity, educational institution, hospital, nonprofit, or multi-
17 municipal collaborative or (ii) Owned and operated by a renewable-generation developer on behalf
18 of a public entity, educational institution, hospital, nonprofit, or multi-municipal collaborative
19 through a net-metering financing arrangement shall be treated as an eligible net-metering system
20 and all accounts designated by the public entity, educational institution, hospital, nonprofit, or
21 multi-municipal collaborative for net metering shall be treated as accounts eligible for net metering
22 within an eligible net-metering system site.

23 (6) "Eligible net-metering system site" means the site where the eligible net-metering
24 system or community remote net-metering system is located or is part of the same campus or
25 complex of sites contiguous to one another and the site where the eligible net-metering system or
26 community remote net-metering system is located or a farm in which the eligible net-metering
27 system or community remote net-metering system is located. Except for an eligible net-metering
28 system owned by or operated on behalf of a public entity, educational institution, hospital,
29 nonprofit, or multi-municipal collaborative through a net-metering financing arrangement, the
30 purpose of this definition is to reasonably assure that energy generated by the eligible net-metering
31 system is consumed by net-metered electric service account(s) that are actually located in the same
32 geographical location as the eligible net-metering system. All energy generated from any eligible
33 net-metering system is, and will be considered, consumed at the meter where the renewable energy
34 resource is interconnected for valuation purposes. Except for an eligible net-metering system

1 owned by, or operated on behalf of, a public entity, educational institution, hospital, nonprofit, or
2 multi-municipal collaborative through a net-metering financing arrangement, or except for a
3 community remote net-metering system, all of the net-metered accounts at the eligible net-metering
4 system site must be the accounts of the same customer of record and customers are not permitted
5 to enter into agreements or arrangements to change the name on accounts for the purpose of
6 artificially expanding the eligible net-metering system site to contiguous sites in an attempt to avoid
7 this restriction. However, a property owner may change the nature of the metered service at the
8 accounts at the site to be master metered in the owner's name, or become the customer of record
9 for each of the accounts, provided that the owner becoming the customer of record actually owns
10 the property at which the account is located. As long as the net-metered accounts meet the
11 requirements set forth in this definition, there is no limit on the number of accounts that may be net
12 metered within the eligible net-metering system site.

13 (7) "Excess renewable net-metering credit" means a credit that applies to an eligible net-
14 metering system or community remote net-metering system for that portion of the production of
15 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five
16 percent (125%) of the renewable self-generator's own consumption at the eligible net-metering
17 system site or the sum of the usage of the eligible credit recipient accounts associated with the
18 community remote net-metering system during the applicable billing period. Such excess
19 renewable net-metering credit shall be equal to the electric distribution company's avoided cost
20 rate, which is hereby declared to be the electric distribution company's standard-offer service
21 kilowatt hour (KWh) charge for the rate class and time-of-use billing period (if applicable)
22 applicable to the customer of record for the eligible net-metering system or applicable to the
23 customer of record for the community remote net-metering system. The commission shall have the
24 authority to make determinations as to the applicability of this credit to specific generation facilities
25 to the extent there is any uncertainty or disagreement.

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

31 (9) "Hospital" means and shall be defined and established as set forth in chapter 17 of title
32 23.

33 (10) "Multi-municipal collaborative" means a group of towns and/or cities that enter into
34 an agreement for the purpose of co-owning a renewable-generation facility or entering into a

1 financing arrangement pursuant to subsection (14).

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

4 (12) "Net metering" means using electrical energy generated by an eligible net-metering
5 system for the purpose of self-supplying electrical energy and power at the eligible net-metering
6 system site, or with respect to a community remote net-metering system, for the purpose of
7 generating net-metering credits to be applied to the electric bills of the eligible credit recipients
8 associated with the community net-metering system. The amount so generated will thereby offset
9 consumption at the eligible net-metering system site through the netting process established in this
10 chapter, or with respect to a community remote net-metering system, the amounts generated in
11 excess of that amount will result in credits being applied to the eligible credit-recipient accounts
12 associated with the community remote net-metering system.

