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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIES -- NET METERING

Introduced By: Senators DiMario, Euer, Britto, Miller, Lawson, Ruggerio, and Kallman

Date Introduced: March 17, 2023

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 39-26.4-1, 39-26.4-2 and 39-26.4-3 of the General Laws in Chapter
2 39-26.4 entitled "Net Metering" are hereby amended to read as follows:

3 **39-26.4-1. Purpose.**

4 The purpose of this chapter is to facilitate and promote installation of customer-sited, grid-
5 connected generation of renewable energy; to support and encourage customer development of
6 renewable generation systems; to reduce environmental and siting impacts; to reduce carbon
7 emissions that contribute to climate change by encouraging the local siting of renewable energy
8 projects; to diversify the state's energy generation sources; to stimulate economic development; to
9 improve distribution system resilience and reliability; and to reduce distribution system costs.

10 **39-26.4-2. Definitions.**

11 Terms not defined in this section herein shall have the same meaning as contained in
12 chapter 26 of this title. When used in this chapter:

13 (1) "Community remote net-metering system" means a facility generating electricity using
14 an eligible net-metering resource that allocates net-metering credits to a minimum of one account
15 for a system associated with low- or moderate-income housing eligible credit recipients, or three
16 (3) eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of
17 the credits produced by the system are allocated to one eligible credit recipient, and provided further
18 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining
19 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-

1 five kilowatt (25 KW) AC capacity. The community remote net-metering system may transfer
2 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage of
3 the eligible credit recipient accounts measured by the three-year (3) average annual consumption
4 of energy over the previous three (3) years. A projected annual consumption of energy may be used
5 until the actual three-year (3) average annual consumption of energy over the previous three (3)
6 years at the eligible credit recipient accounts becomes available for use in determining eligibility
7 of the generating system. The community remote net-metering system may be owned by the same
8 entity that is the customer of record on the net-metered account or may be owned by a third party.
9 No electricity generating facility shall qualify as a community remote-net metering system after
10 July 1, 2023, except systems that have requested an interconnection study for which payment has
11 been received by the distribution company, or, if an interconnection study is not required, systems
12 that have a completed and paid interconnection application and that have secured all necessary state
13 and local permits by the effective date of this section.

14 (2) “Core forest” refers to unfragmented forest blocks of single or multiple parcels totaling
15 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five yards
16 (25 yds.) from mapped roads, with eligibility questions to be resolved by the director of the
17 department of environmental management. Such determination shall constitute a contested case as
18 defined in § 42-35-1.

19 ~~(3)~~(3) “Electric distribution company” shall have the same meaning as § 39-1-2, but shall
20 not include Block Island Power Company or Pascoag Utility District, each of whom shall be
21 required to offer net metering to customers through a tariff approved by the public utilities
22 commission after a public hearing. Any tariff or policy on file with the public utilities commission
23 on the date of passage of this chapter shall remain in effect until the commission approves a new
24 tariff.

25 ~~(3)~~(4) “Eligible credit recipient” means one of the following eligible recipients in the
26 electric distribution company’s service territory whose electric service account or accounts may
27 receive net-metering credits from a community remote net-metering system. Eligible credit
28 recipients include the following definitions:

- 29 (i) Residential accounts in good standing.
- 30 (ii) “Low- or moderate-income housing eligible credit recipient” means an electric service
31 account or accounts in good standing associated with any housing development or developments
32 owned or operated by a public agency, nonprofit organization, limited-equity housing cooperative,
33 or private developer that receives assistance under any federal, state, or municipal government
34 program to assist the construction or rehabilitation of housing affordable to low- or moderate-

1 income households, as defined in the applicable federal or state statute, or local ordinance,
2 encumbered by a deed restriction or other covenant recorded in the land records of the municipality
3 in which the housing is located, that:

4 (A) Restricts occupancy of no less than fifty percent (50%) of the housing to households
5 with a gross, annual income that does not exceed eighty percent (80%) of the area median income
6 as defined annually by the United States Department of Housing and Urban Development (HUD);

7 (B) Restricts the monthly rent, including a utility allowance, that may be charged to
8 residents, to an amount that does not exceed thirty percent (30%) of the gross, monthly income of
9 a household earning eighty percent (80%) of the area median income as defined annually by HUD;

10 (C) Has an original term of not less than thirty (30) years from initial occupancy.

11 Electric service account or accounts in good standing associated with housing
12 developments that are under common ownership or control may be considered a single low- or
13 moderate-income housing eligible credit recipient for purposes of this section. The value of the
14 credits shall be used to provide benefits to tenants.

15 (iii) “Educational institutions” means public and private schools at the primary, secondary,
16 and postsecondary levels.

17 (iv) “Commercial and industrial customers” means any non-residential customer of the
18 electric distribution company.

19 ~~(4)~~(5) “Eligible net-metering resource” means eligible renewable energy resource, as
20 defined in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically
21 excluding all other listed eligible biomass fuels.

22 ~~(5)~~(6) “Eligible net-metering system” means a facility generating electricity using an
23 eligible net-metering resource that is reasonably designed and sized to annually produce electricity
24 in an amount that is equal to, or less than, the renewable self-generator’s usage at the eligible net-
25 metering system site measured by the three-year (3) average annual consumption of energy over
26 the previous three (3) years at the electric distribution account(s) located at the eligible net-metering
27 system site. A projected annual consumption of energy may be used until the actual three-year (3)
28 average annual consumption of energy over the previous three (3) years at the electric distribution
29 account(s) located at the eligible net-metering system site becomes available for use in determining
30 eligibility of the generating system. The eligible net-metering system may be owned by the same
31 entity that is the customer of record on the net-metered accounts or may be owned by a third party
32 that is not the customer of record at the eligible net-metering system site and which may offer a
33 third-party, net-metering financing arrangement or net-metering financing arrangement, as
34 applicable. ~~Notwithstanding any other provisions of this chapter, any eligible net-metering~~

