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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF ENERGY
RESOURCES INTERCONNECTION STANDARDS

Introduced By: Senator Tiara T. Mack

Date Introduced: March 18, 2021

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 39-26.3 of the General Laws entitled "Distributed Generation
2 Interconnection" is hereby repealed in its entirety.

3 ~~CHAPTER 39-26.3~~

4 ~~Distributed Generation Interconnection~~

5 ~~**39-26.3-1. Policy objective.**~~

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

11 ~~**39-26.3-2. Definitions.**~~

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

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

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

11 ~~(3) "Feasibility study fee" means a fee that shall be charged to the applicant to obtain a~~
12 ~~feasibility study as specified in § 39-26.3-4.~~

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

21 ~~(5) "Impact study fee" means a fee that shall be charged to the applicant to obtain an impact~~
22 ~~study as specified in § 39-26.3-4.~~

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

24 ~~**39-26.3-3. Application process.**~~

25 ~~(a) The application process set out in this section shall be applicable to electric distribution~~
26 ~~companies thirty (30) days after the enactment of this chapter.~~

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

34 ~~(c) Upon receipt of a completed application requesting a feasibility study and receipt of the~~

1 ~~applicable feasibility study fee, the electric distribution company shall provide a feasibility study~~
2 ~~to the applicant within thirty (30) days.~~

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

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

25 ~~(f) Notwithstanding any other provision of this chapter, the application process and fees~~
26 ~~set forth in this chapter apply only to interconnections to the distribution system by renewable~~
27 ~~distributed generation resources. To the extent that a renewable generation resource seeks an~~
28 ~~interconnection to the transmission system and the interconnection request is governed by rules and~~
29 ~~regulations under the exclusive jurisdiction of the Federal Energy Regulatory Commission, the~~
30 ~~provisions of this chapter shall not apply.~~

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

33 **39-26.3-4. Study cost fees.**

34 ~~(a) After thirty (30) days from the enactment of this chapter until the end of calendar year~~

1 ~~2012, the feasibility study fee shall be in accordance with the schedule set forth below:~~

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

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

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

8 ~~(4) Nonresidential applicants for interconnections of UL 1741.1 approved renewable~~
9 ~~distributed generation that is two hundred fifty kilowatts (250 KW) or less: three hundred dollars~~
10 ~~(\$300).~~

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

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

16 ~~Beginning January 1, 2013, and for every year thereafter, the commission shall set a new~~
17 ~~fee schedule that is no less than what is specified herein. The purpose of the fee schedule is to~~
18 ~~provide a disincentive to applicants contemplating a renewable distributed generation project from~~
19 ~~requesting order of magnitude estimates unless they are serious about pursuing such 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) Nonresidential 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) Nonresidential 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) Nonresidential applicants for interconnections of renewable distributed generation that~~
33 ~~is greater than two hundred fifty kilowatts (250 KW), up to one megawatt (1 MW): five thousand~~
34 ~~dollars (\$5,000).~~

1 ~~(6) Nonresidential applicants for interconnections of renewable distributed generation~~
2 ~~greater than one megawatt (1 MW): 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 impact study fee~~
5 ~~schedule is to assure that an applicant is responsible for paying a reasonable amount of the cost of~~
6 ~~the study in advance of installing the distributed generation, but that the advance cost is not so high~~
7 ~~as to discourage an applicant from pursuing a project.~~

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

14 ~~**39-26.3-4.1. Interconnection standards.**~~

15 ~~(a) The electric distribution company may only charge an interconnecting, renewable~~
16 ~~energy customer for any system modifications to its electric power system specifically necessary~~
17 ~~for and directly related to the interconnection.~~

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

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

30 ~~(d) An electric distribution company shall acknowledge to the interconnecting, renewable~~
31 ~~energy customer receipt of an application to initiate the interconnection process within three (3)~~
32 ~~business days of receipt. The electric distribution company shall notify the interconnecting,~~
33 ~~renewable energy customer in writing within ten (10) business days of receipt that the application~~
34 ~~is or is not complete and, if not, advise what is missing. Any disputes regarding whether and when~~

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

33 ~~(e) On or before September 1, 2017, the public utilities commission shall initiate a docket~~
34 ~~to establish metrics for the electric distribution company's performance in meeting the time frames~~

1 ~~set forth herein and in the distributed generation interconnection standards approved by the public~~
2 ~~utilities commission. The public utilities commission may include incentives and penalties in the~~
3 ~~performance metrics.~~