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

16 (14) "Net-metering financing arrangement" means arrangements entered into by a public
17 entity, educational institution, hospital, nonprofit, or multi-municipal collaborative with a private
18 entity to facilitate the financing and operation of a net-metering resource, in which the private entity
19 owns and operates an eligible net-metering resource on behalf of a public entity, educational
20 institution, hospital, nonprofit, or multi-municipal collaborative, where: (i) The eligible net-
21 metering resource is located on property owned or controlled by the public entity, educational
22 institution, hospital, or one of the municipalities, as applicable; and (ii) The production from the
23 eligible net-metering resource and primary compensation paid by the public entity, educational
24 institution, hospital, nonprofit, or multi-municipal collaborative to the private entity for such
25 production is directly tied to the consumption of electricity occurring at the designated net-metered
26 accounts.

27 (15) "Nonprofit" means a nonprofit corporation as defined and established through chapter
28 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §
29 501(d).

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

34 [\(17\) "Preferred siting locations" are landfills, gravel pits, brownfields, commercial and](#)

1 [industrial developed and undeveloped lots, parking lots and roof tops, as identified in the 2020](#)
2 [office of energy resources report, "Solar Siting Opportunities for Rhode Island."](#)

3 ~~(17)~~(18) "Project" means a distinct installation of an eligible net-metering system or a
4 community remote net-metering system. An installation will be considered distinct if it is installed
5 in a different location, or at a different time, or involves a different type of renewable energy.

6 ~~(18)~~(19) "Public entity" means the federal government, the state of Rhode Island,
7 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing
8 plant or system employed for the distribution of water to the consuming public within this state
9 including the water supply board of the city of Providence.

10 ~~(19)~~(20) "Renewable net-metering credit" means a credit that applies to an eligible net-
11 metering system or a community remote net-metering system up to one hundred percent (100%) of
12 either the renewable self-generator's usage at the eligible net-metering system site or the sum of the
13 usage of the eligible credit-recipient accounts associated with the community remote net-metering
14 system over the applicable billing period. This credit shall be equal to the total kilowatt hours of
15 electrical energy generated up to the amount consumed on-site, and/or generated up to the sum of
16 the eligible credit-recipient account usage during the billing period multiplied by the sum of the
17 distribution company's:

18 (i) Standard-offer service kilowatt-hour charge for the rate class applicable to the net-
19 metering customer, except that for remote public entity and multi-municipality collaborative net-
20 metering systems that submit an application for an interconnection study on or after July 1, 2017,
21 and community remote net-metering systems, the standard-offer service kilowatt-hour charge shall
22 be net of the renewable energy standard charge or credit;

23 (ii) Distribution kilowatt-hour charge;

24 (iii) Transmission kilowatt-hour charge; and

25 (iv) Transition kilowatt-hour charge.

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

32 ~~(20)~~(21) "Renewable self-generator" means an electric distribution service customer of
33 record for the eligible net-metering system or community remote net-metering system at the eligible
34 net-metering system site which system is primarily designed to produce electrical energy for

1 consumption by that same customer at its distribution service account(s), and/or, with respect to
2 community remote net-metering systems, electrical energy which generates net-metering credits to
3 be applied to offset the eligible credit-recipient account usage.

4 ~~(21)~~(22) "Third party" means and includes any person or entity, other than the renewable
5 self-generator, who or that owns or operates the eligible net-metering system or community remote
6 net-metering system on the eligible net-metering system site for the benefit of the renewable self-
7 generator.

8 ~~(22)~~(23) "Third-party, net-metering financing arrangement" means the financing of eligible
9 net-metering systems or community remote net-metering systems through lease arrangements or
10 power/credit purchase agreements between a third party and renewable self-generator, except for
11 those entities under a public entity net-metering financing arrangement. A third party engaged in
12 providing financing arrangements related to such net-metering systems with a public or private
13 entity is not a public utility as defined in § 39-1-2.

