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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Senator V. Susan Sosnowski

Date Introduced: January 19, 2021

Referred To: Senate Commerce

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), effective sixty (60) days after passage. The
9 aggregate amount of net metering in the [Block Island Utility District doing business as](#) Block Island
10 Power Company and the Pascoag Utility District shall not exceed ~~three percent (3%)~~ [a maximum](#)
11 [percentage](#) of peak load for each utility district [as set by the utility district based on its operational](#)
12 [characteristics, subject to commission approval](#); and

13 (ii) Through December 31, 2018, the maximum, aggregate amount of community remote-
14 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
15 after December 31, 2018, shall remain available to community remote-net-metering systems until
16 the MW aggregate amount is interconnected. After December 31, 2018, the commission may
17 expand or modify the aggregate amount after a public hearing upon petition by the office of energy
18 resources. The commission shall determine within six (6) months of such petition being docketed
19 by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate

1 amount shall not apply to any net-metering financing arrangement involving public entity facilities,
2 multi-municipal collaborative facilities, educational institutions, the federal government,
3 hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the
4 cost and benefit to all customers of the inclusion of the distribution charge as a part of the net-
5 metering calculation.

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

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

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

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

1 (4) If the electricity generated by an eligible net-metering system or community remote-
2 net-metering system during a billing period is greater than the net-metering customer's usage on
3 accounts at the eligible net-metering-system site or the sum of the usage of the eligible credit-
4 recipient accounts associated with the community remote-net-metering system during the billing
5 period, the customer shall be paid by excess renewable net-metering credits for the excess
6 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering
7 customer's usage at the eligible net-metering-system site, or the sum of the usage of the eligible
8 credit-recipient accounts associated with the community remote net-metering system during the
9 billing period; unless the electric-distribution company and net-metering customer have agreed to
10 a billing plan pursuant to subdivision (2).

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

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

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

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

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

1 This act would amend the maximum peak load of allowable capacity for the net metering
2 systems in the Block Island Utility District and the Pascoag Utility District to not exceed a
3 maximum peak load set by the utility district based on its operational characteristics, subject to
4 commission approval.

5 This act would take effect upon passage.

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