

January 26, 2018

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: The Narragansett Electric Company d/b/a National Grid
Net Metering Provision
RIPUC No. 2207
Docket No. 4790**

Dear Ms. Massaro:

Pursuant to Rule 1.9(c) of the Public Utilities Commission's (PUC) Rules and Regulations, enclosed please find 10 copies of National Grid's¹ tariff advice filing to request approval of the Company's electric tariff, entitled Net Metering Provision RIPUC No. 2207. This tariff would supersede the Company's Net Metering Provision, RIPUC No. 2178.

Specifically, National Grid seeks to amend its electric tariff to implement the recent amendments to the Net Metering statute, R.I. Gen. Laws § 39-26.4-2 and § 39-26.4-3 (Net Metering Law).

The appropriate tariff pages marked to identify the additions to the tariff currently in effect are contained in this filing as Attachment 1. In addition to the tariff and supporting explanatory information, the Company is enclosing a draft notice that will be published in *The Providence Journal* to notify the public of the filing in accordance with Commission Rule 1.9 (d)(2). This draft public notice of the filing is attached as Attachment 2. The Company will publish this notice after receiving a docket number for this filing from the PUC. By copy of this letter, notice is also being provided to the Rhode Island Office of Attorney General.

To reduce the volume of paper submitted with this filing, the Company is not submitting clean versions of the tariff at this time. Instead, the Company will file the clean version of the tariff as a compliance filing following the Public Utilities Commission's (PUC) ruling in this docket.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Background

In June 2017, Governor Raimondo signed into law amendments to the Net Metering Law, which were included among a suite of legislation promoting clean energy growth in Rhode Island. The purpose of the amendments is to expand the eligibility for community remote net metering to include educational institutions, hospitals, and nonprofit corporations, as well as to remove the 30 megawatt cap on the maximum, aggregate amount of community remote-net-metering systems for net metering finance arrangements involving public entity facilities, or multi-municipal collaborative facilities, educational institutions, the federal government, hospitals, or nonprofits.

Proposed Tariff Revisions to Implement Amendments to the Net Metering Law

National Grid is proposing revisions to its electric tariff to implement and comply with the amendments to the Net Metering Law. The Company is proposing that the tariff be effective upon PUC approval provided. To assist the PUC in its review of the tariff revisions, the Company has included a summary of the requirements set forth in the Net Metering Law, as amended, together with the statutory reference and corresponding tariff provisions in the table provided as Attachment 3. For the PUC's convenience, a copy of the Net Metering Law, as amended, is attached as Attachment 4 to this filing.

Other Proposed Tariff Revisions

The Company also proposes the following additional tariff revisions, which do not have a corresponding statutory provision:

- Sheet 3, modified the definition of “Multi-Municipal Collaborative,” Section I, to remove the term “Public Entity” before the term “Net Metering Financing Arrangement” to be consistent with other provisions of the tariff and the amended Net Metering Law.
- Sheets 3 and 4, modified the definition of “Net Metered Accounts,” Section I, to add “Educational Institution,” “Hospital,” and “Nonprofit” to the list of entities that may either own the electric delivery service account(s) associated with an Eligible Net Metering System, or that may be owned by a renewable generation developer on behalf of said entities. Also, deleted the term “Public Entity” before “Net Metering Financing Arrangement” to be consistent with other provisions of the tariff and the amended Net Metering Law. There is no corresponding statutory definition of “Net Metered Accounts” in the statute.
- Sheet 4, modified the definition of “Net Metering,” Section I, to include “Educational Institution,” “Hospital,” and “Nonprofit” to be consistent with other provisions of the tariff and the amended Net Metering Law.

- Sheet 5, modified the definition of “Third Party Financing Arrangement,” Section I, to delete the term “Public Entity” before the term “Net Metering Financing Arrangement.” The Company notes that this term was not deleted in the revisions to the Net Metering Law; however, this was likely an oversight, in that the term “public entity” was removed from the statutory definition of “net-metering financing arrangement.” Since the term “Public Entity” is no longer defined in the tariff, the Company also removed it from the definition of “Third Party Financing Arrangement.”
- Schedule B, added “Educational Institution,” “Hospital,” and “Nonprofit” to the list of entities, which are exempt from the requirement that the customer of record be the same as the customer for each Net Metered Account. This revision is intended to align with the revisions to the definition of “Eligible Net Metering System” in the tariff and the amended Net Metering Law.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Cynthia Wilson-Frias, Esq.
Leo Wold, Esq.
John Bell
Al Mancini

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

I. Definitions

“**Commission**” shall mean the Rhode Island Public Utilities Commission.

“**Community Remote Net Metering System**” shall mean an Eligible Net Metering System that allocates Net Metering Credits to an Eligible Credit Recipient pursuant to this Tariff. The Community Remote Net Metering System may be owned by either the same entity that is the customer of record on the Net Metered Account or a Third Party.

“**Company**” shall mean The Narragansett Electric Company d/b/a National Grid.