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

16 **39-26.3-5. Liberal construction of chapter required.**

17 This chapter shall be construed liberally in aid of its policy objective.

18 **39-26.3-6. Severability.**

19 ~~If any provision of this chapter or the application thereof to any person or circumstances is~~
20 ~~held invalid, the invalidity shall not affect other provisions or application of the chapter that can be~~
21 ~~given effect without the invalid provision or application, and to this end the provisions of this~~
22 ~~chapter are declared to be severable.~~

23 SECTION 2. Sections 42-140-2 and 42-140-3 of the General Laws in Chapter 42-140
24 entitled "Rhode Island Energy Resources Act" are hereby amended to read as follows:

25 **42-140-2. Creation.**

26 There is hereby authorized, created and established an office of energy resources in the
27 executive department of state government, which may be assigned by executive order for
28 administrative purposes to a department within state government. The office of energy resources
29 shall be the successor to the state energy office. Within the office of energy resources there shall
30 be a division that will exclusively be responsible for the entire process for the approval of
31 interconnection renewable energy installation, expressly charged with the duty to consider and
32 address all applications for interconnection approval, as soon as possible. This office shall adopt a
33 rule or regulation that sets a series of the maximum times that it shall act on all applications,
34 depending upon the size of the project.

1 **42-140-3. Purposes.**

2 The purposes of the office shall be to:

3 (1) Develop and put into effect plans and programs to promote, encourage, and assist the
4 provision of energy resources for Rhode Island in a manner that enhances economic well-being,
5 social equity, and environmental quality;

6 (2) Monitor, forecast, and report on energy use, energy prices, and energy demand and
7 supply forecasts, and make findings and recommendations with regard to energy supply diversity,
8 reliability, and procurement, including least-cost procurement;

9 (3) Develop and to put into effect plans and programs to promote, encourage and assist the
10 efficient and productive use of energy resources in Rhode Island, and to coordinate energy
11 programs for natural gas, electricity, and heating oil to maximize the aggregate benefits of
12 conservation and efficiency of investments;

13 (4) Monitor and report technological developments that may result in new and/or improved
14 sources of energy supply, increased energy efficiency, and reduced environmental impacts from
15 energy supply, transmission and distribution;

16 (5) Administer the programs, duties, and responsibilities heretofore exercised by the state
17 energy office, except as these may be assigned by executive order or the general laws to other
18 departments and agencies of state government;

19 (6) Develop, recommend and, as appropriate, implement integrated and/or comprehensive
20 strategies, including at regional and federal levels, to secure Rhode Island's interest in energy
21 resources, their supply and efficient use, and as necessary to interact with persons, private sector,
22 nonprofit, regional, federal entities and departments and agencies of other states to effectuate this
23 purpose;

24 (7) Cooperate with agencies, departments, corporations, and entities of the state and of
25 political subdivisions of the state in achieving its purposes;

26 (8) Cooperate with and assist the state planning council and the division of state planning
27 in developing, maintaining, and implementing state guide plan elements pertaining to energy and
28 renewable energy;

29 (9) Coordinate the energy efficiency, renewable energy, least cost procurement, and
30 systems reliability plans and programs with the energy efficiency resource management council
31 and the renewable energy coordinating board;

32 (10) Participate in, monitor implementation of, and provide technical assistance for the
33 low-income home energy assistance program enhancement plan established pursuant to § 39-1-
34 27.12;

1 (11) Participate in and monitor the distributed generation standard contracts program
2 pursuant to chapter 39-26-2;

3 (12) Coordinate opportunities with and enter into contracts and/or agreements with the
4 commerce corporation associated with the energy efficiency, least-cost procurement, system
5 reliability, and renewable energy fund programs;

6 (13) Provide support and information to the division of planning and the state planning
7 council in development of a ten (10) year Rhode Island Energy Guide Plan, which shall be reviewed
8 and amended if necessary every five (5) years;

9 (14) Provide funding support if necessary to the renewable energy coordinating board
10 and/or the advisory council to carry out the objectives pursuant to chapter 42-140-3;

11 (15) Advise and provide technical assistance to state and federally funded energy program
12 to support:

13 (i) The federal low-income home energy assistance program which provides heating
14 assistance to eligible low-income persons and any state funded or privately funded heating
15 assistance program of a similar nature assigned to it for administration;

16 (ii) The weatherization assistance program which offers home weatherization grants and
17 heating system upgrades to eligible persons of low-income;

18 (iii) The emergency fuel program which provides oil deliveries to families experiencing a
19 heating emergency;

20 (iv) The energy conservation program, which offers service and programs to all sectors;
21 and

22 (v) [Deleted by P.L. 2008, ch. 228, § 2, and P.L. 2008, ch. 422, § 2.]

