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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

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A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DISTRIBUTED GENERATION  
INTERCONNECTION

Introduced By: Senators Ciccone, Lombardo, F Lombardi, Rogers, and Burke

Date Introduced: March 17, 2022

Referred To: Senate Commerce

It is enacted by the General Assembly as follows:

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

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

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

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

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

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

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

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

18 ~~(6) Nonresidential applicants for interconnections of renewable distributed generation~~

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

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

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

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

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

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

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

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

23 (6) Nonresidential applicants for interconnections of renewable distributed generation  
24 greater than one megawatt (1 MW): actual cost or ten thousand dollars (\$10,000), whichever is less  
25 except as set forth in subsection (c) of this section.

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

31 (c) To the extent that an impact study fee established under this section does not cover the  
32 reasonable cost of an impact study for a given nonresidential project that commences operation,  
33 the balance of these costs shall be recovered from such applicant through billings after the project  
34 is online. The electric distribution company may, at its sole election, offset net-metering credits or

1 any standard contract payments until the full fee(s) is reimbursed, if it finds it administratively  
2 convenient to use that means of billing for the balance of the fee for a given project.

3 (d) The electric distribution company shall report the total number of interconnection  
4 studies and its total charges to conduct feasibility and impact studies on each individual circuit in  
5 Rhode Island, to the independent interconnection ombudsman appointed under § 39-26.3-4.1(h),  
6 the division of public utilities and carriers, and the public utilities commission, no later than October  
7 30, 2022, and update that report every six (6) months. The electric distribution company shall not  
8 charge more than it costs to conduct any interconnection studies, or for time spent studying  
9 feasibility or impact, that can be assessed based on prior studies, nor shall the electric distribution  
10 company charge an interconnecting, renewable energy customer for indirect costs, overhead, profit  
11 allocations or costs for any time spent responding to disputes related to those studies.

12 **39-26.3-4.1. Interconnection standards.**

13 (a) The electric distribution company may only charge an interconnecting, renewable  
14 energy customer for any system modifications to its electric power system specifically necessary  
15 for and directly related to the interconnection. The electric distribution company may not charge  
16 an interconnecting, renewable energy customer for system improvements, including any upgrades  
17 to the electric power system otherwise intended to comply with electric distribution company  
18 standards or that otherwise benefit the system or that benefit any other interconnecting, renewable  
19 energy customer; except as set forth in §§ 39-26.3-4.1(b), 39-26.3-4.1(c), and 39-26.3-4.1(g).

20 (b) If the public utilities commission determines that a specific system modification  
21 benefiting other customers has been accelerated due to an interconnection request, it may order the  
22 interconnecting customer to fund the modification subject to repayment ~~of the depreciated value of~~  
23 ~~the modification~~ within ninety (90) days of completion of the modification as of the time the  
24 ~~modification would have been necessary as determined by the public utilities commission.~~ Any  
25 system modifications benefiting other customers shall be included in rates as determined by the  
26 public utilities commission. The electric distribution company shall provide an industry standard  
27 estimate-level detailed audit and line-item budget account of its actual cost to the interconnecting,  
28 renewable energy customer with every cost estimate it issues and within ninety (90) days of  
29 completing any system modifications, always including any and all supporting records and  
30 documentation.

31 (c) If an interconnecting, renewable energy customer is required to pay for system  
32 modifications and a subsequent renewable energy or commercial customer relies on those  
33 modifications to connect to the distribution system within ten (10) years of the earlier  
34 interconnecting, renewable energy customer's payment, the subsequent customer will make a

1 prorated contribution toward the cost of the system modifications that will be credited to the earlier  
2 interconnecting, renewable energy customer as determined by the public utilities commission.