“**Eligible Credit Recipient**” means one of the following whose electric service account or accounts may receive Net Metering Credits from a Community Remote Net Metering System:

- (a) Residential Credit Recipient means a residential account in good standing.
- (b) Low or Moderate-Income Housing Eligible Credit Recipient means an electric service account or accounts in good standing associated with any housing development or developments owned and operated by a public agency, nonprofit organization, limited equity housing cooperative, or private developer, that receives assistance under any federal, state, or municipal government program to assist the construction or rehabilitation of housing affordable to low or moderate-income households, as defined in the applicable federal or state statute, or local ordinance, encumbered by a deed restriction or other covenant recorded in the land records of the municipality in which the housing is located, that:
 - (1) Restricts occupancy of no less than fifty percent (50%) of the housing to households with a gross annual income that does not exceed eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development (“HUD”);
 - (2) Restricts the monthly rent, including a utility allowance, that may be charged to residents, to an amount that does not exceed thirty percent (30%) of the gross monthly income of a household earning eighty percent (80%) of the area median income, as defined annually by HUD; or
 - (3) Has an original term of not less than thirty (30) years from initial occupancy. Electric service account or accounts in good standing associated with housing developments that are under common ownership or control may be considered a single low or moderate-income housing Eligible Credit Recipient. The value of the credits shall be used to provide benefits to tenants.

The Net Metering Customer must submit documentation in the form of a letter from Rhode Island Housing certifying that each Low or Moderate-Income Housing

Eligible Credit Recipient meets the eligibility criteria specified in this section.

“Educational Institutions” shall mean public and private schools at the primary, secondary and post-secondary levels.

“Eligible Net Metering Resource” shall mean eligible renewable energy resource, as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels.

“Eligible Net Metering System” shall mean a facility generating electricity using an Eligible Net Metering Resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering System Site measured by the three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site becomes available for use in determining eligibility of the generating system. The Eligible Net Metering System may be owned by the same entity that is the customer of record on the Net Metered Accounts or may be owned by a Third Party that is not the Net Metering Customer or the customer of record on the Net Metered Accounts and which may offer a Third-Party Net Metering Financing Arrangement or ~~Public Entity~~-Net Metering Financing Arrangement, as applicable. Notwithstanding any other provisions of this Tariff, any Eligible Net Metering Resource: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative, (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative through a ~~Public Entity~~-Net Metering Financing Arrangement or (iii) that is a Community Remote Net Metering System, shall be treated as an Eligible Net Metering System, and all delivery service accounts designated by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Net Metering Customer for a Community Remote Net Metering System for net metering shall be treated as accounts eligible for net metering within an Eligible Net Metering System Site.

“Eligible Net Metering System Site” shall mean the site where the Eligible Net Metering System is located or is part of the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a farm in which the Eligible Net Metering System is located. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a ~~Public Entity~~-Net Metering Financing Arrangement, or a Community Remote Net Metered System, the purpose of this definition is to reasonably assure that energy generated by the Eligible Net Metering System is consumed by net metered electric delivery service account(s) that are actually located in the same geographical location as the Eligible Net Metering System. All energy generated from any Eligible Net Metering System is and will be considered consumed at the meter where the Eligible Net Metering System is interconnected for valuation purposes. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a ~~Public Entity~~-Net Metering Financing Arrangement, or a Community Remote Net Metering System, all of the Net Metered Accounts at the Eligible Net

Metering System Site must be the accounts of the same customer of record, and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the Eligible Net Metering System Site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the delivery service accounts at the site to be master metered (as allowed by applicable state law) in the owner's name, or become the customer of record for each of the delivery service accounts, provided that the owner becoming the customer of record actually owns the property at which the delivery service account is located. As long as the Net Metered Accounts meet the requirements set forth in this definition, there is no limit on the number of delivery service accounts that may be net metered within the Eligible Net Metering System Site.

“Excess Renewable Net Metering Credit” shall mean a credit that applies to an Eligible Net Metering System for that portion of the production of electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the Net Metering Customer's own consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts during the applicable billing period. Such Excess Renewable Net Metering Credit shall be equal to the Company's avoided cost rate, defined for this purpose as the Standard Offer Service kilowatt-hour (kWh) charge for the rate class and time-of-use billing period, if applicable, that is applicable to the Net Metering Customer for the Eligible Net Metering System. The Commission shall have the authority to make determinations as to the applicability of this credit to specific generation facilities to the extent there is an uncertainty or disagreement.

“Farm” shall be defined in accordance with R.I. Gen. Laws § 44-27-2, except that all buildings associated with the Farm shall be eligible for Net Metering Credits as long as: (i) the buildings are owned by the same entity operating the Farm or persons associated with operating the Farm; and (ii) the buildings are on the same farmland as the project on either a tract of land contiguous with or reasonably proximate to such farmland or across a public way from such farmland.

“Hospital” shall mean and shall be defined and established as set forth in [Chapter 17 of Title 23 of Rhode Island General Laws](#).

“ISO-NE” shall mean the Independent System Operator New England, Inc. established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

“Multi-Municipal Collaborative” shall mean a group of towns and/or cities that enter into an agreement for the purpose of co-owning a renewable generation facility or entering into a [Public Entity](#)-Net Metering Financing Arrangement.

“Municipality” shall mean any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in Title 45 of Rhode Island General Laws.

“NEPOOL” shall mean New England Power Pool.