1 ~~resource: (i) Owned by a public entity, educational institution, hospital, nonprofit, or multi-~~
2 ~~municipal collaborative or (ii) Owned and operated by a renewable generation developer on behalf~~
3 ~~of a public entity, educational institution, hospital, nonprofit, or multi municipal collaborative~~
4 ~~through a net metering financing arrangement shall be treated as an eligible net metering system~~
5 ~~and all accounts designated by the public entity, educational institution, hospital, nonprofit, or~~
6 ~~multi municipal collaborative for net metering shall be treated as accounts eligible for net metering~~
7 ~~within an eligible net metering system site.~~

8 (6)(7) “Eligible net-metering system site” means the site where the eligible net-metering
9 system ~~or community remote net metering system~~ is located or is part of the same campus or
10 complex of sites contiguous to one another ~~and the site where the eligible net metering system or~~
11 ~~community remote net metering system is located~~ or a farm ~~in on~~ which the eligible net-metering
12 system ~~or community remote net metering system~~ is located. ~~Except for an eligible net metering~~
13 ~~system owned by or operated on behalf of a public entity, educational institution, hospital, The~~
14 ~~nonprofit, or multi municipal collaborative through a net metering financing arrangement, the~~
15 purpose of this definition is to reasonably assure that energy generated by the eligible net-metering
16 system is consumed by net-metered electric service account(s) that are actually located in the same
17 geographical location as the eligible net-metering system. All energy generated from any eligible
18 net-metering system is, and will be considered, consumed at the meter where the renewable energy
19 resource is interconnected for valuation purposes. ~~Except for an eligible net metering system~~
20 ~~owned by, or operated on behalf of, a public entity, educational institution, hospital, nonprofit, or~~
21 ~~multi municipal collaborative through a net metering financing arrangement, or except for a~~
22 ~~community remote net metering system, all All~~ of the net-metered accounts at the eligible net-
23 metering system site must be the accounts of the same customer of record and customers are not
24 permitted to enter into agreements or arrangements to change the name on accounts for the purpose
25 of artificially expanding the eligible net-metering system site to contiguous sites in an attempt to
26 avoid this restriction. However, a property owner may change the nature of the metered service at
27 the accounts at the site to be master metered in the owner’s name, or become the customer of record
28 for each of the accounts, provided that the owner becoming the customer of record actually owns
29 the property at which the account is located. As long as the net-metered accounts meet the
30 requirements set forth in this definition, there is no limit on the number of accounts that may be net
31 metered within the eligible net-metering system site.

32 (7)(8) “Excess renewable net-metering credit” means a credit that applies to an eligible net-
33 metering system or community remote net-metering system for that portion of the production of
34 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five

1 percent (125%) of the renewable self-generator's own consumption at the eligible net-metering
2 system site or the sum of the usage of the eligible credit recipient accounts associated with the
3 community remote net-metering system during the applicable billing period. Such excess
4 renewable net-metering credit shall be equal to the electric distribution company's avoided cost
5 rate, which is hereby declared to be the electric distribution company's standard-offer service
6 kilowatt hour (KWh) charge for the rate class and time-of-use billing period (if applicable)
7 applicable to the customer of record for the eligible net-metering system or applicable to the
8 customer of record for the community remote net-metering system. The commission shall have the
9 authority to make determinations as to the applicability of this credit to specific generation facilities
10 to the extent there is any uncertainty or disagreement.

11 ~~(8)~~(9) "Farm" shall be defined in accordance with § 44-27-2, except that all buildings
12 associated with the farm shall be eligible for net-metering credits as long as: (i) The buildings are
13 owned by the same entity operating the farm or persons associated with operating the farm; and (ii)
14 The buildings are on the same farmland as the project on either a tract of land contiguous with, or
15 reasonably proximate to, such farmland or across a public way from such farmland.

16 ~~(9)~~(10) "Hospital" means and shall be defined and established as set forth in chapter 17 of
17 title 23.

18 ~~(10)~~(11) "Multi-municipal collaborative" means a group of towns and/or cities that enter
19 into an agreement for the purpose of co-owning a renewable-generation facility or entering into a
20 financing arrangement pursuant to subsection (14).

21 ~~(11)~~(12) "Municipality" means any Rhode Island town or city, including any agency or
22 instrumentality thereof, with the powers set forth in title 45.

23 ~~(12)~~(13) "Net metering" means using electrical energy generated by an eligible net-
24 metering system for the purpose of self-supplying electrical energy and power at the eligible net-
25 metering system site, ~~or with respect to a community remote net metering system, for the purpose~~
26 ~~of generating net metering credits to be applied to the electric bills of the eligible credit recipients~~
27 ~~associated with the community net metering system.~~ The amount so generated will thereby offset
28 consumption at the eligible net-metering system site through the netting process established in this
29 chapter, ~~or with respect to a community remote net metering system,~~ the amounts generated in
30 excess of that amount will result in credits being applied to the eligible credit-recipient accounts
31 associated with the community remote net-metering system.

32 ~~(13)~~(14) "Net-metering customer" means a customer of the electric distribution company
33 receiving and being billed for distribution service whose distribution account(s) are being net
34 metered.

1 ~~(14)~~(15) “Net-metering financing arrangement” means arrangements entered into by a
2 public entity, educational institution, hospital, nonprofit, ~~or~~ multi-municipal collaborative or a
3 commercial and industrial customer with a private entity to facilitate the financing and operation
4 of a net-metering resource, in which the private entity owns and operates an eligible net-metering
5 resource at an eligible net metering system site on behalf of a public entity, educational institution,
6 hospital, nonprofit, ~~or~~ multi-municipal collaborative or commercial or industrial customer, where:
7 (i) The eligible net-metering resource is located ~~on property~~ at an eligible net metering system site
8 owned or controlled by the public entity, educational institution, hospital, or ~~one of the~~
9 ~~municipalities,~~ municipality, multi-municipal collaborative or commercial and industrial customer
10 as applicable; and (ii) The production from the eligible net-metering resource and primary
11 compensation paid by the public entity, educational institution, hospital, nonprofit, ~~or~~ multi-
12 municipal collaborative or commercial and industrial customer to the private entity for such
13 production is directly tied to the consumption of electricity occurring at the designated net-metered
14 accounts.

15 ~~(15)~~(16) “Nonprofit” means a nonprofit corporation as defined and established through
16 chapter 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26
17 U.S.C. § 501(d).