23 (16) Advise the commerce corporation in the development of standards and rules for the
24 solicitation and award of renewable energy program investment funds in accordance with § 42-64-
25 13.2;

26 (17) Develop, recommend, and evaluate energy programs for state facilities and operations
27 in order to achieve and demonstrate the benefits of energy-efficiency, diversification of energy
28 supplies, energy conservation, and demand management; ~~and~~

29 (18) Advise the governor and the general assembly with regard to energy resources and all
30 matters relevant to achieving the purposes of the office; and

31 (19) Expediently consider and act on all applications for renewable energy distributed
32 generation interconnection to the distribution system.

33 SECTION 3. Chapter 42-140 of the General Laws entitled "Rhode Island Energy
34 Resources Act" is hereby amended by adding thereto the following sections:

1 **40-140-11. Policy objective.**

2 The general assembly hereby finds and declares that the expeditious completion of the
3 application process for renewable distributed generation is in the public interest. For this reason,
4 certain standards and other provisions for the processing of applications are hereby set forth to
5 assure that the application process assists in the development of renewable generation resources in
6 a timely manner.

7 **40-140-12. Definitions.**

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

9 (1) "Applicant" means an electric distribution customer or distributed-generation developer
10 who submits an application to the office of energy resources for the installation of a renewable
11 distributed-generation interconnection to the distribution system for a renewable distributed-
12 generation project that, as contemplated, meets the eligibility requirements for net metering
13 contained within this title or the eligibility requirements for a standard contract contained within
14 this title.

15 (2) "Feasibility study" means a high-level project assessment that includes an estimate of
16 the cost of interconnecting to the distribution system that would be assessed on the applicant for an
17 interconnection. The estimate is not based on any engineering study, but is based on past experience
18 and judgment of the office of energy resources, taking into account the information in the
19 application, the location of the interconnection, and general knowledge of the distribution and
20 transmission system. The feasibility study estimate shall be a range within which the office of
21 energy resources believes the interconnection costs are likely to be and shall include a disclaimer
22 that explains the nature of the estimate.

23 (3) "Feasibility study fee" means a fee that shall be charged to the applicant to obtain a
24 feasibility study as specified in § 42-140-14.

25 (4) "Impact study" means an engineering study conducted by the office of energy resources
26 that includes an estimate of the cost of interconnecting to the distribution system that would be
27 assessed on the applicant for an interconnection that is based on an engineering study of the details
28 of the proposed generation project. The estimate generally will have a probability of accuracy of
29 plus or minus twenty-five percent (25%). The estimate may be relied upon by the applicant for
30 purposes of determining the expected cost of interconnection.

31 (5) "Impact study fee" means a fee that shall be charged to the applicant to obtain an impact
32 study as specified in § 42-140-14.

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

34 **40-140-13. Application process.**

1 (a) The application process set out in this section shall be applicable to all interconnection
2 proposals thirty (30) days after the enactment of this chapter.

3 (b) An applicant for a renewable distributed-generation interconnection must submit an
4 application to the office of energy resources for an impact study, including a request for an estimate
5 of the cost of interconnecting the renewable distributed-generation resource to the distribution
6 system. The applicant may request a feasibility study prior to requesting an impact study, but the
7 applicant is not required to do so and may submit an application for an impact study without having
8 obtained a feasibility study. The distribution company shall follow the schedule below for all
9 applications.

10 (c) Upon receipt of a completed application requesting a feasibility study and receipt of the
11 applicable feasibility study fee, the office of energy resources shall provide a feasibility study to
12 the applicant within thirty (30) days.

13 (d) Upon receipt of a completed application requesting an impact study and receipt of the
14 applicable impact study fee, the office of energy resources shall provide an impact study within
15 ninety (90) days.

16 (e) In anticipation of the office of energy resources newly added costs due to the
17 requirements of this chapter, additional funding shall be provided by the state.

18 (f) Notwithstanding any other provision of this chapter, the application process and fees
19 set forth in this chapter apply only to interconnections to the distribution system by renewable
20 distributed-generation resources. To the extent that a renewable generation resource seeks an
21 interconnection to the transmission system and the interconnection request is governed by rules and
22 regulations under the exclusive jurisdiction of the Federal Energy Regulatory Commission, the
23 provisions of this chapter shall not apply.