“Net Metered Accounts” shall mean one or more electric delivery service accounts owned by a single customer of record on the same campus or complex of sites contiguous to one another and

the site where the Eligible Net Metering System is located or a Farm in which the Eligible Net Metering System is located, or the electric delivery service account(s) associated with an Eligible Net Metering System that is: (i) owned by a Public Entity, [Educational Institution](#), [Hospital](#), [Nonprofit](#), or Multi-Municipal Collaborative or (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, [Educational Institution](#), [Hospital](#), [Nonprofit](#), or Multi-Municipal Collaborative through a ~~Public Entity~~ Net Metering Financing Arrangement; or (iii) a Community Remote Net Metering System, provided that the Net Metering Customer has submitted Schedule B (attached) with the individual billing account information for each Net Metered Account. Should there be a change to any of the information contained in Schedule B, the Net Metering Customer is responsible for submitting a revised Schedule B in order for the Company to determine eligibility for the accounts 30 business days prior to making any such change.

“Net Metering” shall mean using electrical energy generated by an Eligible Net Metering System for the purpose of self-supplying electrical energy and power at the Eligible Net Metering System Site or, with respect to a Community Remote Net Metering System or a Public Entity, [Educational Institution](#), [Hospital](#), [Nonprofit](#), or Multi-Municipal Collaborative system, for the purpose of generating Net Metering Credits to be applied to the electric bills of the Net Metered Accounts of the Net Metering Customer.

“Net Metering Credits” shall mean the combination of Renewable Net Metering Credits and Excess Renewable Net Metering Credits, if Excess Renewable Net Metering Credits are produced.

“Net Metering Customer” shall mean an electric delivery service customer of record for the Eligible Net Metering System.

“Nonprofit” shall mean [a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §501\(d\).](#)

“Person” shall mean an individual, firm, corporation, association, partnership, farm, town or city of the State of Rhode Island, Multi-municipal Collaborative, or the State of Rhode Island or any department of the state government, governmental agency or public instrumentality of the state.

“Project” shall mean a distinct installation of an Eligible Net Metering System. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

“Public Entity” means the [federal government](#), State of Rhode Island, Municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within the State of Rhode Island, including the water supply board of the City of Providence.

“~~Public Entity~~ Net Metering Financing Arrangement” shall mean arrangements entered into by a Public Entity, [Educational Institution](#), [Hospital](#), [Nonprofit](#), or Multi-Municipal Collaborative with a private entity to facilitate the financing and operation of a Net Metering resource, in which the private entity owns and operates an Eligible Net Metering Resource on

behalf of a Public Entity, [Educational Institution, Hospital, Nonprofit](#), or Multi-Municipal Collaborative, where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, [Educational Institution, Hospital](#), -or one of the Municipalities, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, [Educational Institution, Hospital, Nonprofit](#), or Multi-Municipal Collaborative to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts.

“Renewable Net Metering Credit” shall mean a credit that applies up to one hundred percent (100%) of a Net Metering Customer’s consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts over the applicable billing period. This credit shall be equal to the total kilowatt-hours of electrical energy generated up to the amount consumed on-site by the Net Metering Customer or the Net Metered Accounts during the billing period multiplied by the sum of the:

- (i) Standard Offer Service kilowatt-hour charge for the rate class applicable to the Net Metering Customer, not including the Renewable Energy Standard charge;
- (ii) Distribution kilowatt-hour charge;
- (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the Company by December 31, 2018, or if an interconnection study is not required, a completed and paid interconnection application has been received by the Company by December 31, 2018, commencing January 1, 2050, the Renewable Net Metering Credit for all remote Public Entity and Multi-Municipal Collaborative Net Metering systems shall not include the distribution kilowatt-hour charge.

“Third Party” means and includes any person or entity other than the Net Metering Customer who owns or operates the Eligible Net Metering System for the benefit of the Net Metering Customer.

“Third Party Net Metering Financing Arrangement” means the financing of Eligible Net Metering Systems through lease arrangements or power/credit purchase agreements between a Third Party and a Net Metering Customer, except for those entities under a [Public Entity](#) Net Metering Financing Arrangement. A Third Party engaged in providing financing arrangements related to such Eligible Net Metering Systems with a public or private entity is not a public utility as defined in R.I. Gen. Laws § 39-1-2.

II. Terms and Conditions

The following policies regarding Net Metering of electricity from Eligible Net Metering Systems and regarding any Person or entity that is a Net Metering Customer shall apply:

- (1) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.

- (2) Through December 31, 2018, the maximum aggregate amount of Community Remote Net Metering Systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018 shall remain available to Community Remote Net Metering Systems until the 30 MW aggregate amount is interconnected. After December 31, 2018, the Commission may expand or modify the aggregate amount after a public hearing upon petition by the OER. The Commission shall determine, within six (6) months of such petition being docketed by the Commission, whether the benefits of the proposed expansion exceed the cost. This 30 MW aggregate amount shall not apply to [any Net Metering Financing Arrangement involving Public Entity facilities, or Multi-Municipal Collaborative facilities, Educational Institutions, the federal government, Hospitals, or Nonprofits.](#)

(i) Net Metering Customers with a Community Remote Net Metering System must obtain an allocation of capacity under the cap set forth in Section II.(2) above. Customers applying for such capacity must provide or show proof of the following: a) a completed Impact Study for Renewable Distributed Generation or a valid fully executed interconnection service agreement; b) site control for the location of the Eligible Net Metering System; and c) a performance deposit as set forth in section (iii) below. If an application meets these requirements, until the capacity limit has been reached, the Community Remote Net Metering System will be provided a cap allocation that will be valid for 24 months from the date of issuance. Projects that apply for a capacity allocation after the MW of applications approved has reached the cap will be kept on a waiting list in the order of complete application with the exception of the performance deposit, which will not be required for the waiting list, but must be paid within five business days from time of notification that capacity becomes available for a project. Applicants that fail to pay the performance deposit within this time frame shall lose their spot on the waiting list.