18 ~~(16)~~(17) “Person” means an individual, firm, corporation, association, partnership, farm,
19 town or city of the state of Rhode Island, multi-municipal collaborative, or the state of Rhode Island
20 or any department of the state government, governmental agency, or public instrumentality of the
21 state.

22 (18) “Preferred site” means a location for a renewable energy system that has had prior
23 development, including, but not limited to, landfills, gravel pits and quarries, highway and major
24 road median strips, brownfields, superfund sites, parking lots or sites that are designated
25 appropriate for carports, and all rooftops including, but not limited to, residential, commercial,
26 industrial and municipal buildings.

27 ~~(17)~~(19) “Project” means a distinct installation of an eligible net-metering system ~~or a~~
28 ~~community remote net metering system~~. An installation will be considered distinct if it is installed
29 in a different location, or at a different time, or involves a different type of renewable energy.
30 Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be
31 located on adjoining parcels of land within core forests.

32 ~~(18)~~(20) “Public entity” means the federal government, the state of Rhode Island,
33 municipalities, wastewater treatment facilities, public transit agencies, or any water distributing
34 plant or system employed for the distribution of water to the consuming public within this state

1 including the water supply board of the city of Providence.

2 (21) "Public entity net metering system" means a system generating renewable energy at a
3 property owned or controlled by the public entity which is participating in a net metering financing
4 arrangement where the public entity has designated accounts in its name to receive net metering
5 credits. Only public entity net metering systems operating on the effective date of this section or
6 that have requested an interconnection study for which payment has been received by the
7 distribution company, or, if an interconnection study is not required, systems that have a completed
8 and paid interconnection application and have secured all necessary state and local permits by the
9 effective date of this section may qualify as eligible net metering systems.

10 ~~(19)~~(22) "Renewable net-metering credit" means a credit that applies to an eligible net-
11 metering system or a community remote net-metering system up to one hundred percent (100%) of
12 either the renewable self-generator's usage at the eligible net-metering system site or the sum of
13 the usage of the eligible credit-recipient accounts associated with the community remote net-
14 metering system over the applicable billing period. This credit shall be equal to the total kilowatt
15 hours of electrical energy generated up to the amount consumed on-site, and/or generated up to the
16 sum of the eligible credit-recipient account usage during the billing period multiplied by the sum
17 of the distribution company's:

18 (i) ~~Standard offer~~ Last resort service kilowatt-hour charge for the rate class applicable to
19 the net-metering customer, except that for remote public entity and multi-municipality
20 collaborative net-metering systems that submit an application for an interconnection study on or
21 after July 1, 2017, and community remote net-metering systems, the standard-offer service
22 kilowatt-hour charge shall be net of the renewable energy standard charge or credit;

23 (ii) Distribution kilowatt-hour charge;

24 (iii) Transmission kilowatt-hour charge; and

25 (iv) Transition kilowatt-hour charge.

26 Notwithstanding the foregoing, except for systems that have requested an interconnection
27 study for which payment has been received by the distribution company, or if an interconnection
28 study is not required, a completed and paid interconnection application, by December 31, 2018, the
29 renewable net-metering credit for all remote public entity and multi-municipal collaborative net-
30 metering systems shall not include the distribution kilowatt-hour charge commencing on January
31 1, 2050. For commercial and industrial customers, the credit does not include any demand charges
32 included on the customer's bill.

33 ~~(20)~~(23) "Renewable self-generator" means an electric distribution service customer of
34 record for the eligible net-metering system or community remote net-metering system at the eligible

1 net-metering system site which system is primarily designed to produce electrical energy for
2 consumption by that same customer at its distribution service account(s), and/or, with respect to
3 community remote net-metering systems, electrical energy which generates net-metering credits to
4 be applied to offset the eligible credit-recipient account usage.

5 ~~(21)~~(24) “Third party” means and includes any person or entity, other than the renewable
6 self-generator, who or that owns or operates the eligible net-metering system or community remote
7 net-metering system on the eligible net-metering system site for the benefit of the renewable self-
8 generator.

9 ~~(22)~~(25) “Third-party, net-metering financing arrangement” means the financing of
10 eligible net-metering systems ~~or community remote net metering systems~~ through lease
11 arrangements or power/credit purchase agreements between a third party and renewable self-
12 generator, ~~except for those entities under a public entity net metering financing arrangement.~~ A
13 third party engaged in providing financing arrangements related to such net-metering systems with
14 a public or private entity is not a public utility as defined in § 39-1-2.

15 **39-26.4-3. Net metering.**

16 (a) The following policies regarding net metering of electricity from eligible net-metering
17 systems ~~and community remote net metering systems~~ and regarding any person that is a renewable
18 self-generator shall apply:

19 (1)(i) The maximum allowable capacity for eligible net-metering systems, based on
20 nameplate capacity, shall be ten megawatts (10 MW), ~~effective sixty (60) days after passage.~~
21 Eligible net-metering systems shall be sited outside of core forests with the exception of
22 development on preferred sites in the core forest and the exception of systems that have requested
23 an interconnection study for which payment has been received by the distribution company, or if
24 an interconnection study is not required, systems that have a completed and paid interconnection
25 application and have secured all necessary state and local permits by the effective date of this
26 section. For systems developed in core forests on preferred sites, no more than one hundred
27 thousand square feet (100,000 sq. ft) of core forest shall be removed, including for work required
28 for utility interconnection or development of a brownfield, in which case no more core forest than
29 necessary for interconnection or brownfield development shall be removed. The aggregate amount
30 of net metering in the Block Island Utility District doing business as Block Island Power Company
31 and the Pascoag Utility District shall not exceed a maximum percentage of peak load for each utility
32 district as set by the utility district based on its operational characteristics, subject to commission
33 approval; ~~and~~

34 (ii) Through December 31, 2018, the maximum aggregate amount of community remote

1 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
2 after December 31, 2018, shall remain available to community remote net-metering systems until
3 the MW aggregate amount is interconnected. ~~After December 31, 2018, the commission may~~
4 ~~expand or modify the aggregate amount after a public hearing upon petition by the office of energy~~
5 ~~resources. The commission shall determine within six (6) months of such petition being docketed~~
6 ~~by the commission whether the benefits of the proposed expansion exceed the cost. This aggregate~~
7 ~~amount shall not apply to any net-metering financing arrangement involving public entity facilities,~~
8 ~~multi-municipal collaborative facilities, educational institutions, the federal government, hospitals,~~
9 ~~or nonprofits. By June 30, 2018, the commission shall conduct a study examining the cost and~~
10 ~~benefit to all customers of the inclusion of the distribution charge as a part of the net-metering~~
11 ~~calculation.~~ Notwithstanding any other provision of this chapter community remote net metering
12 systems that are in operation as of July 1, 2023 shall be considered eligible net metering systems
13 for the purposes of providing net metering credits to eligible recipients.

