STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2022

AN ACT
RELATING TO PUBLIC UTILITIES AND CARRIERS -- DISTRIBUTED GENERATION INTERCONNECTION

Introduced By: Senators Ciccone, Lombardo, F Lombardi, Rogers, and Burke
Date Introduced: March 17, 2022
Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

SECTION 1. Sections 39-26.3-4 and 39-26.3-4.1 of the General Laws in Chapter 39-26.3 entitled "Distributed Generation Interconnection" are hereby amended to read as follows:

39-26.3-4. Study cost fees.

(a) After thirty (30) days from the enactment of this chapter until the end of calendar year 2012, the feasibility study fee shall be in accordance with the schedule set forth below:

(1) Residential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is twenty-five kilowatts (25 KW) or less: zero dollars ($0).

(2) Residential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is greater than twenty-five kilowatts (25 KW): fifty dollars ($50.00).

(3) Nonresidential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is one hundred kilowatts (100 KW) or less: one hundred dollars ($100).

(4) Nonresidential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is two hundred fifty kilowatts (250 KW) or less: three hundred dollars ($300).

(5) Nonresidential applicants for interconnections of renewable distributed generation that is greater than two hundred fifty kilowatts (250 KW), up to one megawatt (1 MW): one thousand dollars ($1,000).

(6) Nonresidential applicants for interconnections of renewable distributed generation
greater than one megawatt (1 MW): two thousand five hundred dollars ($2,500).  

Beginning January 1, 2013, and for every year thereafter, the commission shall set a new fee schedule that is no less than what is specified herein. The purpose of the fee schedule is to provide a disincentive to applicants contemplating a renewable distributed-generation project from requesting order of magnitude estimates unless they are serious about pursuing such projects, and to prevent the electric distribution company from charging more than it actually costs to conduct such studies with all due efficiency.

(b) After thirty (30) days from the enactment of this chapter until the end of calendar year 2012, the impact study fee shall be in accordance with the schedule set forth below:

1. Residential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is twenty-five kilowatts (25 KW) or less: zero dollars ($0).
2. Residential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is greater than twenty-five kilowatts (25 KW): one hundred dollars ($100).
3. Nonresidential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is one hundred kilowatts (100 KW) or less: five hundred dollars ($500)
4. Nonresidential applicants for interconnections of UL 1741.1 approved renewable distributed generation that is two hundred fifty kilowatts (250 KW) or less: one thousand five hundred dollars ($1,500).
5. Nonresidential applicants for interconnections of renewable distributed generation that is greater than two hundred fifty kilowatts (250 KW), up to one megawatt (1 MW): five thousand dollars ($5,000).
6. Nonresidential applicants for interconnections of renewable distributed generation greater than one megawatt (1 MW): actual cost or ten thousand dollars ($10,000), whichever is less except as set forth in subsection (c) of this section.

Beginning January 1, 2013, and for every year thereafter, the commission shall set a new fee schedule that is no less than what is specified herein. The purpose of the impact study fee schedule is to assure that an applicant is responsible for paying a reasonable amount of the cost of the study in advance of installing the distributed generation, but that the advance cost is justified and is not so high as to discourage an applicant from pursuing a project.

(c) To the extent that an impact study fee established under this section does not cover the reasonable cost of an impact study for a given nonresidential project that commences operation, the balance of these costs shall be recovered from such applicant through billings after the project is online. The electric distribution company may, at its sole election, offset net-metering credits or
any standard contract payments until the full fee(s) is reimbursed, if it finds it administratively convenient to use that means of billing for the balance of the fee for a given project.

(d) The electric distribution company shall report the total number of interconnection studies and its total charges to conduct feasibility and impact studies on each individual circuit in Rhode Island, to the independent interconnection ombudsman appointed under § 39-26.3-4.1(h), the division of public utilities and carriers, and the public utilities commission, no later than October 30, 2022, and update that report every six (6) months. The electric distribution company shall not charge more than it costs to conduct any interconnection studies, or for time spent studying feasibility or impact, that can be assessed based on prior studies, nor shall the electric distribution company charge an interconnecting, renewable energy customer for indirect costs, overhead, profit allocations or costs for any time spent responding to disputes related to those studies.