(ii) If a Community Remote Net Metering System with a cap allocation (a) is not commercially operational or (b) has not met the credit allocation requirements under Section II.(7) below on or before the date that is 24 months from the issuance of the cap allocation (“Cap Expiration Date”), the capacity allocation for the Community Remote Net Metering System will be cancelled, and that capacity will be made available to other applicants. Once cancelled, a customer may apply for a cap allocation again with payment of another performance deposit.

(iii) Customers seeking a Community Remote Net Metering System cap allocation under item (i) above will be required to submit a performance deposit equal to \$25.00 multiplied by the expected annual megawatt-hour output of the system, or \$75,000.00, whichever is less. The deposit will be refunded after the Company verifies that the Community Remote Net Metering System has achieved commercial operation and has met the credit allocation requirements under Section II.(7) below. In the event that the Community Remote Net Metering System does not achieve commercial operation or meet the credit allocation requirements prior to the Cap Expiration Date, the deposit will be forfeited and will be refunded to all customers through the Net Metering Surcharge.

- (iv) The Company will track the amount of capacity that has been allocated and that remains available under the Community Remote Net Metering System cap, and will post such information on its website, which will be updated on a monthly basis until the cap has been reached. The Company may establish additional procedures and guidelines to implement a system of processing, obtaining, and maintaining net metering cap allocations for Community Remote Net Metering Systems.
- (3) If the electricity generated by an Eligible Net Metering System during a billing period is equal to or less than the Net Metering Customer's usage at the Eligible Net Metering System Site, or the aggregate consumption of the Net Metered Accounts, the Net Metering Customer shall receive Renewable Net Metering Credits, which shall be applied to offset the Net Metering Customer's usage on Net Metered Accounts at the Eligible Net Metering Site, or shall be used to credit the Net Metered Accounts, as applicable.
- (4) Unless the Company and Net Metering Customer have agreed to a billing plan pursuant to Section II(8) of this Tariff, if the electricity generated by an Eligible Net Metering System during a billing period is greater than the Net Metering Customer's usage or the aggregate consumption of the Net Metered Accounts, as applicable, during the billing period, the Net Metering Customer shall be paid Excess Renewable Net Metering Credits for the excess generation up to an additional twenty-five percent (25%) of the Net Metering Customer's consumption or the aggregate consumption of the Net Metered Accounts during the billing period.
- (5) For purposes of administering Sections II(3) and II(4) of this Tariff, on a monthly basis, the Company will apply Renewable Net Metering Credits to the Net Metered Accounts for all kWh generated by the Eligible Net Metering System. On an annual basis, the Company will compare kWh generated by the Eligible Net Metering System during the applicable 12-month period to the on-site consumption of the Net Metering Customer or the aggregate consumption of the Net Metered Accounts, as applicable, or to the three-year average aggregate sum of the on-site consumption of the Net Metered Accounts of a Community Remote Net Metering System. If such consumption is less than the kWh generated by the Eligible Net Metering System during the applicable 12-month period, the Company will apply a billing charge to the Net Metering Customer's account equal to the difference between the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the difference between the kWh generated by the Eligible Net Metering System and the consumption during the same 12-month period. If the kWh generated by the Eligible Net Metering System during the applicable 12-month period exceeds such consumption by more than 25 percent, the Company will apply a billing charge to the Net Metering Customer's account equal to the Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the kWh generated in excess of 125 percent of the consumption.
- (6) All Net Metering Customers shall be required to complete Schedule B. Renewable Net Metering Credits will be applied to Net Metered Accounts in the manner specified on Schedule B. Changes to Schedule B may be submitted to the Company on a quarterly basis.

- (7) A Community Remote Net Metering System must allocate Net Metering Credits to a minimum of (i) one account for a system associated with Low or Moderate Income Housing Eligible Credit Recipient or (ii) three (3) Eligible Credit Recipient accounts.

If Net Metering Credits are allocated to three or more Eligible Credit Recipient accounts, the following shall apply to all accounts except for those accounts associated with Low or Moderate-Income Housing Eligible Credit Recipients:

- a. No more than fifty percent (50%) of the Net Metering Credits may be allocated to one Eligible Credit Recipient; and
- b. At least fifty percent (50%) of the Net Metering Credits must be allocated to the remaining Eligible Credit Recipients in an amount allocated to each Recipient that does not exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity.

These requirements must be met before the Company authorizes the project to operate.

The Community Remote Net Metering System may transfer credits to Eligible Credit Recipients in an amount that is equal to or less than the aggregate consumption of the Net Metered Accounts measured by the three-year average annual consumption of energy over the previous three years. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Accounts becomes available.