14 (2) For ease of administering net-metered accounts and stabilizing net-metered account
15 bills, the electric distribution company may elect (but is not required) to estimate for any twelve-
16 month (12) period:

17 (i) The production from the eligible net-metering system or community remote net-
18 metering system; and

19 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering system
20 site or the sum of the consumption of the eligible credit-recipient accounts associated with the
21 community remote net-metering system, and establish a monthly billing plan that reflects the
22 expected credits that would be applied to the net-metered accounts over twelve (12) months. The
23 billing plan would be designed to even out monthly billings over twelve (12) months, regardless of
24 actual production and usage. If such election is made by the electric distribution company, the
25 electric distribution company would reconcile payments and credits under the billing plan to actual
26 production and consumption at the end of the twelve-month (12) period and apply any credits or
27 charges to the net-metered accounts for any positive or negative difference, as applicable. Should
28 there be a material change in circumstances at the eligible net-metering system site or associated
29 accounts during the twelve-month (12) period, the estimates and credits may be adjusted by the
30 electric distribution company during the reconciliation period. The electric distribution company
31 also may elect (but is not required) to issue checks to any net-metering customer in lieu of billing
32 credits or carry-forward credits or charges to the next billing period. For residential-eligible net-
33 metering systems and community remote net-metering systems twenty-five kilowatts (25 KW) or
34 smaller, the electric distribution company, at its option, may administer renewable net-metering

1 credits month to month allowing unused credits to carry forward into the following billing period.

2 (3) If the electricity generated by an eligible net-metering system or community remote
3 net-metering system during a billing period is equal to, or less than, the net-metering customer's
4 usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient
5 accounts associated with the community remote net-metering system during the billing period, the
6 customer shall receive renewable net-metering credits, that shall be applied to offset the net-
7 metering customer's usage on accounts at the eligible net-metering system site, or shall be used to
8 credit the eligible credit-recipient's electric account.

9 (4) If the electricity generated by an eligible net-metering system or community remote
10 net-metering system during a billing period is greater than the net-metering customer's usage on
11 accounts at the eligible net-metering system site or the sum of the usage of the eligible credit-
12 recipient accounts associated with the community remote net-metering system during the billing
13 period, the customer shall be paid by excess renewable net-metering credits for the excess
14 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering
15 customer's usage at the eligible net-metering system site, or the sum of the usage of the eligible
16 credit-recipient accounts associated with the community remote net-metering system during the
17 billing period; unless the electric distribution company and net-metering customer have agreed to
18 a billing plan pursuant to subsection (a)(2).

19 (5) The rates applicable to any net-metered account shall be the same as those that apply
20 to the rate classification that would be applicable to such account in the absence of net metering,
21 including customer and demand charges, and no other charges may be imposed to offset net-
22 metering credits.

23 (b) The commission shall exempt electric distribution company customer accounts
24 associated with an eligible net-metering system from back-up or standby rates commensurate with
25 the size of the eligible net-metering system, provided that any revenue shortfall caused by any such
26 exemption shall be fully recovered by the electric distribution company through rates.

27 (c) Any prudent and reasonable costs incurred by the electric distribution company
28 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable net-
29 metering credits or excess renewable net-metering credits provided to accounts associated with
30 eligible net-metering systems or community remote net-metering systems, shall be aggregated by
31 the distribution company and billed to all distribution customers on an annual basis through a
32 uniform, per-kilowatt-hour (KWh) surcharge embedded in the distribution component of the rates
33 reflected on customer bills.

34 (d) The billing process set out in this section shall be applicable to electric distribution

1 companies thirty (30) days after the enactment of this chapter.

2 SECTION 2. Sections 39-26.6-1, 39-26.6-3, 39-26.6-5, 39-26.6-7, 39-26.6-12 and 39-26.6-
3 22 of the General Laws in Chapter 39-26.6 entitled "The Renewable Energy Growth Program" are
4 hereby amended to read as follows:

5 **39-26.6-1. Purpose.**

6 The purpose of this chapter is to ~~facilitate and promote installation of grid-connected~~
7 ~~generation of renewable energy; support and encourage development of distributed renewable~~
8 ~~energy generation systems; reduce environmental impacts; reduce carbon emissions that contribute~~
9 ~~to climate change by encouraging the siting of renewable energy projects in the load zone of the~~
10 ~~electric distribution company; diversify the energy generation sources within the load zone of the~~
11 ~~electric distribution company; stimulate economic development; improve distribution system~~
12 ~~resilience and reliability within the load zone of the electric distribution company; and reduce~~
13 ~~distribution system costs~~ enable the state to meet its climate and resilience goals, including those
14 established in the act on climate. This includes the goals to facilitate and promote installation of
15 grid-connected generation of renewable energy; support and encourage development of distributed
16 renewable energy generation systems while protecting important core forest areas essential to
17 climate resilience and complying with Rhode Island's climate change mandates; reduce
18 environmental impacts; reduce carbon emissions that contribute to climate change by encouraging
19 the siting of renewable energy projects in the load zone of the electric distribution company and in
20 preferred areas that have already been disturbed by industry or other uses; diversify the energy-
21 generation sources within the load zone of the electric distribution company; stimulate economic
22 development; and improve distribution-system resilience and reliability with the load zone of the
23 electric distribution company.

24 **39-26.6-3. Definitions.**

25 When used in this chapter, the following terms shall have the following meanings:

26 (1) "Board" shall mean the distributed-generation board as established pursuant to the
27 provisions of § 39-26.2-10 under the title distributed generation standard contract board, but shall
28 also fulfill the responsibilities set forth in this chapter.