39-26.3-4.1. Interconnection standards.

(a) The electric distribution company may only charge an interconnecting, renewable energy customer for any system modifications to its electric power system specifically necessary for and directly related to the interconnection. The electric distribution company may not charge an interconnecting, renewable energy customer for system improvements, including any upgrades to the electric power system otherwise intended to comply with electric distribution company standards or that otherwise benefit the system or that benefit any other interconnecting, renewable energy customer; except as set forth in §§ 39-26.3-4.1(b), 39-26.3-4.1(c), and 39-26.3-4.1(g).

(b) If the public utilities commission determines that a specific system modification benefiting other customers has been accelerated due to an interconnection request, it may order the interconnecting customer to fund the modification subject to repayment of the depreciated value of the modification within ninety (90) days of completion of the modification as of the time the modification would have been necessary as determined by the public utilities commission. Any system modifications benefiting other customers shall be included in rates as determined by the public utilities commission. The electric distribution company shall provide an industry standard estimate-level detailed audit and line-item budget account of its actual cost to the interconnecting, renewable energy customer with every cost estimate it issues and within ninety (90) days of completing any system modifications, always including any and all supporting records and documentation.

(c) If an interconnecting, renewable energy customer is required to pay for system modifications and a subsequent renewable energy or commercial customer relies on those modifications to connect to the distribution system within ten (10) years of the earlier interconnecting, renewable energy customer's payment, the subsequent customer will make a
prorated contribution toward the cost of the system modifications that will be credited to the earlier
interconnecting, renewable energy customer as determined by the public utilities commission.

(d) An electric distribution company shall acknowledge to the interconnecting, renewable
energy customer receipt of an application to initiate the interconnection process within three (3)
business days of receipt. The electric distribution company shall notify the interconnecting,
renewable energy customer in writing within ten (10) business days of receipt that the application
is or is not complete and, if not, advise what is missing of any and all elements of the application
that are materially incomplete within the ten (10) business days. Once the incomplete items that are
material to the interconnection process are addressed, the electric distribution company shall
conduct a supplemental completeness review and application screens, within no more than five (5)
business days, notifying the applicant which interconnection process will be followed, whether
their application is still materially incomplete or deficient, provide a complete and specific list of
any and all incomplete items or deficiencies along with specific detailed instructions or
recommendations, as to why items are deficient and how to correct any remaining deficiencies, in
a form that enables the applicant to fully address them. Once all materially deficient items are then
addressed, the electric distribution company shall issue a final decision on all screens and on which
interconnection process shall be followed within two (2) days. As long as the applicant provides
all requested information within ten (10) days of the request, the interconnection deadlines in this
section will not be extended. The electric distribution company shall maintain an example of a
complete, detailed and current model interconnection application, with all required attachments and
supplemental information, in an easily accessible location on its website for ease of reference,
which shall be updated within five (5) calendar days of any update to any of the electric distribution
company’s technical standards or specifications for interconnection, as set forth in § 39-26.3-4.1(i).

Any disputes regarding whether and when an application to initiate the interconnection process is
complete shall be resolved expeditiously at the public utilities commission. The maximum time
allowed between the date of the completed application and delivery of an executable
interconnection service agreement shall be one hundred seventy-five (175) calendar days or two
hundred (200) calendar days if a detailed study is required. All electric distribution company system
modifications must be completed by the date which is the later of: (1) No longer than two hundred
seventy (270) calendar days, or three hundred sixty (360) calendar days if substation work is
necessary, from the date of the electric distribution company's receipt of the interconnecting,
renewable energy customer's executed interconnection service agreement; or (2) The
interconnecting, renewable energy customer's agreed-upon extension of the time between the
execution of the interconnection service agreement and interconnection as set forth in writing as

