It is enacted by the General Assembly as follows:

SECTION 1. Section 39-26.4-3 of the General Laws in Chapter 39-26.4 entitled “Net Metering” is hereby amended to read as follows:


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

(1)(i) The maximum, allowable capacity for eligible net-metering systems, based on nameplate capacity, shall be ten megawatts (10 MW), effective sixty (60) days after passage. The aggregate amount of net metering in the Block Island Utility District doing business as Block Island Power Company and the Pascoag Utility District shall not exceed three percent (3%) a maximum percentage of peak load for each utility district as set by the utility district based on its operational characteristics, subject to commission approval; and

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

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

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

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

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

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

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

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

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

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

This act would take effect upon passage.

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