29 (2) "Ceiling price" means the bidding price cap applicable to an enrollment for a given
30 distributed-generation class, that shall be approved annually for each renewable energy class
31 pursuant to the procedure established in this chapter. The ceiling price for each technology should
32 be a price that would allow a private owner to invest in a given project at a reasonable rate of return,
33 based on recently reported and forecast information on the cost of capital and the cost of generation
34 equipment. The calculation of the reasonable rate of return for a project shall include, where

1 applicable, any state or federal incentives, including, but not limited to, tax incentives.

2 (3) “Commercial-scale solar project” means a solar distributed-generation project with the
3 nameplate capacity specified in § 39-26.6-7.

4 (4) “Commission” means the Rhode Island public utilities commission.

5 (5) “Community remote distributed-generation system” means a distributed-generation
6 facility greater than two hundred fifty kilowatt (250 KW) nameplate direct current that allocates
7 bill credits for each kilowatt hour (KWh) generated to a minimum of three (3), eligible recipient-
8 customer accounts, provided that no more than fifty percent (50%) of the credits produced by the
9 system are allocated to one eligible recipient-customer account, and provided further that at least
10 fifty percent (50%) of the credits produced by the system are allocated to eligible recipients in an
11 amount not to exceed that which is produced annually by twenty-five kilowatt (25 KW) AC
12 capacity. The community remote distributed-generation system may transfer credits to eligible
13 recipient-customer accounts in an amount that is equal to, or less than, the sum of the usage of the
14 eligible recipient-customer accounts measured by the three-year-average (3) annual consumption
15 of energy over the previous three (3) years. A projected, annual consumption of energy may be
16 used until the actual three-year-average (3) annual consumption of energy over the previous three
17 (3) years at the eligible recipient-customer accounts becomes available for use in determining
18 eligibility of the generating system. The community remote distributed-generation system may be
19 owned by the same entity that is the customer of record on the net-metered account or may be
20 owned by a third party. No electricity generating facility shall qualify as a community remote-
21 distributed generation system after July 1, 2023, except systems that have requested an
22 interconnection study for which payment has been received by the distribution company, or, if an
23 interconnection study is not required, systems that have a completed and paid interconnection
24 application and that have secured all necessary state and local permits by the effective date of this
25 section.

26 (6) “Core forest” refers to unfragmented forest blocks of single or multiple parcels totaling
27 two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25)
28 acres from mapped roads, with eligibility questions to be resolved by the director of the department
29 of environmental management. Such determination shall constitute a contested case as defined in
30 § 42-35-1. Notwithstanding any other provisions of this chapter, no renewable-distributed-
31 generation project that is located or planned to be located in or on a core forest, shall be considered
32 an eligible renewable-distributed-generation project or otherwise be eligible to participate in this
33 program, unless it is on a preferred site.

34 ~~(6)~~(7) “Distributed-generation facility” means an electrical-generation facility located in

1 the electric distribution company’s load zone with a nameplate capacity no greater than five
2 megawatts (5 MW), except for solar projects as described in § 39-26.6-7 that may exceed five
3 megawatts (5 MW) but shall not be greater than fifteen megawatts (15 MW), unless located on
4 preferred sites, in which case they may be sized up to thirty-nine megawatts (39 MW), using eligible
5 renewable energy resources as defined by § 39-26-5, including biogas created as a result of
6 anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels, and
7 connected to an electrical power system owned, controlled, or operated by the electric distribution
8 company. For facilities developed in core forests on preferred sites, no more than one hundred
9 thousand square feet (100,000 sq. ft.) of core forest shall be removed, including for work required
10 for utility interconnection or development of a brownfield, in which case no more core forest than
11 necessary for interconnection or brownfield development shall be removed. For purposes of this
12 chapter, a distributed-generation facility must be a new resource that:

13 (i) Has not begun operation;

14 (ii) Is not under construction, but excluding preparatory site work that is less than twenty-
15 five percent (25%) of the estimated total project cost; and

16 (iii) Except for small-scale solar projects, does not have in place investment or lending
17 agreements necessary to finance the construction of the facility prior to the submittal of an
18 application or bid for which the payment of performance-based incentives is sought under this
19 chapter except to the extent that such financing agreements are conditioned upon the project owner
20 being awarded performance-based incentives under the provisions of this chapter. For purposes of
21 this definition, preexisting hydro generation shall be exempt from the provisions of subsection
22 (6)(i) regarding operation, if the hydro-generation facility will need a material investment to restore
23 or maintain reliable and efficient operation and meet all regulatory, environmental, or operational
24 requirements. For purposes of this provision, “material investment” shall mean investment
25 necessary to allow the project to qualify as a new, renewable energy resource under § 39-26-2. To
26 be eligible for this exemption, the hydro-project developer at the time of submitting a bid in the
27 applicable procurement must provide reasonable evidence with its bid application showing the level
28 of investment needed, along with any other facts that support a finding that the investment is
29 material, the determination of which shall be a part of the bid review process set forth in § 39-26.6-
30 16 for the award of bids.

31 ~~(7)~~(8) “Distributed-generation project” means a distinct installation of a distributed-
32 generation facility. An installation will be considered distinct if it does not violate the segmentation
33 prohibition set forth in § 39-26.6-9.

34 ~~(8)~~(9) “Electric distribution company” means a company defined in § 39-1-2(a)(12),

1 supplying standard-offer service, last-resort service, or any successor service to end-use customers,
2 but not including the Block Island Power Company or the Pascoag Utility District.

3 ~~(9)~~[\(10\)](#) “ISO-NE” means Independent System Operator-New England, the Regional
4 Transmission Organization for New England designated by the Federal Energy Regulatory
5 Commission.

6 ~~(10)~~[\(11\)](#) “Large distributed-generation project” means a distributed-generation project that
7 has a nameplate capacity that exceeds the size of a small distributed-generation project in a given
8 year, but is no greater than five megawatts (5 MW) nameplate capacity.

9 ~~(11)~~[\(12\)](#) “Large-scale solar project” means a solar distributed-generation project with the
10 nameplate capacity specified in § 39-26.6-7.

11 ~~(12)~~[\(13\)](#) “Medium-scale solar project” means a solar distributed-generation project with
12 the nameplate capacity specified in § 39-26.6-7.