- (8) For ease of administering Net Metered Accounts and stabilizing Net Metered Account bills, the Company may elect (but is not required) to estimate for any 12-month period (i) the production from the Eligible Net Metering System and (ii) aggregate consumption of the Net Metered Accounts and establish a monthly billing plan that reflects the expected Net Metering Credits that would be applied to the Net Metered Accounts over 12 months. The billing plan would be designed to even out monthly billings over 12 months, regardless of actual production and usage. If the Company makes such an election, the Company would reconcile payments and credits under the billing plan to actual production and consumption at the end of the 12-month period and apply any credits or charges to the Net Metered Customer Accounts for any positive or negative difference, as applicable. Should there be a material change in circumstances at the Eligible Net Metering System Site or associated Net Metered Accounts during the 12 month period, the Company may adjust the estimate and credits during the reconciliation period. The Company may also (but is not required to) elect to issue checks to any Net Metering Customer in lieu of billing credits or carry forward credits or charges to the next billing period. For residential Eligible Net Metering Systems that are twenty-five kilowatts (25 kW) or smaller, the Company, at its option, may administer Renewable Net Metering Credits month to month allowing unused credits to carry forward into following billing period.
- (9) As a condition to receiving Net Metering Credits pursuant to this Tariff, customers who install Eligible Net Metering Systems must enter into an interconnection agreement and comply with the Company's Standards for Connecting Distributed Generation, as

amended and superseded from time to time.

- (10) As a condition to receiving any payments pursuant to this provision, Net Metering Customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW must comply with any and all applicable NEPOOL and ISO-NE rules, requirements, or information requests that are necessary for the Eligible Net Metering System's electric energy output to be sold into the ISO-NE administered markets. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the Net Metering Customer who installs an Eligible Net Metering System must provide such information to the Company prior to the project being authorized to operate in parallel with the Company's electric distribution system.
- (11) NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, and/or sanction is levied by NEPOOL or the ISO-NE as a result of the Net Metering Customer's failure to comply with a NEPOOL or ISO-NE rule, requirement, or information request, the Net Metering Customer will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty, and/or sanction.

III. Rates for Distribution Service to Net Metering Customers and Net Metered Accounts

- (1) Retail delivery service by the Company to the Net Metering Customer and Net Metered Accounts shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service that are on file with the Commission.
- (2) The Standard Offer Service and retail delivery rates applicable to any Net Metered Account shall be the same as those that apply to the rate classification that would be applicable to such delivery service account in the absence of Net Metering, including customer and demand charges, and no other charges may be imposed to offset Net Metering Credits.
- (3) Net Metering Customers shall be exempt from backup service rates commensurate with the size of the Eligible Net Metering System.

IV. Cost Recovery

- (1) Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with R.I. Gen. Laws § 39-26.2-3(a) and the annual amount of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts shall be aggregated by the Company and billed to all distribution customers on an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge embedded in the distribution component of the rates reflected on customer bills.
- (2) The Company will include the energy market payments received from ISO-NE for the

electricity generated by Eligible Net Metering Systems in the Company's annual reconciliation of the Net Metering Charge. Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and associated payment received against the annual amount of Standard Offer Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.

Effective: _____ ~~March 10, 2018~~

Schedule B – Additional Information Required for Net Metering Service

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

Customer Name: _____

Account Number: _____

Facility Address: _____

City: _____ State: RI Zip Code: _____

The Agreement is between _____, a Net Metering Customer (“NMC”) and The Narragansett Electric Company (the “Company”) for application of Net Metering Credits earned through Net Metering from the NMC located at _____, Rhode Island.

The NMC agrees to comply with the provisions of the Net Metering Provision, the applicable retail delivery tariffs, and the Terms and Conditions for Distribution Service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

A) NMC Address: _____

Nameplate rating (AC) of the Eligible Net Metering System _____ kW

Estimated annual generation in kWh of Eligible Net Metering System _____ kWh

Net Metered Account(s)

The following information must be provided for each individual Net Metered Account in a proposed Eligible Net Metering System Site:

Name: _____ (Except in the case of a Public Entity, [Educational Institution](#), [Hospital](#), [Nonprofit](#), or Multi-Municipal Collaborative or Community Remote Net Metered System, the customer of record must be the same the customer for each Net Metered Account)

Service Address: _____

National Grid Account number: _____

Three-year average kWh usage for this account _____

Total three-year average kWh usage for all accounts as associated with an Eligible Net Metering System Site _____

Once this information is received, the Company will determine whether the accounts listed are eligible for net metering.

B) For any Billing Period in which the NMC earns Net Metering Credits, please indicate how the Distribution Company will apply them:

- Apply all of the Net Metering Credits to the account of the NMC (skip Items C and D below)
- Allocate all the Net Metering Credits to the accounts of eligible Customers (please fill out C and D below)
- Both apply a portion of the Net Metering Credits to the NMC's account and allocate a portion to the accounts of eligible Customers (please fill out C and D below)

The Company will notify the NMC within 30 days of the Company's receipt of Schedule B whether it will allocate or purchase Net Metering Credits. If the Company elects to purchase Net Metering Credits, the Company will render payment by issuing a check to the NMC each Billing Period, unless otherwise agreed in writing by the NMC and Company. If the Company elects to allocate Net Metering Credits, the NMC must complete Item C and submit the revised Schedule B to the Company.

