

2010 -- S 2969

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- RENEWABLE ENERGY
STANDARD

Introduced By: Senator Daniel P. Connors

Date Introduced: June 03, 2010

Referred To: Senate Environment & Agriculture

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 39-26-2 of the General Laws in Chapter 39-26 entitled "Renewable
2 Energy Standard" is hereby amended to read as follows:

3 **39-26-2. Definitions.** – When used in this chapter:

4 (1) "Alternative compliance payment" means a payment to the Renewable Energy
5 Development Fund of fifty dollars (\$50.00) per megawatt-hour of renewable energy obligation, in
6 2003 dollars, adjusted annually up or down by the consumer price index, which may be made in
7 lieu of standard means of compliance with this statute;

8 (2) "Commission" means the Rhode Island public utilities commission;

9 (3) "Compliance year" means a calendar year beginning January 1 and ending December
10 31, for which an obligated entity must demonstrate that it has met the requirements of this statute;

11 (4) "Customer-sited generation facility" means a generation unit that is interconnected on
12 the end-use customer's side of the retail electricity meter in such a manner that it displaces all or
13 part of the metered consumption of the end-use customer;

14 (5) "Educational institution" means any public school, approved private non-profit
15 school, or institution of higher education as defined in 20 U.S.C. Chapter 28, Subchapter 1, Part
16 A section 1001 (a).

17 (6) "Electrical energy product" means an electrical energy offering, including, but not
18 limited to, last resort and standard offer service, that can be distinguished by its generation

1 attributes or other characteristics, and that is offered for sale by an obligated entity to end-use
2 customers;

3 (7) "Eligible biomass fuel" means fuel sources including brush, stumps, lumber ends and
4 trimmings, wood pallets, bark, wood chips, shavings, slash and other clean wood that is not
5 mixed with other solid wastes; agricultural waste, food and vegetative material; energy crops;
6 landfill methane; biogas; or neat bio-diesel and other neat liquid fuels that are derived from such
7 fuel sources;

8 (8) "Eligible renewable energy resource" means resources as defined in section 39-26-5;

9 (9) "End-use customer" means a person or entity in Rhode Island that purchases
10 electrical energy at retail from an obligated entity;

11 (10) "Existing renewable energy resources" means generation units using eligible
12 renewable energy resources and first going into commercial operation before December 31, 1997;

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

18 (12) "Generation attributes" means the nonprice characteristics of the electrical energy
19 output of a generation unit including, but not limited to, the unit's fuel type, emissions, vintage
20 and policy eligibility;

21 (13) "Generation unit" means a facility that converts a fuel or an energy resource into
22 electrical energy;

23 (14) "NE-GIS" means the generation information system operated by NEPOOL, its
24 designee or successor entity, which includes a generation information database and certificate
25 system, and that accounts for the generation attributes of electrical energy consumed within
26 NEPOOL;

27 (15) "NE-GIS certificate" means an electronic record produced by the NE-GIS that
28 identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS;

29 (16) "NEPOOL" means the New England Power Pool or its successor;

30 (17) "Net metering" means the process of measuring the difference between electricity
31 delivered by an electrical distribution company and electricity generated by a solar-net-metering
32 facility, ~~or~~ wind-net-metering facility [or small hydro-net metering facility](#), and fed back to the
33 distribution company;

34 (18) "New renewable energy resources" means generation units using eligible renewable

1 energy resources and first going into commercial operation after December 31, 1997; or the
2 incremental output of generation units using eligible renewable energy resources that have
3 demonstrably increased generation in excess of ten percent (10%) using eligible renewable
4 energy resources through capital investments made after December 31, 1997; but in no case
5 involve any new impoundment or diversion of water with an average salinity of twenty (20) parts
6 per thousand or less;

7 (19) "Non-profit affordable housing" shall mean a housing development or housing
8 project as defined by section 42-55-3 undertaken by a non-profit entity where the residential units
9 taking electric service are either in the same building in close proximity to the renewable energy
10 source or, if not within the same building, are within one-half (1/2) of a mile radius from the
11 renewable energy source; provided, however, that the application has been filed with and
12 reviewed by the division of public utilities and carriers and the division has certified the
13 development or project as eligible. The division shall promulgate regulations setting forth an
14 application process and eligibility criteria to assure that the net metering allowed will benefit the
15 low income affordable housing residents only. The renewable generation credit applicable for
16 nonprofit affordable housing shall be calculated based on the rate class applicable to residential
17 units.

18 (20) "Obligated entity" means a person or entity that sells electrical energy to end-use
19 customers in Rhode Island, including, but not limited to: nonregulated power producers and
20 electric utility distribution companies, as defined in section 39-1-2, supplying standard offer
21 service, last resort service, or any successor service to end-use customers; including Narragansett
22 Electric, but not to include Block Island Power Company as described in section 39-26-7 or
23 Pascoag Utility District;

24 (21) "Off-grid generation facility" means a generation unit that is not connected to a
25 utility transmission or distribution system;

26 (22) "Renewable generation credit" means credit equal to the excess kWhs by the time of
27 use billing period (if applicable) multiplied by the sum of the distribution company's:

28 (i) standard offer service kWh charge for the rate class applicable to the net metering
29 customer;

30 (ii) distribution kWh charge;

31 (iii) transmission kWh charge; and

32 (iv) transition kWh charge. This does not include any charges relating to conservation
33 and load management, demand side management, and renewable energy.

34 (23) "Reserved certificate" means a NE-GIS certificate sold independent of a transaction

1 involving electrical energy, pursuant to Rule 3.4 or a successor rule of the operating rules of the
2 NE-GIS;

3 (24) "Reserved certificate account" means a specially designated account established by
4 an obligated entity, pursuant to Rule 3.4 or a successor rule of the operating rules of the NE-GIS,
5 for transfer and retirement of reserved certificated from the NE-GIS;

6 (25) "Self-generator" means an end-use customer in Rhode Island that displaces all or
7 part of its retail electricity consumption, as metered by the distribution utility to which it
8 interconnects, through the use of a customer-sited generation facility, the ownership of any such
9 facility shall not be considered an obligated entity as a result of any such ownership arrangement;

10 (26) "Small hydro facility" means a facility employing one or more hydroelectric turbine
11 generators and with an aggregate capacity not exceeding thirty (30) megawatts. For purposes of
12 this definition, "facility" shall be defined in a manner consistent with Title 18 of the Code of
13 Federal Regulations, section 92.201 et seq.; provided, however, that the size of the facility is
14 limited to thirty (30) megawatts, rather than eighty (80) megawatts.

15 (27) "Towns and cities" means any Rhode Island town or city with the powers set forth
16 in title 45 of the general laws, which may exercise all such powers, including those set forth in
17 chapter 45-40.1, in developing, owning, operating or maintaining energy generation units
18 utilizing eligible renewable energy resources.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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- 1 This act would add small hydro facilities which generate electricity to those facilities that
- 2 qualify for "net metering" with an electrical distribution company.
- 3 This act would take effect upon passage.

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