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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS --DISTRIBUTED GENERATION  
INTERCONNECTION

Introduced By: Representatives McKiernan, Bennett, Almeida, Millea, and Serpa

Date Introduced: March 13, 2020

Referred To: House Corporations

It is enacted by the General Assembly as follows:

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

3 **39-26.3-4. Study cost fees.**

4 (a) ~~After thirty (30) days from the enactment of this chapter until the end of calendar year~~  
5 ~~2012, the feasibility study fee shall be in accordance with the schedule set forth below:~~

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

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

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

12 (4) ~~Non-residential applicants for interconnections of UL 1741.1 approved renewable~~  
13 ~~distributed generation that is two hundred fifty kilowatts (250 kw) or less: three hundred dollars~~  
14 ~~(\$300).~~

15 (5) ~~Non-residential applicants for interconnections of renewable distributed generation that~~  
16 ~~is greater than two hundred fifty kilowatts (250 kw), up to one megawatt: one thousand dollars~~  
17 ~~(\$1,000).~~

18 (6) ~~Non-residential applicants for interconnections of renewable distributed generation~~

1 ~~greater than one megawatt: two thousand five hundred dollars (\$2,500).~~

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

8 (b) After thirty (30) days from the enactment of this chapter until the end of calendar year  
9 2012, the impact study fee shall be in accordance with the schedule set forth below:

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

12 (2) Residential applicants for interconnections of UL 1741.1 approved renewable  
13 distributed generation that is greater than twenty-five kilowatts (25 kw): one hundred dollars  
14 (\$100).

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

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

20 (5) Non-residential applicants for interconnections of renewable distributed generation that  
21 is greater than two hundred fifty kilowatts (250 kw), up to one megawatt: five thousand dollars  
22 (\$5,000).

23 (6) Non-residential applicants for interconnections of renewable distributed generation  
24 greater than one megawatt: actual cost or ten thousand dollars (\$10,000), whichever is less.

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

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

1 convenient to use that means of billing for the balance of the fee for a given project.

2 (d) The electric distribution company shall report the total number of interconnection  
3 studies and its total charges to conduct feasibility and impact studies on each individual circuit in  
4 Rhode Island to the independent interconnection ombudsman and to the division of public utilities  
5 and carriers and to the public utilities commission no later than October 30, 2020, and update that  
6 report every six (6) months. The electric distribution company shall not charge more than it cost to  
7 conduct any interconnection studies, shall not charge for time spent studying feasibility or impact  
8 that can be assessed based on prior studies, and shall not charge a customer for any time spent  
9 responding to disputes related to its studies.

10 **39-26.3-4.1. Interconnection standards.**

11 (a) The electric distribution company may only charge an interconnecting, renewable-  
12 energy customer for any system modifications to its electric power distribution system specifically  
13 necessary for and directly related to the interconnection. Transmission system improvements are  
14 administered by ISO-NE pursuant to Federal Energy Regulatory Commission requirements as  
15 applicable to renewable energy customers subject to federal jurisdiction. The company will provide  
16 an industry standard estimate-level detailed audit and line item budget account of its actual cost to  
17 the interconnecting customer with every cost estimate it issues and within ninety days of  
18 completing any system modifications, always including any and all supporting records and  
19 documentation.

20 (b) If the public utilities commission determines that a specific system modification  
21 benefiting other customers has been accelerated due to an interconnection request, it may order the  
22 interconnecting customer to fund the modification subject to repayment of the depreciated value of  
23 the modification as of the time the modification would have been necessary as determined by the  
24 public utilities commission. Any system modifications benefiting other customers shall be included  
25 in rates as determined by the public utilities commission.

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

32 (d) An electric distribution company shall acknowledge to the interconnecting, renewable-  
33 energy customer receipt of an application to initiate the interconnection process within three (3)  
34 business days of receipt. The electric distribution company shall notify the interconnecting,

1 renewable-energy customer in writing within ten (10) business days of receipt that the application  
2 is or is not complete and, if not, advise ~~what is missing~~ of any and all elements of the application  
3 that are materially incomplete within the ten (10) business days. Once the incomplete items that are  
4 material to the interconnection process are addressed, the electric distribution company will  
5 conduct a supplemental completeness review and application screens within no more than five (5)  
6 days, notifying the applicant which interconnection process will be followed and whether their  
7 application is still materially incomplete or deficient and providing a complete and specific list of  
8 any and all incomplete items or deficiencies and provide specific detailed instructions or  
9 recommendations on why items are deficient and how to correct any remaining deficiencies in a  
10 form that enables the applicant to fully address them. Once all materially deficient items are then  
11 addressed, the electric distribution company will issue a final decision on all screens and on which  
12 interconnection process will be followed within two (2) days. As long as the interconnecting  
13 customer provides all requested information within ten (10) days of the request, the interconnection  
14 deadlines in this section will not be extended. The electric distribution company shall maintain an  
15 example of a complete and current model interconnection application with all required attachments  
16 and supplemental information in an easily accessible location on its website for ease of reference,  
17 which shall be updated within five (5) calendar days of any update to any of the electric distribution  
18 company's technical standards or specifications for interconnection as addressed in subsection (h)  
19 of this section. Any disputes regarding whether and when an application to initiate the  
20 interconnection process is complete shall be resolved expeditiously at the public utilities  
21 commission. The maximum time allowed between the date of the completed application and  
22 delivery of an executable interconnection service agreement shall be one hundred seventy-five  
23 (175) calendar days or two hundred (200) calendar days if a detailed study is required. All electric  
24 distribution company system modifications must be completed by the date which is the later of:

