

2017 -- S 0637 SUBSTITUTE A

LC001675/SUB A/2

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS

Introduced By: Senators DiPalma, Seveney, Miller, Satchell, and Kettle

Date Introduced: March 29, 2017

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26.3-2 of the General Laws in Chapter 39-26.3 entitled
2 "Distributed Generation Interconnection" is hereby amended to read as follows:

3 **39-26.3-2. Definitions.**

4 The following terms shall have the meanings given below for purposes of this chapter:

5 (1) "Applicant" means an electric distribution customer or distributed generation
6 developer who submits an application to the electric distribution company for the installation of a
7 renewable distributed generation interconnection to the distribution system for a renewable
8 distributed generation project that, as contemplated, meets the eligibility requirements for net
9 metering contained within title 39 or the eligibility requirements for a standard contract contained
10 within title 39.

11 (2) "Impact study" means an engineering study that includes an estimate of the cost of
12 interconnecting to the distribution system that would be assessed on the applicant for an
13 interconnection that is based on an engineering study of the details of the proposed generation
14 project. Such estimate generally will have a probability of accuracy of plus or minus twenty five
15 percent (25%). Such an estimate may be relied upon by the applicant for purposes of determining
16 the expected cost of interconnection, but the distribution company may not be held liable or
17 responsible if the actual costs exceed the estimate as long as the estimate was provided in good
18 faith and the interconnection was implemented prudently by the electric distribution company.

19 (3) "Impact study fee" means a fee that shall be charged to the applicant to obtain an

1 impact study as specified in § 39-26.2-4 of this chapter.

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

13 (5) "Feasibility study fee" means a fee that shall be charged to the applicant to obtain a
14 feasibility study as specified in § 39-26.2-4 of this chapter.

15 (6) "Renewable energy resource" means those resources set forth in §39-26-5.

16 SECTION 2. Chapter 39-26.3 of the General Laws entitled "Distributed Generation
17 Interconnection" is hereby amended by adding thereto the following section:

18 **39-26.3-4.1. Interconnection standards.**

19 (a) The electric distribution company may only charge an interconnecting renewable
20 energy customer for any system modifications to its electric power system specifically necessary
21 for and directly related to the interconnection.

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

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

1 (d) An electric distribution company shall acknowledge to the interconnecting renewable
2 energy customer receipt of an application to initiate the interconnection process within three (3)
3 business days of receipt. The electric distribution company shall notify the interconnecting
4 renewable energy customer in writing within ten (10) business days of receipt that the application
5 is or is not complete and, if not, advise what is missing. Any disputes regarding whether and
6 when an application to initiate the interconnection process is complete shall be resolved
7 expeditiously at the public utilities commission. The maximum time allowed between the date of
8 the completed application and delivery of an executable interconnection service agreement shall
9 be one hundred seventy-five (175) calendar days or two hundred (200) calendar days if a detailed
10 study is required. All electric distribution company system modifications must be completed by
11 the date which is the later of: (1) No longer than two hundred seventy (270) calendar days, or
12 three hundred sixty (360) calendar days if substation work is necessary, from the date of the
13 electric distribution company's receipt of the interconnecting renewable energy customer's
14 executed interconnection service agreement; or (2) The interconnecting renewable energy
15 customer's agreed upon extension of the time between the execution of the interconnection
16 services agreement and interconnection as set forth in writing. All deadlines herein are subject to
17 all payments being made in accordance with the distributed generation interconnection tariff on
18 file with the public utilities commission and the interconnection service agreement. These system
19 modification deadlines cannot be extended due to customer delays in providing required
20 information, all of which must be requested and obtained before completion of the impact study.
21 The deadlines for completion of system modifications will be extended only to the extent of
22 events that are clearly not under the control of the electric distribution company, such as extended
23 prohibitive weather, union work stoppage or force majeure, or third party delays, including,
24 without limitation, delays due to ISO-NE requirements not attributable to electric distribution
25 company actions, and which cannot be resolved despite commercially reasonable efforts. The
26 electric distribution company shall notify the customer of the start of any claimed deadline
27 extension as soon as practicable, its cause and when it concludes, all in writing. Any actual
28 damages that a court of competent jurisdiction orders the electric distribution company to pay to
29 an interconnecting renewable energy customer as a direct result of the electric distribution
30 company's failure to comply with the requirements of this subsection shall be payable by its
31 shareholders and may not be recovered from customers, provided that the total amount of
32 damages awarded for any and all such claims shall not exceed, in the aggregate, an amount equal
33 to the amount of the incentive the electric distribution company would have earned as provided
34 for in §§39-26.6-12(j)(3) and 39-26.1-4 in the year in which the system modifications were

1 required to be completed. In no event shall the electric distribution company be liable to the
2 interconnecting renewable energy customer for any indirect, incidental, special, consequential, or
3 punitive damages of any kind whatsoever as a result of the electric distribution company's failure
4 to comply with this section.

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

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

22 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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1 This act would prohibit electrical distribution companies from charging an
2 interconnecting renewable energy customer for system modifications that are not directly related
3 to the interconnection, except accelerated modifications for which the developer is repaid when
4 the modification would have otherwise been made. It would require that any system
5 modifications be completed no later than fourteen (14) calendar months from the effective date of
6 the interconnecting renewable energy customer's interconnection service agreement subject to all
7 payments being made in accordance with the interconnection service agreement, or the renewable
8 energy customer's agreed upon expected interconnection date as set forth in the executed
9 interconnection service agreement and full payment for all required system modifications. The act
10 would enable replacement of a renewable energy resource with limitations on study time and
11 system modification costs.

12 This act would take effect upon passage.

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