3 (d) An electric distribution company shall acknowledge to the interconnecting, renewable  
4 energy customer receipt of an application to initiate the interconnection process within three (3)  
5 business days of receipt. The electric distribution company shall notify the interconnecting,  
6 renewable energy customer in writing within ten (10) business days of receipt that the application  
7 is or is not complete and, if not, advise ~~what is missing~~ of any and all elements of the application  
8 that are materially incomplete within the ten (10) business days. Once the incomplete items that are  
9 material to the interconnection process are addressed, the electric distribution company shall  
10 conduct a supplemental completeness review and application screens, within no more than five (5)  
11 business days, notifying the applicant which interconnection process will be followed, whether  
12 their application is still materially incomplete or deficient, provide a complete and specific list of  
13 any and all incomplete items or deficiencies along with specific detailed instructions or  
14 recommendations, as to why items are deficient and how to correct any remaining deficiencies, in  
15 a form that enables the applicant to fully address them. Once all materially deficient items are then  
16 addressed, the electric distribution company shall issue a final decision on all screens and on which  
17 interconnection process shall be followed within two (2) days. As long as the applicant provides  
18 all requested information within ten (10) days of the request, the interconnection deadlines in this  
19 section will not be extended. The electric distribution company shall maintain an example of a  
20 complete, detailed and current model interconnection application, with all required attachments and  
21 supplemental information, in an easily accessible location on its website for ease of reference,  
22 which shall be updated within five (5) calendar days of any update to any of the electric distribution  
23 company's technical standards or specifications for interconnection, as set forth in § 39-26.3-4.1(i).

24 Any disputes regarding whether and when an application to initiate the interconnection process is  
25 complete shall be resolved expeditiously at the public utilities commission. The maximum time  
26 allowed between the date of the completed application and delivery of an executable  
27 interconnection service agreement shall be one hundred seventy-five (175) calendar days or two  
28 hundred (200) calendar days if a detailed study is required. All electric distribution company system  
29 modifications must be completed by the date which is the later of: (1) No longer than two hundred  
30 seventy (270) calendar days, or three hundred sixty (360) calendar days if substation work is  
31 necessary, from the date of the electric distribution company's receipt of the interconnecting,  
32 renewable energy customer's executed interconnection service agreement; or (2) The  
33 interconnecting, renewable energy customer's ~~agreed-upon~~ extension of the time between the  
34 execution of the interconnection service agreement and interconnection ~~as set forth in writing~~ as

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

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

1 utilities commission. The public utilities commission may include incentives and penalties in the  
2 performance metrics.

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

15 (g) If the electric distribution company's impact study estimate for system modifications  
16 exceeds one hundred thousand dollars (\$100,000), the interconnecting, renewable energy customer  
17 shall have the option to either self-perform or third-party contract for the system modification  
18 subject to the following conditions:

19 (1) The engineering, procurement and construction of the system modifications shall  
20 comply with all requirements of law and regulation to which the electric distribution company  
21 would be subject in the engineering, procurement and construction of electric power system  
22 facilities;

23 (2) The modifications shall be implemented and tested in accordance with the electric  
24 power system's company documented design standards;

25 (3) The interconnecting, renewable energy customer is able to self-perform the system  
26 modifications, either on its own or in conjunction with third-party service providers, in the most  
27 cost-effective manner (considering all qualified proposals by other interconnecting, renewable  
28 energy customers at the time); and

29 (4) The electric distribution company shall respond within ten (10) business days to  
30 requests for any information made to it by the interconnecting, renewable energy customer related  
31 to the system modifications. Upon receiving reasonable prior notice from the electric distribution  
32 company, the interconnecting, renewable energy customer shall provide reasonable physical access  
33 to the system modifications during construction. Third-party service providers shall be selected  
34 from the electric distribution company's approved vendor list, to be developed no later than October

1 30, 2022, and updated regularly and to contain no less than three (3) qualified vendors per technical  
2 discipline. The self-performing interconnecting customer will provide an industry standard  
3 estimate-level detailed audit and line item budget account of its actual cost with every cost estimate  
4 it issues and within ninety (90) days of completing any system modifications, including any and all  
5 supporting records and documentation.