C) Please state the total percentage of Net Metering Credits to be allocated.

% Amount of the Net Metering Credit being allocated.

The total amount of Net Metering Credits being allocated shall not exceed 100%. Any remaining percentage will be applied to the NMC's account.

Please identify each eligible Customer account to which the NMC is allocating Net Metering Credits by providing the following information (attach additional pages as needed):

NOTE: If a designated Customer account closes, the allocated percentage will revert to the NMC's account, unless otherwise mutually agreed in writing by the NMC and the Company.

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

Name:

Billing Address:

Account number:

Amount of the Net Metering Credit: _____%

D) The terms of this Schedule B shall remain in effect unless and until the NMC executes a revised Schedule B and submits it to the Company. A revised Schedule B may be updated quarterly during a calendar year.

E) A signature on the application shall constitute certification that (1) the NMC has read the application and knows its contents; (2) the contents are true as stated, to the best knowledge and belief of the NMC; and (3) the NMC possesses full power and authority to sign the application.

Notice

Execution of this agreement will cancel any previous agreement for the Net Metered Accounts for the Eligible Net Metering System under the Net Metering Provision.

The Company or NMC may terminate this agreement on thirty (30) days written notice, which includes a statement of reasons for such termination. In addition, the NMC must re-file this agreement annually.

Agreed and Accepted – Please sign

[NAME OF NMC]

Date: _____

By: _____

Name:

Title:

The Narragansett Electric Company
d/b/a National Grid

Date: _____

By: _____

Name:

Title:

Legal Notice
National Grid Tariff Advice Filing
To Implement Amendments to the Rhode Island Net Metering statute, R.I. Gen.
Laws § 39-26.4-2 and § 39-26.4-3, RIPUC No. 2207
RIPUC Docket No. 4790

On January 26, 2018, The Narragansett Electric Company d/b/a National Grid (National Grid) submitted to the Rhode Island Public Utilities Commission (PUC) its tariff advice filing to amend National Grid's electric tariff. This filing was made pursuant to PUC Rule 1.9. The proposed additions and revisions to National Grid's electric tariff are necessary to implement the recent amendments to the Net Metering statute, R.I. Gen. Laws § 39-26.4-2 and § 39-26.4-3.

National Grid is proposing that the revised tariff take effect upon PUC approval. The filing has been docketed as RIPUC Docket No. 4790. A copy of the filing is on file for examination at National Grid, 280 Melrose Street, Providence, Rhode Island and at the office of the Public Utilities Commission, 89 Jefferson Blvd., Warwick, Rhode Island or on the Commission's website at <http://www.ripuc.org/eventsactions/docket/4790>;

National Grid

**Summary of Amendments to Net Metering Law
Tariff Reference Table**

<u>R.I. Gen. Laws Amendment Summary</u>	<u>Interconnection Tariff Reference</u>
<p><u>§39-26.4-2. Definitions</u></p> <p>(3)(iii) Added definition of "Educational institutions" to mean public and private schools at the primary, secondary and post-secondary levels.</p>	<p><u>See</u> Section I, Definitions, Sheet 1</p>
<p><u>§39-26.3-4.2. Definitions</u></p> <p>(5) "Eligible net-metering system" was modified to include educational institution, hospital and nonprofit. Removed the term "public entity" before the term "net-metering financing arrangement."</p>	<p><u>See</u> Section I, Definitions, Sheet 2</p>
<p><u>§39-26.3-4.2. Definitions</u></p> <p>(6) "Eligible net-metering-system site" was revised to include net-metering financing arrangements with an educational institution, hospital and nonprofit, among the entities, which are excepted from the requirement that energy generated by the eligible net-metering system is consumed by net-metered electric service account(s) that are actually located in the same geographical location as the eligible net-metering system and the net-metered accounts are the accounts of the same customer of record. Removed the term "public entity" before the term "net-metering financing arrangement."</p>	<p><u>See</u> Section I, Definitions, Sheet 2</p>
<p><u>§39-26.3-4.2. Definitions</u></p> <p>(9) Added definition of "Hospital" to mean as defined and established as set forth in Chapter 17 of Title 23 of Rhode Island General Laws.</p>	<p><u>See</u> Section I, Definitions, Sheet 3</p>
<p><u>§39-26.3-4.2. Definitions</u></p> <p>(14) Added definition of "Nonprofit" to mean a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws, and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §501(d).</p>	<p><u>See</u> Section I, Definitions, Sheet 4</p>

**Summary of Amendments to Net Metering Law
Tariff Reference Table**

<u>R.I. Gen. Laws Amendment Summary</u>	<u>Interconnection Tariff Reference</u>
<p><u>§39-26.3-4.3. Net metering</u></p> <p>(1)(ii) Revised to include a net metering financing arrangement involving educational institutions, the federal government, hospitals, or nonprofits among the entities exempted from the 30 MW aggregate cap on community remote-net-metering systems.</p>	<p><u>See Section II, Terms and Conditions, Sheets 5-6</u></p>

2017 -- H 5618 SUBSTITUTE A AS AMENDED

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LC001560/SUB A/2
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

A N A C T

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representatives Regunberg, Knight, Handy, Carson, and Ruggiero

