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LC02796

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - RENEWAL ENERGY

Introduced By: Representatives Blazejewski, Ehrhardt, Ruggiero, Gallison, and Tanzi

Date Introduced: June 02, 2011

Referred To: House Environment and Natural Resources

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "PUBLIC UTILITIES AND
2 CARRIERS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 26.2

4 DISTRIBUTED GENERATION INTERCONNECTION

5 **39-26.2-1. Policy objective.** – The general assembly hereby finds and declares that the
6 expeditious completion of the application process for renewable distributed generation is in the
7 public interest. For this reason, certain standards and other provisions for the processing of
8 applications are hereby set forth to assure that the application process assists in the development
9 of renewable generation resources in a timely manner.

10 **39-26.2-2. Definitions.** – The following terms shall have the meanings given below for
11 purposes of this chapter:

12 (1) "Applicant" means an electric distribution customer or distributed generation
13 developer who submits an application to the electric distribution company for the installation of a
14 renewable distributed generation interconnection to the distribution system for a renewable
15 distributed generation project that, as contemplated, meets the eligibility requirements for net
16 metering contained within title 39 or the eligibility requirements for a standard contract contained
17 within title 39.

18 (2) "Impact study" means an engineering study that includes an estimate of the cost of
19 interconnecting to the distribution system that would be assessed on the applicant for an

1 interconnection that is based on an engineering study of the details of the proposed generation
2 project. Such estimate generally will have a probability of accuracy of plus or minus twenty five
3 percent (25%). Such an estimate may be relied upon by the applicant for purposes of determining
4 the expected cost of interconnection, but the distribution company may not be held liable or
5 responsible if the actual costs exceed the estimate as long as the estimate was provided in good
6 faith and the interconnection was implemented prudently by the electric distribution company.

7 (3) "Impact study fee" means a fee that shall be charged to the applicant to obtain an
8 impact study as specified in section 39-26.2-4 of this chapter.

9 (4) "Feasibility study" means a high-level project assessment that includes an estimate of
10 the cost of interconnecting to the distribution system that would be assessed on the applicant for
11 an interconnection. Such estimate is not based on any engineering study, but is based on past
12 experience and judgment of the electric distribution company, taking into account the information
13 in the application, the location of the interconnection, and general knowledge of the distribution
14 and transmission system. Such estimate cannot be relied upon by the applicant for purposes of
15 holding the electric distribution company liable or responsible for its accuracy as long as the
16 electric distribution company has provided the estimate in good faith. The feasibility study
17 estimate shall be a range within which the electric distribution company believes the
18 interconnection costs are likely to be and shall include a disclaimer that explains the nature of the
19 estimate.

20 (6) "Feasibility study fee" means a fee that shall be charged to the applicant to obtain a
21 feasibility study as specified in section 39-26.2-4 of this chapter.

22 **39-26.2-3. Application process.** – (a) The application process set out in this section shall
23 be applicable to electric distribution companies thirty (30) days after the enactment of this
24 chapter.

25 (b) An applicant for a renewable distributed generation interconnection must submit an
26 application to the electric distribution company for an impact study, including a request for an
27 estimate of the cost of interconnecting the renewable distributed generation resource to the
28 distribution system. The applicant may request a feasibility study prior to requesting an impact
29 study, but the applicant is not required to do so and may submit an application for an impact
30 study without having obtained a feasibility study. The distribution company shall follow the
31 schedule below for all applications.

32 (c) Upon receipt of a completed application requesting a feasibility study and receipt of
33 the applicable feasibility study fee, the electric distribution company shall provide a feasibility
34 study to the applicant within thirty (30) days.

1 (d) Upon receipt of a completed application requesting an impact study and receipt of the
2 applicable impact study fee, the electric distribution company shall provide an impact study
3 within ninety (90) days.