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agreed to by the electric distribution company in writing. All deadlines herein are subject to all payments being made in accordance with the distributed-generation interconnection tariff on file with the public utilities commission and the interconnection service agreement. These system modification deadlines cannot be extended due to interconnecting, renewable energy customer delays in providing required information, all of which must be requested and obtained before completion of the impact study. The deadlines for completion of system modifications will be extended only to the extent of events that are clearly not under the control of the electric distribution company or their affiliates, such as extended prohibitive weather, union work stoppage or force majeure, or third-party delays, including, without limitation, delays due to ISO-NE requirements not attributable to electric distribution company or its affiliates, actions, and that cannot be resolved despite commercially reasonable efforts. The electric distribution company shall notify the interconnecting, renewable energy customer in writing of the start of any claimed deadline extension as soon as practicable, its cause and when it concludes, all in writing, and within five (5) calendar days of occurrence, to allow for customer intervention and involvement by the interconnecting, renewable energy customer, shall inform that customer of the cause and expected length of the delay, and shall provide a detailed written explanation and documentation of such cause. The electric distribution company shall respond within five (5) calendar days, in writing to an interconnecting, renewable energy customer's request for additional information and documents, relating to the cause of the delay and the expected length of the delay. Any actual or consequential, indirect, incidental special, or punitive damages that a court of competent jurisdiction orders the electric distribution company to pay to incurred by an interconnecting, renewable energy customer as a direct result of the electric distribution company's failure to comply with the requirements of this subsection shall be payable to the interconnecting, renewable energy customer by its shareholders and may not be recovered from customers, provided that the total amount of damages awarded for any and all such claims shall not exceed, in the aggregate, an amount equal to the amount of the incentive the electric distribution company would have earned as provided for in §§ 39-26.6-12(j)(3) and 39-26.1-4 in the year in which the system modifications were required to be completed. In no event shall the electric distribution company be liable to the interconnecting, renewable energy customer for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever as a result of the electric distribution company's failure to comply with this section.

(e) On or before September 1, 2017, the public utilities commission shall initiate a docket to establish metrics for the electric distribution company's performance in meeting the time frames set forth herein in the distributed-generation interconnection standards approved by the public
utilities commission. The public utilities commission may include incentives and penalties in the performance metrics.

(f) The proposed interconnection of any new renewable energy resource that replaces the same existing renewable energy resource of the same or less nameplate capacity that has been in operation in the twelve (12) months preceding notification of the replacement shall be subject to a sixty-day (60) review. The purpose of such sixty-day (60) review is to allow the electric distribution company to determine whether any system modifications are required to support the interconnection of the replacement renewable energy resource. If there is a need for system modifications because of an interconnection policy change implemented by the electric distribution company, then the system modification may be included in rates as determined by the public utilities commission. If there is a need for system modifications only because of a change in the rating or utility disturbance response that adversely affects the impact of the facility on the distribution system, then the interconnecting, renewable energy customer shall be responsible for the cost of the system modifications.

(g) If the electric distribution company's impact study estimate for system modifications exceeds one hundred thousand dollars ($100,000), the interconnecting, renewable energy customer shall have the option to either self-perform or third-party contract for the system modification subject to the following conditions:

(1) The engineering, procurement and construction of the system modifications shall comply with all requirements of law and regulation to which the electric distribution company would be subject in the engineering, procurement and construction of electric power system facilities;

(2) The modifications shall be implemented and tested in accordance with the electric power system's company documented design standards;

(3) The interconnecting, renewable energy customer is able to self-perform the system modifications, either on its own or in conjunction with third-party service providers, in the most cost-effective manner (considering all qualified proposals by other interconnecting, renewable energy customers at the time); and

(4) The electric distribution company shall respond within ten (10) business days to requests for any information made to it by the interconnecting, renewable energy customer related to the system modifications. Upon receiving reasonable prior notice from the electric distribution company, the interconnecting, renewable energy customer shall provide reasonable physical access to the system modifications during construction. Third-party service providers shall be selected from the electric distribution company's approved vendor list, to be developed no later than October.
30, 2022, and updated regularly and to contain no less than three (3) qualified vendors per technical
discipline. The self-performing interconnecting customer will provide an industry standard
estimate-level detailed audit and line item budget account of its actual cost with every cost estimate
it issues and within ninety (90) days of completing any system modifications, including any and all
supporting records and documentation.