Date Introduced: March 01, 2017

Referred To: House Corporations

It is enacted by the General Assembly as follows:

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

3 **39-26.4-2. Definitions.**

4 Terms not defined in this section herein shall have the same meaning as contained in
5 chapter 26 of title 39 of the general laws. When used in this chapter:

6 (1) "Community remote-net-metering system" means a facility generating electricity
7 using an eligible net-metering resource that allocates net-metering credits to a minimum of one
8 account for system associated with low or moderate housing eligible credit recipients, or three (3)
9 eligible credit-recipient customer accounts, provided that no more than fifty percent (50%) of the
10 credits produced by the system are allocated to one eligible credit recipient, and provided further
11 at least fifty percent (50%) of the credits produced by the system are allocated to the remaining
12 eligible credit recipients in an amount not to exceed that which is produced annually by twenty-
13 five kilowatt (25 kW) AC capacity. The community remote-net-metering system may transfer
14 credits to eligible credit recipients in an amount that is equal to or less than the sum of the usage
15 of the eligible credit recipient accounts measured by the three-year (3) average annual
16 consumption of energy over the previous three (3) years. A projected annual consumption of
17 energy may be used until the actual three-year (3) average annual consumption of energy over the
18 previous three (3) years at the eligible credit recipient accounts becomes available for use in
19 determining eligibility of the generating system. The community remote-net-metering system

1 may be owned by the same entity that is the customer of record on the net-metered account or
2 may be owned by a third party.

3 (2) "Electric-distribution company" shall have the same meaning as § 39-1-2, but shall
4 not include block island power company or Pascoag utility district, each of whom shall be
5 required to offer net metering to customers through a tariff approved by the public utilities
6 commission after a public hearing. Any tariff or policy on file with the public utilities
7 commission on the date of passage of this chapter shall remain in effect until the commission
8 approves a new tariff.

9 (3) "Eligible credit recipient" means one of the following eligible recipients in the
10 electric-distribution company's service territory whose electric service account or accounts may
11 receive net-metering credits from a community remote net-metering system. Eligible credit
12 recipients include the following definitions:

13 (i) Residential accounts in good standing.

14 (ii) "Low- or moderate-income housing eligible credit recipient" means an electric service
15 account or accounts in good standing associated with any housing development or developments
16 owned operated by a public agency, nonprofit organization, limited-equity housing cooperative,
17 or private developer, that receives assistance under any federal, state, or municipal government
18 program to assist the construction or rehabilitation of housing affordable to low- or moderate-
19 income households, as defined in the applicable federal or state statute, or local ordinance,
20 encumbered by a deed restriction or other covenant recorded in the land records of the
21 municipality in which the housing is located, that:

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

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

29 (C) That has an original term of not less than thirty (30) years from initial occupancy.
30 Electric service account or accounts in good standing associated with housing developments that
31 are under common ownership or control may be considered a single low- or moderate-income
32 housing-eligible credit recipient for purposes of this section. The value of the credits shall be used
33 to provide benefits to tenants.

34 (iii) "Educational institutions" means public and private schools at the primary, secondary

1 [and post-secondary levels.](#)

2 (4) "Eligible net-metering resource" means eligible renewable-energy resource, as
3 defined in § 39-26-5 including biogas created as a result of anaerobic digestion, but, specifically
4 excluding all other listed eligible biomass fuels;

5 (5) "Eligible net-metering system" means a facility generating electricity using an eligible
6 net-metering resource that is reasonably designed and sized to annually produce electricity in an
7 amount that is equal to, or less than, the renewable self-generator's usage at the eligible net-
8 metering-system site measured by the three-year (3) average annual consumption of energy over
9 the previous three (3) years at the electric-distribution account(s) located at the eligible net-
10 metering-system site. A projected annual consumption of energy may be used until the actual
11 three-year (3) average annual consumption of energy over the previous three (3) years at the
12 electric-distribution account(s) located at the eligible net-metering-system site becomes available
13 for use in determining eligibility of the generating system. The eligible net-metering system may
14 be owned by the same entity that is the customer of record on the net-metered accounts or may be
15 owned by a third party that is not the customer of record at the eligible net-metering system site
16 and which may offer a third-party, net-metering financing arrangement or ~~public entity~~, net-
17 metering financing arrangement, as applicable. Notwithstanding any other provisions of this
18 chapter, any eligible net-metering resource: (i) Owned by a public entity, [educational institution](#),
19 [hospital](#), [nonprofit](#) or multi-municipal collaborative or (ii) Owned and operated by a renewable-
20 generation developer on behalf of a public entity, [educational institution](#), [hospital](#), [nonprofit](#) or
21 multi-municipal collaborative through ~~public entity~~ net-metering financing arrangement shall be
22 treated as an eligible net-metering system and all accounts designated by the public entity,
23 [educational institution](#), [hospital](#), [nonprofit](#) or multi-municipal collaborative for net metering shall
24 be treated as accounts eligible for net metering within an eligible net-metering-system site.