14 **39-26.4-3. Net metering.**

15 (a) The following policies regarding net metering of electricity from eligible net-metering
16 systems and community remote net-metering systems and regarding any person that is a renewable
17 self-generator shall apply:

18 (1)(i) The maximum allowable capacity for eligible net-metering systems, based on
19 nameplate capacity, shall be ten megawatts (10 MW), effective sixty (60) days after passage. The
20 aggregate amount of net metering in the Block Island Power Company and the Pascoag Utility
21 District shall not exceed three percent (3%) of peak load for each utility district; and

22 (ii) Through December 31, 2018, the maximum aggregate amount of community remote
23 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
24 after December 31, 2018, shall remain available to community remote net-metering systems until
25 the MW aggregate amount is interconnected. After December 31, 2018, the commission may
26 expand or modify the aggregate amount after a public hearing upon petition by the office of energy
27 resources. The commission shall determine within six (6) months of such petition being docketed
28 by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate
29 amount shall not apply to any net-metering financing arrangement involving public entity facilities,
30 multi-municipal collaborative facilities, educational institutions, the federal government,
31 hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the
32 cost and benefit to all customers of the inclusion of the distribution charge as a part of the net-
33 metering calculation.

34 (2) For ease of administering net-metered accounts and stabilizing net-metered account

1 bills, the electric distribution company may elect (but is not required) to estimate for any twelve-
2 month (12) period:

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

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

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

29 (4) If the electricity generated by an eligible net-metering system or community remote
30 net-metering system during a billing period is greater than the net-metering customer's usage on
31 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-
32 recipient accounts associated with the community remote net-metering system during the billing
33 period, the customer shall be paid by excess renewable net-metering credits for the excess
34 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering

1 customer's usage at the eligible net-metering system site, or the sum of the usage of the eligible
2 credit-recipient accounts associated with the community remote net-metering system during the
3 billing period; unless the electric distribution company and net-metering customer have agreed to
4 a billing plan pursuant to subsection (a)(2).

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

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

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

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

22 (6) It is prohibited to co-locate multiple renewable energy resources on one or more
23 contiguous parcels, unless the total capacity of the co-located projects is less than ten megawatts
24 (10MW) in aggregate. This prohibition does not apply to projects that are wholly sited in preferred
25 siting locations.

26 SECTION 2. Sections 39-26.6-3 and 39-26.6-9 of the General Laws in Chapter 39-26.6
27 entitled "The Renewable Energy Growth Program" are hereby amended to read as follows:

28 **39-26.6-3. Definitions.**

29 When used in this chapter, the following terms shall have the following meanings:

30 (1) "Board" shall mean the distributed-generation board as established pursuant to the
31 provisions of § 39-26.2-10 under the title distributed generation standard contract board, but shall
32 also fulfill the responsibilities set forth in this chapter.

33 (2) "Ceiling price" means the bidding price cap applicable to an enrollment for a given
34 distributed-generation class, that shall be approved annually for each renewable energy class

1 pursuant to the procedure established in this chapter. The ceiling price for each technology should
2 be a price that would allow a private owner to invest in a given project at a reasonable rate of return,
3 based on recently reported and forecast information on the cost of capital and the cost of generation
4 equipment. The calculation of the reasonable rate of return for a project shall include, where
5 applicable, any state or federal incentives, including, but not limited to, tax incentives.

6 (3) "Commercial-scale solar project" means a solar distributed-generation project with the
7 nameplate capacity specified in § 39-26.6-7.

8 (4) "Commission" means the Rhode Island public utilities commission.