6 (h) On or before September 1, 2022, the public utilities commission, in consultation with  
7 the office of energy resources, shall appoint and oversee a neutral, qualified third-party ombudsman  
8 to oversee the distribution company's administration of interconnection, to ensure that the  
9 interconnection process works efficiently to serve the purposes of Rhode Island's energy plan and  
10 policy. The appointed ombudsman shall oversee and supervise any and all elements of the  
11 interconnection process including, but not limited to: providing dispute resolution assistance upon  
12 written request by a party to a dispute, under the interconnection tariff, planning and management  
13 of infrastructure safety and reliability investments and all other investments to ensure and facilitate  
14 access to the distribution system; processing of applications; management of queue position;  
15 interactions with ISO-NE; implementation of system modifications; and administration and  
16 exemptions to the interconnection tax. This position shall be funded first out of any excess  
17 interconnection study fees assessed to interconnecting, renewable energy customers as determined  
18 in the review conducted under § 39-26.3-4(d) and then, any remaining amount shall be paid for, in  
19 equal shares, by:

20 (1) The interconnecting, renewable energy customers, on a pro rata share, based on the  
21 previous year's interconnection load; and

22 (2) The electric distribution company.

23 (i) The electric distribution company shall host an eight (8) member Rhode Island  
24 interconnection technical services committee (RI-ITSC) comprised of representatives of the  
25 electric distribution company (two (2) members at least one of which will have experience in the  
26 technical aspects of interconnection and which member shall be the chair of the RI-ITSC), the  
27 Rhode Island office of energy resources (one member), the division of public utilities and carriers  
28 (one member), industry (three (3) members, with at least one of the members having experience in  
29 the technical aspects of interconnection), and ISO-NE (one member). When the electric distribution  
30 company is considering changes that are likely to materially impact proposed interconnected  
31 facilities or future applications, the electric distribution company shall provide a draft of the  
32 proposed changes to its standards to the RI-ITSC and interconnecting, renewable energy customers  
33 with potentially impacted applications prior to those changes going into effect and, where  
34 practicable, the electric distribution company will take into consideration feedback from the RI-

1 [ITSC about how such changes would impact interconnecting, renewable energy customers.](#)

2 [\(j\) The electric distribution company shall not change its technical standards or](#)  
3 [specifications for interconnection, as addressed in the electric distribution company's Electrical](#)  
4 [Service Bulletin 756 where applicable to Rhode Island "Requirements for Parallel Generation](#)  
5 [Connected to a National Grid owned EPS" or otherwise, without approval of the public utilities](#)  
6 [commission and without properly publishing any such changes to interconnecting, renewable](#)  
7 [energy customers no less than thirty \(30\) days before implementation. Any changed interconnection](#)  
8 [standards will not apply to renewable energy projects with complete interconnection applications.](#)

9 [\(k\) The electric distribution company's interconnection application process shall inform](#)  
10 [interconnecting, renewable energy customers of the procedure to certify qualification and pursue](#)  
11 [the Internal Revenue Service's safe harbor against the contribution in aid of construction tax,](#)  
12 [exempting interconnections designed to send electricity to the electric distribution company.](#)

13 [\(l\) The electric distribution company shall not prohibit the crossing of a public way by the](#)  
14 [interconnecting, renewable energy customer with any equipment. The electric distribution](#)  
15 [company shall work with the interconnecting, renewable energy customer to allow such a crossing](#)  
16 [in any existing or proposed electric distribution facilities owned by the electric distribution](#)  
17 [company.](#)

18 SECTION 2. This act shall take effect thirty (30) days after enactment and shall apply  
19 prospectively to all phases of the interconnection process that have yet to commence as of the  
20 effective date.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- DISTRIBUTED GENERATION  
INTERCONNECTION

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1           This act would require the electric distribution company to properly account for and  
2 implement actual cost interconnection study fees and interconnection charges. It would require  
3 greater transparency in standards for interconnection and greater clarity for the interconnection  
4 process, including establishment of an eight (8) member Rhode Island interconnection technical  
5 services committee. It would also establish an independent ombudsman to oversee the electric  
6 distribution company's interconnection practices and provide greater accountability for non-  
7 compliance.

8           This act would take effect thirty (30) days after enactment and would apply prospectively  
9 to all phases of the interconnection process that have yet to commence as of the effective date.

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