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LC02162

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2011

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED RENEWABLE ENERGY

Introduced By: Senator Joshua Miller

Date Introduced: March 23, 2011

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 39 of the General Laws entitled "Public Utilities and Carriers" is
2 hereby amended by adding thereto the following chapter:

3 CHAPTER 26.2

4 DISTRIBUTED GENERATION STANDARD CONTRACTS

5 39-26.2-1. Short title. – This chapter shall be known as and may be cited as “The
6 Distributed Generation Standard Contracts Act.”

7 39-26.2-2. Definitions. – When used in this chapter, the following terms shall have the
8 following meanings

9 (1) “Annual target” means the target for total renewable energy credit capacity of new
10 standard contracts entered into during the program year;

11 (2) “Commission” means the Rhode Island public utilities commission;

12 (3) “Distributed generation facility” means an electrical generation facility located in
13 Rhode Island with a capacity no greater than five (5) megawatts, using eligible renewable energy
14 resources as defined by section 39-26-5, and connected to an electrical power system owned,
15 controlled or operated by an obligated entity;

16 (4) "Obligated entity" means a person or entity that sells electrical energy to end-use
17 customers in Rhode Island, including, but not limited to: nonregulated power producers and
18 electric utility distribution companies, as defined in section 39-1-2, supplying standard offer

1 service, last resort service, or any successor service to end-use customers; including National
2 Grid, but not to include Block Island Power Company as described in section 39-26-7 or Pascoag
3 Utility District;

4 (5) “Program year” means a calendar year beginning January 1 and ending December 31;

5 (6) “Renewable energy classes” means categories for different renewable energy
6 technologies and sizes;

7 (7) “Renewable energy credit” means a New England Generation Information System
8 renewable energy certificate as defined in subdivision 39-26-2(15);

9 (8) “Renewable energy credit capacity” means the annual capacity of a distributed
10 generation facility to generate renewable energy credits; and

11 (9) “Standard contract” means a twenty (20) year contract at a fixed rate for the purchase
12 of all renewable energy credits generated by a distributed generation facility. The commission
13 will set the terms of the standard contract for each program year pursuant to section 3 of this
14 chapter.

15 **39-26.2-3. Standard contracts.** – (a) On or before October 15 of each year, the
16 commission shall open a docket in order to:

17 (1) Set the annual target for the following program year at the level of 1% of annual total
18 retail sales to Rhode Island end-use customers calculated in megawatt-hours, adjusted for electric
19 line losses;

20 (2) Set the program year standard contract terms and prices for different renewable
21 energy classes.

22 (3) Set an overall annual cap for the costs of the distributed generation standard contracts.

23 (b) On or before December 1 of each year, the commission shall issue an order approving
24 the standard contracts for the following program year.

25 **39-26.2-4. Requirements.** – During the program year, obligated entities are required to
26 enter into standard contracts with distributed generation facilities, provided that the annual target
27 has not been exceeded.

28 **39-26.2-5. Interaction with other policies.** – Renewable energy credits acquired
29 through standard contracts may be settled by obligated entities for the purpose of compliance with
30 the renewable energy standard under chapter 26 of title 39.

31 SECTION 2. This act shall take effect upon passage.

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIERS - DISTRIBUTED RENEWABLE
ENERGY

- 1 This act would allow the integration of small, renewable energy power electrical
- 2 generation plants into the state power distribution system.
- 3 This act would take effect upon passage.

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