9 (5) "Community remote distributed-generation system" means a distributed-generation
10 facility greater than two hundred fifty kilowatt (250 KW) nameplate direct current that allocates
11 bill credits for each kilowatt hour (KWh) generated to a minimum of three (3), eligible recipient-
12 customer accounts, provided that no more than fifty percent (50%) of the credits produced by the
13 system are allocated to one eligible recipient-customer account, and provided further that at least
14 fifty percent (50%) of the credits produced by the system are allocated to eligible recipients in an
15 amount not to exceed that which is produced annually by twenty-five kilowatt (25 KW) AC
16 capacity. The community remote distributed-generation system may transfer credits to eligible
17 recipient-customer accounts in an amount that is equal to, or less than, the sum of the usage of the
18 eligible recipient-customer accounts measured by the three-year-average (3) annual consumption
19 of energy over the previous three (3) years. A projected, annual consumption of energy may be
20 used until the actual three-year-average (3) annual consumption of energy over the previous three
21 (3) years at the eligible recipient-customer accounts becomes available for use in determining
22 eligibility of the generating system. The community remote distributed-generation system may be
23 owned by the same entity that is the customer of record on the net-metered account or may be
24 owned by a third party.

25 (6) "Distributed-generation facility" means an electrical-generation facility located in the
26 electric distribution company's load zone with a nameplate capacity no greater than five megawatts
27 (5 MW), using eligible renewable energy resources as defined by § 39-26-5, including biogas
28 created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass
29 fuels, and connected to an electrical power system owned, controlled, or operated by the electric
30 distribution company. For purposes of this chapter, a distributed-generation facility must be a new
31 resource that:

32 (i) Has not begun operation;

33 (ii) Is not under construction, but excluding preparatory site work that is less than twenty-
34 five percent (25%) of the estimated total project cost; and

1 (iii) Except for small-scale solar projects, does not have in place investment or lending
2 agreements necessary to finance the construction of the facility prior to the submittal of an
3 application or bid for which the payment of performance-based incentives is sought under this
4 chapter except to the extent that such financing agreements are conditioned upon the project owner
5 being awarded performance-based incentives under the provisions of this chapter. For purposes of
6 this definition, preexisting hydro generation shall be exempt from the provisions of subsection
7 (6)(i) regarding operation, if the hydro-generation facility will need a material investment to restore
8 or maintain reliable and efficient operation and meet all regulatory, environmental, or operational
9 requirements. For purposes of this provision, "material investment" shall mean investment
10 necessary to allow the project to qualify as a new, renewable energy resource under § 39-26-2. To
11 be eligible for this exemption, the hydro-project developer at the time of submitting a bid in the
12 applicable procurement must provide reasonable evidence with its bid application showing the level
13 of investment needed, along with any other facts that support a finding that the investment is
14 material, the determination of which shall be a part of the bid review process set forth in § 39-26.6-
15 16 for the award of bids.

16 (7) "Distributed-generation project" means a distinct installation of a distributed-generation
17 facility. An installation will be considered distinct if it does not violate the segmentation prohibition
18 set forth in § 39-26.6-9.

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

22 (9) "ISO-NE" means Independent System Operator-New England, the Regional
23 Transmission Organization for New England designated by the Federal Energy Regulatory
24 Commission.

25 (10) "Large distributed-generation project" means a distributed-generation project that has
26 a nameplate capacity that exceeds the size of a small distributed-generation project in a given year,
27 but is no greater than five megawatts (5 MW) nameplate capacity.

28 (11) "Large-scale solar project" means a solar distributed-generation project with the
29 nameplate capacity specified in § 39-26.6-7.

30 (12) "Medium-scale solar project" means a solar distributed-generation project with the
31 nameplate capacity specified in § 39-26.6-7.

32 (13) "Office" means the Rhode Island office of energy resources.

33 [\(14\) "Preferred siting locations" are landfills, gravel pits, brownfields, commercial and](#)
34 [industrial developed and undeveloped lots, parking lots and roof tops as identified in the 2020 office](#)

1 [of energy resources report, "Solar Siting Opportunities for Rhode Island."](#)

2 ~~(14)~~(15) "Program year" means a year beginning April 1 and ending March 31, except for
3 the first program year, that may commence after April 1, 2015, subject to commission approval.

