AN ACT
RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators Lombardo, Ciccone, and DiMario
Date Introduced: June 16, 2022
Referred To: Senate Housing & Municipal Government

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 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 subsection (a)(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.

(e) Eligible net-metering systems or community remote net-metering systems shall not be located within a residential zone or abut a residential property.


(a) Tariff(s) shall be proposed for each of the following solar distributed- generation classes:
(1) Small-scale solar projects;
(2) Medium-scale solar projects;
(3) Commercial-scale solar projects; and
(4) Large-scale solar projects.

(b) Such classes of solar distributed-generation projects shall be established based on nameplate megawatt size as follows:

(1) Large scale: solar projects from one megawatt (1 MW), up to and including, five megawatts (5 MW) nameplate capacity;

(2) Commercial scale: solar projects greater than two hundred fifty kilowatts (250 KW), but less than one megawatt (1 MW) nameplate capacity;

(3) Medium scale: solar projects greater than twenty-five kilowatts (25 KW), up to and including, two hundred fifty kilowatts (250 KW) nameplate capacity; and

(4) Small scale: solar projects, up to and including, twenty-five kilowatts (25 KW) nameplate capacity.

(c) Other classifications of solar projects may also be proposed by the board, subject to the approval of the commission. After the second program year, the board may make recommendations to the commission to adjust the size categories of the solar classes, provided that the medium-scale solar projects may not exceed two hundred fifty kilowatts (250 KW); and/or allocated capacity to community distributed-generation facilities, allowing them to compete or enroll under a distinct ceiling price.

(5) Solar projects greater than twenty-five kilowatts (25 KW), except for residential rooftops solar projects, shall not be located within a residential zone or abut a residential property.

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

In no case may a project developer be allowed to segment a distributed-generation project on the same parcel or contiguous parcels into smaller-sized projects in order to fall under a smaller-size project classification. Segmented distributed-generation projects shall not be located within a residential zone or about a residential property. Notwithstanding this prohibition, a project developer may designate a generation unit on the same parcel or contiguous parcel for net metering or other means of participating in electricity markets, provided that the unit, or portion of the unit, designated for net metering or other market participation is not receiving performance-based incentives under this chapter; is capable of being segregated electrically; is configured with the electrical segregation; and is separately metered. Further, a project shall not be considered to have been segmented if:

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

39-26.6-27. Community remote distributed generation system.
(a) In order to facilitate the adoption of participation in renewable energy projects by
eligible customers, the board may allocate a portion of the annual MW goal to a separate class, or
classes, of community remote distributed-generation systems, which may compete under separate
ceiling prices from non-community remote distributed-generation systems, for program years
starting on or after April 1, 2016.
(b) Upon such allocation by the board, the electric distribution company shall establish
rules and tariffs for program years starting on or after April 1, 2016, which rules and tariffs will set
forth the requirements for eligible recipients, credit transfers, consumer protection, and other
considerations and terms, with input from the office, for the commission's review and approval.
(c) The value of credits to be allocated to credit recipients may be a fixed rate provided by
the system owner, but shall not be greater than the sum of the standard-offer service, less the
renewable energy standard charge or credit, and the transmission and transition rates, of the credit
recipient as offered by the electric distribution company in effect at the time of establishing the
transfer. If a fixed credit rate is not provided, the default credit will be the sum of the standard-offer
service, less the renewable energy standard charge or credit, and the transmission and transition
rates, of the credit recipient as offered by the electric distribution company in effect at the time of
the transfer.
(d) Any credits not allocated in any month will be valued at the then-current default credit
rate, and deducted from the total performance-based incentive of the enrolled system.
(e) Community remote distributed-generation systems shall not:
(1) Comprise more than thirty percent (30%) of the annual total of capacity available under
the renewable energy growth program in each year;
(2) Be subject to a ceiling price that is more than fifteen percent (15%) higher than the
then-in-effect ceiling price for the same technology of the same size as recommended by the board
and approved by the commission; or
(3) Transfer credits to any account in an amount that in KWh exceeds the prior three-year
(3) annual average usage.
(4) Be located within a residential zone or abut a residential property.
SECTION 3. This act shall take effect upon passage.

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This act would exclude net-metering systems, solar projects, segmented distribution-

generation projects and community remote distributed-generation systems from location within a

residential zone or from abutting a residential property.

This act would take effect upon passage.