2022 -- S 2691 SUBSTITUTE A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

AN ACT

RELATING TO PUBLIC UTILITIES AND CARRIERS -- 2022 ENERGY STORAGE ACT

Introduced By: Senators Euer, DiPalma, Burke, Murray, Seveney, Miller, Coyne, Kallman, Ruggerio, and Quezada

Date Introduced: March 17, 2022

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 33

2022 ENERGY STORAGE ACT


It shall be the policy of the State of Rhode Island to meet the following energy storage deployment goals:

(1) Reducing the costs of electric generation, the transmission system, and the distribution system to ratepayers;

(2) Facilitating the transition to a safe and reliable carbon-free electricity supply; and

(3) Reducing peak demand and achieving efficient management of the electric distribution system.


(a) On or before July 1, 2022, the public utilities commission shall initiate a docket that allows stakeholder participation to identify issues related to compensation mechanisms for electric energy storage resources, and the ownership of storage services, and capacity connected to the electric distribution or transmission system, including the incorporation of electric energy storage into existing programs and tariffs. The public utilities commission shall consider the following:

(1) Identification of the costs and value streams of distributed energy resources;
(2) Identification of the costs and value streams of storage and whether storage can participate in existing programs as a standalone or paired resource;

(3) Identification of potential market inefficiencies related to any of the resources studied;

(4) Ownership of storage products, such as capacity and energy;

(5) Other resources that compete with storage for the services storage can provide; and

(6) Any other relevant issue identified by the public utilities commission.

(b) On or before March 1, 2023 the public utilities commission shall report to the legislature on the status of the docket described in subsection (a) of this section. The public utilities commission shall include in its report whether new tariffs and programs or changes to existing tariffs and programs, are necessary to enable meeting the goals established in § 39-33-1; how the commission intends to address those matters, the expected timeline, and whether any changes of law are necessary. The public utilities commission will report what is known or needed to be known for storage or competing technologies to achieve those objectives, including, but not limited to:

(1) Providing positive net present value to all ratepayers, or a subset of ratepayers paying for the benefits, that accrue to that subset of ratepayers;

(2) Providing multiple types of benefits to the electric grid, including, but not limited to, customer, local, or community resilience, ancillary services, leveling out peaks in electricity use or that support the deployment of other distributed energy resources;

(3) Fostering the sustained, orderly development of a state-based energy storage industry;

and

(4) Maximizing the value from the participation of energy storage systems in capacity markets. The public utilities commission shall include consideration of all energy storage configurations that are connected to the distribution system, including systems connected in front of the meter and not located at a customer premises.


(a) On or before July 31, 2023, the public utilities commission shall conclude the docket described in § 39-33-2, with the adoption of a framework for electric rate tariffs to apply to energy storage systems interconnected and providing retail service to their distribution system and targets for installed storage capacity by 2032.

(b) After adopting a framework, the electric distribution companies will include tariffs for storage resources and/or the general services and products storage resources provide in its next distribution rate case or at the direction of the public utilities commission, in a revenue neutral rate case. Electric distribution companies with fewer than one hundred thousand (100,000) customers may seek relief from the public utilities commission on the requirements of this subsection for good
cause. The filing shall include at least one rate tariff that is applicable to front of the meter energy storage. The tariff shall not include costs that are otherwise recouped via project sponsor-funded interconnection upgrades or otherwise paid directly by the project sponsor, and shall include rates designed to reflect cost causation and ensure that energy storage systems are incentivized to charge and discharge at times that benefit the system.

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

BY THE LEGISLATIVE COUNCIL

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RELATING TO PUBLIC UTILITIES AND CARRIERS -- 2022 ENERGY STORAGE ACT

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1 This act would require the public utilities commission to initiate the process of evaluating
2 the barriers to and opportunities for electric energy storage resources to be connected to the electric
3 distribution system, including the filing by the electric distribution company of new tariffs to apply
4 to energy storage systems interconnected and providing retail service to the distribution system.
5 This act would take effect upon passage.

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