13 ~~(13)~~[\(14\)](#) “Office” means the Rhode Island office of energy resources.

14 [\(15\) “Preferred sites” means a location for a renewable energy system that has had prior](#)
15 [development, including, but not limited to, landfills, gravel pits and quarries, highway and major](#)
16 [road median strips, brownfields, superfund sites, parking lots or sites that are designated](#)
17 [appropriate for carports, and all rooftops including, but not limited to, residential, commercial,](#)
18 [industrial and municipal buildings.](#)

19 ~~(14)~~[\(16\)](#) “Program year” means a year beginning April 1 and ending March 31, except for
20 the first program year, that may commence after April 1, 2015, subject to commission approval.

21 ~~(15)~~[\(17\)](#) “Renewable energy certificate” means a New England Generation Information
22 System renewable energy certificate as defined in § 39-26-2(14).

23 ~~(16)~~[\(18\)](#) “Renewable energy classes” means categories for different renewable energy
24 technologies using eligible renewable energy resources as defined by § 39-26-5, including biogas
25 created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass
26 fuels specified in § 39-26-2(6). For each program year, in addition to the classes of solar distributed
27 generation specified in § 39-26.6-7, the board shall determine the renewable energy classes as are
28 reasonably feasible for use in meeting distributed-generation objectives from renewable energy
29 resources and are consistent with the goal of meeting the annual target for the program year. The
30 board may make recommendations to the commission to add, eliminate, or adjust renewable energy
31 classes for each program year, provided that the solar classifications set forth in § 39-26.6-7 shall
32 remain in effect for at least the first two (2) program years and no distributed-generation project
33 may exceed five megawatts (5 MW) of nameplate capacity.

34 ~~(17)~~[\(19\)](#) “Shared solar facility” means a single small-scale or medium-scale solar facility

1 that must allocate bill credits to at least two (2), and no more than fifty (50), accounts in the same
2 customer class and on the same or adjacent parcels of land. Public entities may allocate such bill
3 credits to at least two (2), and up to fifty (50), accounts without regard to physical location so long
4 as the facility and accounts are within the same municipality. In no case will the annual allocated
5 credits in KWh exceed the prior three-year (3) annual average usage, less any reductions for verified
6 energy-efficiency measures installed at the customer premises, of the customer account to which
7 the bill credits are transferred.

8 ~~(18)~~(20) “Small distributed-generation project” means a distributed-generation renewable
9 energy project that has a nameplate capacity within the following: Wind: fifty kilowatts (50 KW)
10 to one and one-half megawatts (1.5 MW); small-scale solar projects and medium-scale solar
11 projects with the capacity limits as specified in § 39-26.6-7. For technologies other than solar and
12 wind, the board shall set the nameplate capacity-size limits, but such limits may not exceed one
13 megawatt (1 MW).

14 ~~(19)~~(21) “Small-scale solar project” means a solar distributed-generation project with the
15 nameplate capacity specified in § 39-26.6-7.

16 **39-26.6-5. Tariffs proposed and approved.**

17 (a) Each year, ~~for a period of at least five (5) program years,~~ the electric distribution
18 company shall file tariffs with the commission that are designed to provide a multiyear stream of
19 performance-based incentives to eligible renewable-distributed-generation projects for a term of
20 years, under terms and conditions set forth in the tariffs and approved by the commission. The
21 tariffs shall set forth the rights and obligations of the owner of the distributed-generation project
22 and the conditions upon which payment of performance-based incentives by the electric
23 distribution company will be paid. The tariffs shall include the non-price conditions set forth in §§
24 39-26.2-7(2)(i) — (vii) for small distributed-generation projects (other than small- and medium-
25 scale solar) and large distributed-generation projects; provided, however, that the time periods for
26 the projects to reach ninety percent (90%) of output shall be extended to twenty-four (24) months
27 (other than eligible anaerobic-digestion projects, which shall be thirty-six (36) months, and eligible
28 small-scale hydro, and large-scale solar projects which shall be forty-eight (48) months). The non-
29 price conditions in the tariffs for small- and medium-scale solar shall take into account the different
30 circumstances for distributed-generation projects of the smaller sizes.

31 (b) In addition to the tariff(s), the filing shall include the rules governing the solicitation
32 and enrollment process. The solicitation rules will be designed to ensure the orderly functioning of
33 the distributed-generation growth program and shall be consistent with the legislative purposes of
34 this chapter.

1 (c) In proposing the tariff(s) and solicitation rules applicable to each year, the tariff(s) and
2 rules shall be developed by the electric distribution company and will be reviewed by the office
3 and the board before being sent to the commission for its approval. The proposed tariffs shall
4 include the ceiling prices and term lengths for each tariff that are recommended by the board. The
5 term lengths shall be from fifteen (15) to twenty (20) years; provided, however, that the board may
6 recommend shorter terms for small-scale solar projects. Whatever term lengths between fifteen
7 (15) and twenty (20) years are chosen for any given tariff, the evaluation of the bids for that tariff
8 shall be done on a consistent basis such that the same term lengths for competing bids are used to
9 determine the winning bids.

10 (d) The board shall use the same standards for setting ceiling prices as set forth in § 39-
11 26.2-5. In setting the ceiling prices, the board may specifically consider:

12 (1) Transactions for newly developed renewable energy resources, by technology and size,
13 in the ISO-NE control area and the northeast corridor;

14 (2) Pricing from bids received during the previous program year;

15 (3) Environmental benefits, including, but not limited to, reducing carbon emissions;

16 (4) For community remote distributed-generation systems, administrative costs and
17 financial benefits for participating customers;

18 (5) System benefits; **and**

19 (6) Cost-effectiveness;

20 [\(7\) Location of projects, including climate resilience and conservation benefits; and](#)

21 [\(8\) Labor standards pursuant to chapter 26.9 of title 39.](#)

22 (e) At least forty-five (45) days before filing the tariff(s) and solicitation rules, the electric
23 distribution company shall provide the tariff(s) and rules in draft form to the board for review. The
24 commission shall have the authority to determine the final terms and conditions in the tariff and
25 rules. Once approved, the commission shall retain exclusive jurisdiction over the performance-
26 based incentive payments, terms, conditions, rights, enforcement, and implementation of the tariffs
27 and rules, subject to appeals pursuant to chapter 5 of this title.