4 (e) In anticipation of the electric distribution company needing to add resources that are
5 not currently in Rhode Island or covered in rates, to provide the necessary services to advance the
6 aggressive goals and objectives set forth in title 39, the electric distribution company shall be
7 authorized to add up to two (2) incremental employee resources located in Rhode Island that shall
8 be primarily dedicated to servicing Rhode Island applicants and customers in connection with net
9 metering and the development of distributed generation resources, including the requisite
10 resources to perform impact and feasibility studies for distributed generation interconnections and
11 to assure that feasibility studies and impact studies, as well as other engineering activity
12 necessary to facilitate the completion of distributed generation projects in Rhode Island are
13 implemented and delivered on a timely basis. Prior to new rates going into effect following the
14 company's next general rate case filing, the cost of such incremental employee resources shall be
15 recovered through rates on an annual basis through an annual reconciliation mechanism, provided
16 that the total amount of fees collected from impact studies and feasibility studies shall be netted
17 against such costs. Only the cost of time and work actually spent on Rhode Island renewable
18 energy project matters shall be included in such annual reconciliation. The commission shall have
19 the authority to review these positions in the electric distribution company's next general rate
20 case as a cost of service in the same manner as it reviews all other expenses in a rate case to
21 determine whether they should continue. Nothing contained in this section shall preclude the
22 electric distribution company from adding additional resources, subject to commission approval.

23 (f) Notwithstanding any other provision of this chapter, the application process and fees
24 set forth in this chapter apply only to interconnections to the distribution system by renewable
25 distributed generation resources. To the extent that a renewable generation resource seeks an
26 interconnection to the transmission system and such interconnection request is governed by rules
27 and regulations under the exclusive jurisdiction of the federal energy regulatory commission, the
28 provisions of this chapter shall not apply.

29 (g) The rules and fees established in this chapter shall be incorporated within the
30 applicable "Standards for Interconnection of Distributed Generation" approved by the
31 commission.

32 **39-26.2-4. Study cost fees.** – (a) After thirty (30) days from the enactment of this chapter
33 until the end of calendar year 2012, the feasibility study fee shall be in accordance with the
34 schedule set forth below:

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

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

5 (3) Non-residential applicants for interconnections of UL 1741.1 approved renewable
6 distributed generation that is one hundred kilowatts (100 kw) or less: one hundred dollars (\$100).

7 (4) Non-residential applicants for interconnections of UL 1741.1 approved renewable
8 distributed generation that is two hundred fifty kilowatts (250 kw) or less: three hundred dollars
9 (\$300).

10 (5) Non-residential applicants for interconnections of renewable distributed generation
11 that is greater than two hundred fifty kilowatts (250 kw), up to one megawatt: one thousand
12 dollars (\$1,000).

13 (6) Non-residential applicants for interconnections of renewable distributed generation
14 greater than one megawatt: two thousand five hundred dollars (\$2,500).

15 Beginning January 1, 2013 and for every year thereafter, the commission shall set a new
16 fee schedule that is no less than what is specified herein. The purpose of the fee schedule is to
17 provide a disincentive to applicants contemplating a renewable distributed generation project
18 from requesting order of magnitude estimates unless they are serious about pursuing such
19 projects.

20 (b) After thirty (30) days from the enactment of this chapter until the end of calendar year
21 2012, the impact study fee shall be in accordance with the schedule set forth below:

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

24 (2) Residential applicants for interconnections of UL 1741.1 approved renewable
25 distributed generation that is greater than twenty-five kilowatts (25 kw): one hundred dollars
26 (\$100).

27 (3) Non-residential applicants for interconnections of UL 1741.1 approved renewable
28 distributed generation that is one hundred kilowatts (100 kw) or less: five hundred dollars (\$500)

29 (4) Non-residential applicants for interconnections of UL 1741.1 approved renewable
30 distributed generation that is two hundred fifty kilowatts (250 kw) or less: one thousand five
31 hundred dollars (\$1,500).

32 (5) Non-residential applicants for interconnections of renewable distributed generation
33 that is greater than two hundred fifty kilowatts (250 kw), up to one megawatt: five thousand
34 dollars (\$5,000).

1 (6) Non-residential applicants for interconnections of renewable distributed generation
2 greater than one megawatt: ten thousand dollars (\$10,000).

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

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

15 **39-26.2-5. Liberal construction of chapter required.** – This chapter shall be construed
16 liberally in aid of its policy objective.

17 **39-26.2-6. Severability.** – If any provision of this chapter or the application thereof to
18 any person or circumstances is held invalid, such invalidity shall not affect other provisions or
19 application of the chapter, which can be given effect without the invalid provision or application,
20 and to this end the provisions of this chapter are declared to be severable.

21 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 - RENEWAL ENERGY

1 This act would institute and expedite the application process for renewable distributed
2 generation resources.

3 This act would take effect upon passage.

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