25 (1) No longer than two hundred seventy (270) calendar days, or three hundred sixty (360)  
26 calendar days if substation work is necessary, from the date of the electric distribution company's  
27 receipt of the interconnecting, renewable-energy customer's executed interconnection service  
28 agreement; or

29 (2) The interconnecting, renewable-energy customer's ~~agreed-upon~~ written request for  
30 extension of the time between the execution of the interconnection service agreement and  
31 interconnection, as ~~set forth~~ agreed to by the electric distribution company in writing. All deadlines  
32 herein are subject to all payments being made in accordance with the distributed generation  
33 interconnection tariff on file with the public utilities commission and the interconnection service  
34 agreement. These ~~system-modification~~ deadlines cannot be extended due to customer delays in

1 providing required information, all of which must be requested and obtained within the time period  
2 required before completion of the impact study. The deadlines for completion of system  
3 modifications will be extended only to the extent of events that are clearly not under the control of  
4 the electric distribution company, such as extended prohibitive weather, union work stoppage or  
5 force majeure, or delays directly attributable to ~~third-party delays, including, without limitation,~~  
6 ~~delays due to~~ parties other than ISO-NE, ~~requirements~~ documented in writing, that are not  
7 attributable to electric distribution company actions, and which cannot be resolved despite  
8 commercially reasonable efforts. ISO-NE administers its own interconnection studies and  
9 requirements for its jurisdictional facilities and its requirements are not cause for delay of a  
10 distribution system interconnection. The electric distribution company shall notify the customer in  
11 writing of the start of any claimed deadline extension as soon as practicable, ~~its cause and when it~~  
12 ~~concludes, all in writing,~~ and within five (5) calendar days of occurrence, to allow for customer  
13 intervention and involvement, shall inform the customer of the cause and expected length of the  
14 delay, and shall provide a detailed written explanation and documentation of such cause. The  
15 electric distribution company shall respond within five (5) calendar days in writing to a customer's  
16 request for additional information and documents relating to the cause of the delay and the expected  
17 length of the delay. Any actual, consequential, indirect, incidental or special damages ~~that a court~~  
18 ~~of competent jurisdiction orders the electric distribution company to pay to~~ incurred by an  
19 interconnecting, renewable-energy customer as a direct result of the electric distribution company's  
20 failure to comply with the requirements of this subsection shall be payable to the customer by ~~it's~~  
21 the electric distribution company shareholders and may not be recovered from customers, ~~provided~~  
22 ~~that the total amount of damages awarded for any and all such claims shall not exceed, in the~~  
23 ~~aggregate, an amount equal to the amount of the incentive the electric distribution company would~~  
24 ~~have earned as provided for in §§ 39-26.6-12(j)(3) and 39-26.1-4 in the year in which the system~~  
25 ~~modifications were required to be completed. In no event shall the electric distribution company be~~  
26 ~~liable to the interconnecting, renewable energy customer for any indirect, incidental, special,~~  
27 ~~consequential, or punitive damages of any kind whatsoever as a result of the electric distribution~~  
28 ~~company's failure to comply with this section.~~

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

34 (f) The proposed interconnection of any new renewable energy resource that replaces the

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

12 (g) The public utilities commission, in consultation with the office of energy resources,  
13 shall appoint an independent ombudsman to oversee the distribution company's administration of  
14 interconnection to ensure that the interconnection process works efficiently to serve the purposes  
15 of Rhode Island's energy plan and policy. The appointed ombudsman shall oversee and supervise  
16 any and all elements of the interconnection process including, but not limited to: providing dispute  
17 resolution assistance upon written request by a party to a dispute under the interconnection tariff,  
18 planning and management of infrastructure safety and reliability investments and all other  
19 investments to ensure and facilitate access to the distribution system; processing of applications;  
20 management of queue position; interactions with ISO-NE; implementation of system  
21 modifications; and administration and exemptions to the interconnection tax. This position shall be  
22 funded out of the electric distribution company's interconnection study fees assessed to  
23 interconnecting customers.

24 (h) The electric distribution company may not change its technical standards or  
25 specifications for interconnection, as addressed in the Company's ESB 756 where applicable to  
26 Rhode Island "Requirements for Parallel Generation Connected to a National Grid owned EPS" or  
27 otherwise, without approval of the public utilities commission and without properly publishing any  
28 such changes to customers no less than thirty (30) days before implementation. Any changed  
29 interconnection standards will not apply to interconnecting customers with complete  
30 interconnection applications.

31 (i) The electric distribution company shall ensure that its interconnection application  
32 process adequately informs its customers of the procedure to certify qualification and pursue the  
33 Internal Revenue Service's safe-harbor against the contribution in aid of construction tax,  
34 exempting interconnections designed to send electricity to the electric distribution company.

1 SECTION 2. This act shall take effect thirty (30) days after passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS --DISTRIBUTED GENERATION  
INTERCONNECTION

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- 1           This act would require the electric distribution company to report interconnection studies
- 2           and not charge more than actual costs for the studies.
- 3           This act would take effect thirty (30) days after passage.

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