28 **39-26.6-7. Solar project size categories.**

29 (a) Tariff(s) shall be proposed for each of the following solar distributed-generation
30 classes:

31 (1) Small-scale solar projects;

32 (2) Medium-scale solar projects;

33 (3) Commercial-scale solar projects; and

34 (4) Large-scale solar projects.

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

3 (1) Large scale: solar projects ~~from one megawatt (1 MW), up to and including, five~~
4 ~~megawatts (5 MW) nameplate capacity;~~ shall be comprised of four (4) classes as follows:

5 (i) One megawatt (1 MW) but less than five megawatts (5 MW), nameplate capacity;

6 (ii) Five megawatts (5 MW), but less than ten megawatts (10 MW), nameplate capacity;

7 (iii) Ten megawatts (10 MW), but less than fifteen megawatts (15 MW), nameplate
8 capacity; and

9 (iv) Fifteen megawatts (15 MW), but less than thirty-nine megawatts (39 MW), nameplate
10 capacity for projects located on preferred sites.

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

13 (3) Medium scale: shall be comprised of solar projects greater than twenty-five kilowatts
14 (25 KW), up to and including, two hundred fifty kilowatts (250 KW) nameplate capacity; and

15 (4) Small scale: shall be comprised of solar projects, up to and including, twenty-five
16 kilowatts (25 KW) nameplate capacity.

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

23 **39-26.6-12. Annual bidding and enrollments.**

24 (a) With the exception of the first program year (2015), the electric distribution company,
25 in consultation with the board and office, shall conduct at least three (3) tariff enrollments for each
26 distributed-generation class each program year. For the first program year, the board may
27 recommend that either two (2) or three (3) enrollments be conducted.

28 (b) During each program year, the tariff enrollments shall have both an annual targeted
29 amount of nameplate megawatts (“annual MW target”) and a nameplate megawatt target for each
30 separate enrollment event (“enrollment MW target”). The enrollment MW target shall comprise the
31 specific portion of the annual MW target sought to be obtained in that enrollment. The enrollment
32 MW targets shall be recommended by the board each year, subject to commission approval. The
33 board shall also recommend a megawatt target for each class (“class MW target”) that comprises a
34 specified portion of the enrollment MW target, subject to commission approval. If the electric

1 distribution company, the office, and the board mutually agree, they may reallocate megawatts
2 during an enrollment from one class to another without commission approval if there is an over-
3 subscription in one class and an under-subscription in another, provided that the annual MW target
4 is not being exceeded, except as provided in § 39-26.6-7.

5 (c) The annual MW targets shall be from the year 2023 through the year 2033. The annual
6 target for each program year shall be up to three hundred megawatts (300 MW); provided that,
7 thirty megawatts (30 MW) shall be reserved for projects less than one megawatt (1 MW).
8 ~~established as follows; provided, however, that at least three megawatts (3 MW) of nameplate~~
9 ~~capacity shall be carved out exclusively for small scale solar projects in each of the first four (4)~~
10 ~~program years:~~

11 ~~(1) For the first program year (2015), the annual MW target shall be twenty five nameplate~~
12 ~~megawatts (25 MW);~~

13 ~~(2) For the second program year, the annual targets shall be forty nameplate megawatts (40~~
14 ~~MW);~~

15 ~~(3) For the third and fourth program years, the annual target shall be forty nameplate~~
16 ~~megawatts (40 MW), subject to the conditions set forth in subsection (f) of this section having been~~
17 ~~met for the applicable prior program year as determined in the manner specified in subsection (g)~~
18 ~~of this section;~~

19 ~~(4) For the fifth program year, the annual target shall be set to obtain the balance of capacity~~
20 ~~needed to achieve one hundred sixty nameplate megawatts (160 MW) within the five year (5)~~
21 ~~distributed generation growth program, subject to subsection (e) of this section and the conditions~~
22 ~~set forth in subsection (f) of this section having been met for the fourth program year as determined~~
23 ~~in the manner specified in subsection (g) of this section; and~~

24 ~~(5) From the year 2020 through the year 2029, the annual target for each program year shall~~
25 ~~be an additional forty nameplate megawatts (40 MW) above the annual target for the preceding the~~
26 ~~program year.~~

27 ~~(d) During the fifth year of the distributed generation growth program, the board may~~
28 ~~recommend to the commission an extension of time in the event that additional time is required to~~
29 ~~achieve the full one hundred sixty nameplate megawatt (160 MW) target of the program. The~~
30 ~~commission shall approve the recommendation of the board; provided, however, that the~~
31 ~~commission may make any modifications to the board's recommendation that the commission~~
32 ~~deems appropriate, consistent with the legislative purposes of this chapter as set forth herein.~~

33 ~~(e) To the extent there was a shortfall of capacity procured under chapter 26.2 of this title~~
34 ~~from distributed generation procurements in 2014, such shortfall amount may be added to the one~~

1 ~~hundred sixty megawatt (160 MW) target for acquisition in the fifth program year under this~~
2 ~~chapter. In no event shall the electric distribution company be required to exceed the aggregate~~
3 ~~amount of one hundred sixty (160) nameplate capacity plus any such shortfall amount over the five~~
4 ~~(5) years, but may do so voluntarily, in consultation with the board and subject to commission~~
5 ~~approval.~~

6 ~~(f) The conditions specified in subsections (c)(3) and (c)(4) of this section are as follows:~~

7 ~~(1) That it is reasonable to conclude that the bid prices submitted in the procurements for the large-~~
8 ~~scale solar and commercial-scale solar classes were reasonably competitive in the immediately~~
9 ~~preceding program year; (2) That it is reasonable to conclude that the annual MW target specified~~
10 ~~for the next program year is reasonably achievable; and (3) That the electric distribution company~~
11 ~~was able to, or with reasonably prudent efforts should have been able to, perform the studies and~~
12 ~~system upgrades on a timely basis necessary to accommodate the number of applications associated~~
13 ~~with the targets without materially adversely affecting other electric distribution construction~~
14 ~~projects needed to provide reliable and safe electric distribution service. To the extent the board or~~
15 ~~the commission concludes that any of these conditions have not been met for the applicable~~
16 ~~program year, the board may recommend, and/or the commission may adopt, a new annual MW~~
17 ~~target, based on the factors set forth in subsection (h) of this section.~~