24 (g) The rules and fees established in this chapter shall be incorporated within the applicable
25 "Standards for Interconnection of Distributed Generation" approved by the office of energy
26 resources. There shall be no fees for all applications seeking approval of interconnecting renewable
27 energy projects.

28 **40-140-14. Study cost fees.**

29 The office of energy resources shall set the feasibility study cost fees for each proposed
30 interconnection project.

31 **40-140-15. Interconnection standards.**

32 (a) The office of energy resources may only charge an interconnecting, renewable energy
33 customer for any system modifications to its electric power system specifically necessary for and
34 directly related to the interconnection.

1 (b) If the office of energy resources determines that a specific system modification
2 benefiting other customers has been accelerated due to an interconnection request, it may order the
3 interconnecting customer to fund the modification subject to repayment of the depreciated value of
4 the modification as of the time the modification would have been necessary as determined by the
5 office of energy resources. Any system modifications benefiting other customers shall be included
6 in rates as determined by the office of energy resources.

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

13 (d) The office of energy resources shall acknowledge to the interconnecting, renewable
14 energy customer receipt of an application to initiate the interconnection process within three (3)
15 business days of receipt. The office of energy resources shall notify the interconnecting, renewable
16 energy customer in writing within ten (10) business days of receipt that the application is or is not
17 complete and, if not, advise what is missing. Any disputes regarding whether and when an
18 application to initiate the interconnection process is complete shall be resolved expeditiously at the
19 office of energy resources. The maximum time allowed between the date of the completed
20 application and delivery of an executable interconnection service agreement shall be one hundred
21 seventy-five (175) calendar days or two hundred (200) calendar days if a detailed study is required.
22 All electric distribution company system modifications must be completed by the date which is the
23 later of:

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

28 (2) The interconnecting, renewable energy customer's agreed-upon extension of the time
29 between the execution of the interconnection service agreement and interconnection as set forth in
30 writing. All deadlines herein are subject to all payments being made in accordance with the
31 distributed-generation interconnection tariff on file with the office of energy resources and the
32 interconnection service agreement. These system modification deadlines cannot be extended due
33 to customer delays in providing required information, all of which must be requested and obtained
34 before completion of the impact study. The deadlines for completion of system modifications will

1 be extended only to the extent of events that are clearly not under the control of the electric
2 distribution company, such as extended prohibitive weather, union work stoppage or force majeure,
3 or third-party delays, including, without limitation, delays due to ISO-NE requirements not
4 attributable to electric distribution company actions, and that cannot be resolved despite
5 commercially reasonable efforts. The electric distribution company shall notify the customer of the
6 start of any claimed deadline extension as soon as practicable, its cause and when it concludes, all
7 in writing. Any actual damages that a court of competent jurisdiction orders the electric distribution
8 company to pay to an interconnecting, renewable energy customer as a direct result of the electric
9 distribution company's failure to comply with the requirements of this subsection shall be payable
10 by its shareholders and may not be recovered from customers; provided that, the total amount of
11 damages awarded for any and all such claims shall not exceed, in the aggregate, an amount equal
12 to the amount of the incentive the electric distribution company would have earned as provided for
13 in §§ 39-26.6-12(j)(3) and 39-26.1-4 in the year in which the system modifications were required
14 to be completed. In no event shall the electric distribution company be liable to the interconnecting,
15 renewable energy customer for any indirect, incidental, special, consequential, or punitive damages
16 of any kind whatsoever as a result of the electric distribution company's failure to comply with this
17 section.

18 (e) On or before September 1, 2021, the office of energy resources shall initiate a docket
19 to establish metrics for the electric distribution company's performance in meeting the time frames
20 set forth herein and in the distributed-generation interconnection standards approved by the office
21 of energy resources. The office of energy resources may include incentives and penalties in the
22 performance metrics.

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

1 **40-140-16. Liberal construction of chapter required.**

2 This chapter shall be construed liberally in aid of its policy objective.

3 **40-140-17. Severability.**

4 If any provision of this chapter or the application thereof to any person or circumstances is
5 held invalid, the invalidity shall not affect other provisions or application of the chapter that can be
6 given effect without the invalid provision or application, and to this end the provisions of this
7 chapter are declared to be severable.

8 SECTION 4. This act shall take effect upon passage.

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LC002348
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- OFFICE OF ENERGY
RESOURCES INTERCONNECTION STANDARDS

1 This act would transfer from the electric distribution company to the office of energy
2 resources the authority to consider and act upon all applications for approval of interconnection of
3 renewable energy installation.

4 This act would take effect upon passage.

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