(h) On or before September 1, 2022, the public utilities commission, in consultation with
the office of energy resources, shall appoint and oversee a neutral, qualified third-party ombudsman
to oversee the distribution company’s administration of interconnection, to ensure that the
interconnection process works efficiently to serve the purposes of Rhode Island’s energy plan and
policy. The appointed ombudsman shall oversee and supervise any and all elements of the
interconnection process including, but not limited to: providing dispute resolution assistance upon
written request by a party to a dispute, under the interconnection tariff, planning and management
of infrastructure safety and reliability investments and all other investments to ensure and facilitate
access to the distribution system; processing of applications; management of queue position;
interactions with ISO-NE; implementation of system modifications; and administration and
exemptions to the interconnection tax. This position shall be funded first out of any excess
interconnection study fees assessed to interconnecting, renewable energy customers as determined
in the review conducted under § 39-26.3-4(d) and then, any remaining amount shall be paid for, in
equal shares, by:

(1) The interconnecting, renewable energy customers, on a pro rata share, based on the
previous year’s interconnection load; and

(2) The electric distribution company.

(i) The electric distribution company shall host an eight (8) member Rhode Island
interconnection technical services committee (RI-ITSC) comprised of representatives of the
electric distribution company (two (2) members at least one of which will have experience in the
technical aspects of interconnection and which member shall be the chair of the RI-ITSC), the
Rhode Island office of energy resources (one member), the division of public utilities and carriers
(one member), industry (three (3) members, with at least one of the members having experience in
the technical aspects of interconnection), and ISO-NE (one member). When the electric distribution
company is considering changes that are likely to materially impact proposed interconnected
facilities or future applications, the electric distribution company shall provide a draft of the
proposed changes to its standards to the RI-ITSC and interconnecting, renewable energy customers
with potentially impacted applications prior to those changes going into effect and, where
practicable, the electric distribution company will take into consideration feedback from the RI-
ITSC about how such changes would impact interconnecting, renewable energy customers.

(j) The electric distribution company shall not change its technical standards or specifications for interconnection, as addressed in the electric distribution company's Electrical Service Bulletin 756 where applicable to Rhode Island "Requirements for Parallel Generation Connected to a National Grid owned EPS" or otherwise, without approval of the public utilities commission and without properly publishing any such changes to interconnecting, renewable energy customers no less than thirty (30) days before implementation. Any changed interconnection standards will not apply to renewable energy projects with complete interconnection applications.

(k) The electric distribution company's interconnection application process shall inform interconnecting, renewable energy customers of the procedure to certify qualification and pursue the Internal Revenue Service's safe harbor against the contribution in aid of construction tax, exempting interconnections designed to send electricity to the electric distribution company.

(l) The electric distribution company shall not prohibit the crossing of a public way by the interconnecting, renewable energy customer with any equipment. The electric distribution company shall work with the interconnecting, renewable energy customer to allow such a crossing in any existing or proposed electric distribution facilities owned by the electric distribution company.

SECTION 2. This act shall take effect thirty (30) days after enactment and shall apply prospectively to all phases of the interconnection process that have yet to commence as of the effective date.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO PUBLIC UTILITIES AND CARRIERS -- DISTRIBUTED GENERATION INTERCONNECTION

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1 This act would require the electric distribution company to properly account for and implement actual cost interconnection study fees and interconnection charges. It would require greater transparency in standards for interconnection and greater clarity for the interconnection process, including establishment of an eight (8) member Rhode Island interconnection technical services committee. It would also establish an independent ombudsman to oversee the electric distribution company's interconnection practices and provide greater accountability for non-compliance.

8 This act would take effect thirty (30) days after enactment and would apply prospectively to all phases of the interconnection process that have yet to commence as of the effective date.

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