18 ~~(g) Before the third, fourth, and fifth program years, each year the board shall review the~~
19 ~~conditions specified in subsection (f) of this section and make a recommendation to the commission~~
20 ~~for findings as to whether they have been met for the applicable year. The recommendation shall~~
21 ~~be filed with the commission, with copies to the office and the electric distribution company, and~~
22 ~~any person who has made a written request to the commission to be included in such notification,~~
23 ~~such list which may be obtained from the commission clerk, and a notice of such filing shall be~~
24 ~~posted by the commission on its website. If no party files an objection to the recommended findings~~
25 ~~within ten (10) business days of the posting, the commission may accept them without hearings. If~~
26 ~~an objection is filed with a reasonable explanation for its basis, the commission shall hold hearings~~
27 ~~and make the factual determination of whether the conditions have been met.~~

28 ~~(h) In the event that the conditions in subsection (f) of this section have not been met for~~
29 ~~any program year, then the board and the commission shall take into account the factors set forth~~
30 ~~below in setting the annual MW target for the following year. In addition, for every program year~~
31 ~~the board and the commission shall take into account these factors in setting the class MW targets,~~
32 ~~and the enrollment MW targets for the following year: (1) That the new annual, class, and~~
33 ~~enrollment levels reasonably assure that competition among projects for the applicable bidding~~
34 ~~classifications remains robust and likely to yield reasonable and competitive program costs; (2)~~

1 ~~That, assuming prudent management of the program, the electric distribution company should be~~
2 ~~able to perform the studies and system upgrades on a timely basis necessary to accommodate the~~
3 ~~number of applications associated with the targets without materially adversely affecting other~~
4 ~~electric distribution construction projects needed to provide reliable and safe electric distribution~~
5 ~~service; and (3) Any other reasonable factors that are consistent with the legislative purpose of this~~
6 ~~chapter as set forth herein, including the program purpose to facilitate the development of~~
7 ~~renewable distributed generation in the load zone of the electric distribution company at reasonable~~
8 ~~cost.~~

9 ~~(i) The renewable energy growth program is intended to achieve at least an aggregate~~
10 ~~amount of one hundred sixty nameplate megawatts (160 MW) over five (5) years, plus any shortfall~~
11 ~~amount added in pursuant to subsection (e) of this section. However, after the second program year,~~
12 ~~the board may, based on market data and other information available to it, including pricing~~
13 ~~received during previous program years, recommend changes to the annual target for any program~~
14 ~~year above or below the specified targets in subsection (e) of this section if the board concludes~~
15 ~~that market conditions are likely to produce favorably low or unfavorably high target pricing during~~
16 ~~the upcoming program year, provided that the recommendation may not result in the five year (5),~~
17 ~~one hundred sixty megawatt nameplate (160 MW) target, plus any shortfall added pursuant to~~
18 ~~subsection (e) of this section, being exceeded. Any megawatt reduction in an annual target shall be~~
19 ~~added to the target in the fifth year of the program (and any subsequent years if necessary) such~~
20 ~~that the overall program target of one hundred sixty megawatt nameplate (160 MW) capacity, plus~~
21 ~~any shortfall added pursuant to subsection (e) of this section, is achieved. In considering these~~
22 ~~issues, the board and the commission may take into account the reasonableness of current pricing~~
23 ~~and its impact on all electric distribution customers and the legislative purpose of this chapter as~~
24 ~~set forth herein, including the program purpose to facilitate the development of renewable~~
25 ~~distributed generation in the load zone of the electric distribution company at reasonable cost.~~

26 ~~(j) The provisions of § 39-26.1-4 shall apply to the annual value of performance based~~
27 ~~incentives (actual payments plus the value of net metering credits, as applicable) provided by the~~
28 ~~electric distribution company to all the distributed generation projects under this chapter, subject~~
29 ~~to the following conditions:~~

30 ~~(1) The targets set for the applicable program year for the applicable project classifications~~
31 ~~were met or, if not met, such failure was due to factors beyond the reasonable control of the electric~~
32 ~~distribution company;~~

33 ~~(2) The electric distribution company has processed applications for service and completed~~
34 ~~interconnections in a timely and prudent manner for the projects under this chapter, taking into~~

1 ~~account factors within the electric distribution company's reasonable control. The commission is~~
2 ~~authorized to establish more specific performance standards to implement the provisions of this~~
3 ~~chapter; and~~

4 ~~(3) The incentive shall be one and three quarters percent (1.75%) of the annual value of~~
5 ~~performance based incentives. The commission is authorized to establish more specific~~
6 ~~performance standards to implement the provisions of this paragraph.~~

7 **39-26.6-22. Zonal and other incentive payments.**

8 In order to provide the electric distribution company and the board with the flexibility to
9 encourage distributed-generation projects to be located in designated geographical areas within its
10 load zone where there is an identifiable system benefit, reliability benefit, or cost savings to the
11 distribution system in that geographical area; or to the electric distribution company, ~~in consultation~~
12 ~~with the board and the office, may propose to include an incentive payment adder to the bid price~~
13 ~~of any winning bidder that proposes a distributed-generation project in the desired geographical~~
14 ~~area.~~ or conservation benefit, or climate resilience benefit in that geographical area, the electric
15 distribution company, the board or the office, shall propose to include an incentive-payment adder
16 to the bid price of any winning bidder that proposes a distributed-generation project in the preferred
17 sites that require remediation. The company, board, or office can also propose disincentive
18 subcontractors for projects outside of preferred areas. The electric distribution company also may
19 propose other incentive payments to achieve other technical or public policy objectives that provide
20 identifiable benefits to customers. Any incentive-payment adders must be approved by the
21 commission, and shall not be counted as part of the bid price when the bids are selected at an
22 enrollment event.

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

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LC002574/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIES -- NET METERING

- 1 This act defines core forest and preferred sites for the purposes of solar development, and
- 2 adds commercial and industrial customers, and expands the Renewable Energy Growth program.
- 3 This act would take effect upon passage.

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LC002574/SUB A
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