4 ~~(15)~~(16) "Renewable energy certificate" means a New England Generation Information
5 System renewable energy certificate as defined in § 39-26-2(13).

6 ~~(16)~~(17) "Renewable energy classes" means categories for different renewable energy
7 technologies using eligible renewable energy resources as defined by § 39-26-5, including biogas
8 created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass
9 fuels specified in § 39-26-2(6). For each program year, in addition to the classes of solar distributed
10 generation specified in § 39-26.6-7, the board shall determine the renewable energy classes as are
11 reasonably feasible for use in meeting distributed-generation objectives from renewable energy
12 resources and are consistent with the goal of meeting the annual target for the program year. The
13 board may make recommendations to the commission to add, eliminate, or adjust renewable energy
14 classes for each program year, provided that the solar classifications set forth in § 39-26.6-7 shall
15 remain in effect for at least the first two (2) program years and no distributed-generation project
16 may exceed five megawatts (5 MW) of nameplate capacity.

17 ~~(17)~~(18) "Shared solar facility" means a single small-scale or medium-scale solar facility
18 that must allocate bill credits to at least two (2), and no more than fifty (50), accounts in the same
19 customer class and on the same or adjacent parcels of land. Public entities may allocate such bill
20 credits to at least two (2), and up to fifty (50), accounts without regard to physical location so long
21 as the facility and accounts are within the same municipality. In no case will the annual allocated
22 credits in KWh exceed the prior three-year (3) annual average usage, less any reductions for verified
23 energy-efficiency measures installed at the customer premises, of the customer account to which
24 the bill credits are transferred.

25 ~~(18)~~(19) "Small distributed-generation project" means a distributed-generation renewable
26 energy project that has a nameplate capacity within the following: Wind: fifty kilowatts (50 KW)
27 to one and one-half megawatts (1.5 MW); small-scale solar projects and medium-scale solar
28 projects with the capacity limits as specified in § 39-26.6-7. For technologies other than solar and
29 wind, the board shall set the nameplate capacity-size limits, but such limits may not exceed one
30 megawatt (1 MW).

31 ~~(19)~~(20) "Small-scale solar project" means a solar distributed-generation project with the
32 nameplate capacity specified in § 39-26.6-7.

1 **39-26.6-9. Project segmentation prohibition.**

2 In no case may a project developer be allowed to segment a distributed-generation project
3 on the same parcel or contiguous parcels into smaller-sized projects in order to fall under a smaller-
4 size project classification. Notwithstanding this prohibition, [for projects wholly sited on preferred](#)
5 [siting locations](#), a project developer may designate a generation unit on the same parcel or
6 contiguous parcel for net metering or other means of participating in electricity markets, provided
7 that the unit, or portion of the unit, designated for net metering or other market participation is not
8 receiving performance-based incentives under this chapter; is capable of being segregated
9 electrically; is configured with the electrical segregation; and is separately metered. Further, a
10 project shall not be considered to have been segmented if: [the new project is a different renewable](#)
11 [technology](#).

12 ~~(1) There is a lapse of at least twenty four (24) months between: (i) The commencement~~
13 ~~of construction of new distributed generation units on a parcel that is the same as, or is contiguous~~
14 ~~with, a parcel upon which a distributed generation project has already been constructed; and (ii)~~
15 ~~The operation date of the preexisting project; or~~

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

17 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 -- RENEWAL ENERGY RESOURCE
PROJECTS

1 This act would prohibit the co-location of multiple renewable energy resources on one or
2 more contiguous parcels, unless the total capacity of the co-location is less than ten megawatts
3 (10MW) in total. This prohibition doesn't apply to projects that are wholly sited in preferred siting
4 locations, like landfills, gravel pits, brownfields, parking lots and roof tops.

5 This act would take effect upon passage.

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