25 (6) "Eligible net-metering-system site" means the site where the eligible net-metering
26 system or community remote net-metering system is located or is part of the same campus or
27 complex of sites contiguous to one another and the site where the eligible net-metering system or
28 community remote-net-metering system is located or a farm in which the eligible net-metering
29 system or community remote-net-metering system is located. Except for an eligible net-metering
30 system owned by or operated on behalf of a public entity, [educational institution](#), [hospital](#),
31 [nonprofit](#) or multi-municipal collaborative through a ~~public entity~~ net-metering financing
32 arrangement, the purpose of this definition is to reasonably assure that energy generated by the
33 eligible net-metering system is consumed by net-metered electric service account(s) that are
34 actually located in the same geographical location as the eligible net-metering system. All energy

1 generated from any eligible net-metering system is, and will be considered, consumed at the
2 meter where the renewable-energy resource is interconnected for valuation purposes. Except for
3 an eligible net-metering system owned by, or operated on behalf of, a public entity, [educational](#)
4 [institution, hospital, nonprofit](#) or multi-municipal collaborative through a ~~public entity~~ net-
5 metering financing arrangement, or except for a community remote-net-metering system, all of
6 the net-metered accounts at the eligible net-metering-system site must be the accounts of the same
7 customer of record and customers are not permitted to enter into agreements or arrangements to
8 change the name on accounts for the purpose of artificially expanding the eligible net-metering-
9 system site to contiguous sites in an attempt to avoid this restriction. However, a property owner
10 may change the nature of the metered service at the accounts at the site to be master metered in
11 the owner's name, or become the customer of record for each of the accounts, provided that the
12 owner becoming the customer of record actually owns the property at which the account is
13 located. As long as the net-metered accounts meet the requirements set forth in this definition,
14 there is no limit on the number of accounts that may be net metered within the eligible net-
15 metering-system site.

16 (7) "Excess renewable net-metering credit" means a credit that applies to an eligible net-
17 metering system or community remote-net-metering system for that portion of the production of
18 electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-
19 five percent (125%) of the renewable self-generator's own consumption at the eligible net-
20 metering-system site or the sum of the usage of the eligible credit recipient accounts associated
21 with the community remote-net-metering system during the applicable billing period. Such excess
22 renewable net-metering credit shall be equal to the electric-distribution company's avoided cost
23 rate, which is hereby declared to be the electric-distribution company's standard offer service
24 kilowatt hour (kWh) charge for the rate class and time-of-use billing period (if applicable)
25 applicable to the customer of record for the eligible net-metering system or applicable to the
26 customer of record for the community remote-net-metering system. The commission shall have
27 the authority to make determinations as to the applicability of this credit to specific generation
28 facilities to the extent there is any uncertainty or disagreement.

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

34 [\(9\) "Hospital" means and shall be defined and established as set forth in chapter 17 of](#)

1 [title 23.](#)

2 ~~(9)~~[\(10\)](#) "Multi-municipal collaborative" means a group of towns and/or cities that enter
3 into an agreement for the purpose of co-owning a renewable-generation facility or entering into a
4 financing arrangement pursuant to subdivision ~~(16)~~[\(18\)](#).

5 ~~(10)~~[\(11\)](#) "Municipality" means any Rhode Island town or city, including any agency or
6 instrumentality thereof, with the powers set forth in title 45 of the general laws.

7 ~~(11)~~[\(12\)](#) "Net metering" means using electrical energy generated by an eligible, net-
8 metering system for the purpose of self-supplying electrical energy and power at the eligible net-
9 metering-system site, or with respect to a community remote-net-metering system, for the
10 purpose of generating net-metering credits to be applied to the electric bills of the eligible credit
11 recipients associated with the community net-metering system. The amount so generated will
12 thereby offset consumption at the eligible net-metering system site through the netting process
13 established in this chapter, or with respect to a community remote-net-metering system, the
14 amounts generated in excess of that amount will result in credits being applied to the eligible
15 credit-recipient accounts associated with the community remote-net-metering system.

16 ~~(12)~~[\(13\)](#) "Net-metering customer" means a customer of the electric-distribution company
17 receiving and being billed for distribution service whose distribution account(s) are being net
18 metered.

19 [\(14\) "Nonprofit" means a nonprofit corporation as defined and established through](#)
20 [chapter 6 of title 7, and shall include religious organizations that are tax exempt pursuant to 26](#)
21 [U.S.C. §501\(d\).](#)

22 ~~(13)~~[\(15\)](#) "Person" means an individual, firm, corporation, association, partnership, farm,
23 town or city of the State of Rhode Island, multi-municipal collaborative, or the State of Rhode
24 Island or any department of the state government, governmental agency, or public instrumentality
25 of the state.

26 ~~(14)~~[\(16\)](#) "Project" means a distinct installation of an eligible net-metering system or a
27 community remote-net-metering system. An installation will be considered distinct if it is
28 installed in a different location, or at a different time, or involves a different type of renewable
29 energy.

30 ~~(15)~~[\(17\)](#) "Public entity" means [the federal government,](#) the state of Rhode Island,
31 municipalities, wastewater treatment facilities, public transit agencies or any water distributing
32 plant or system employed for the distribution of water to the consuming public within this state
33 including the water supply board of the city of Providence.

34 ~~(16)~~[\(18\)](#) "~~Public entity net-metering~~ [Net-metering](#) financing arrangement" means

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

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

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

24 (ii) Distribution kilowatt-hour charge;

25 (iii) Transmission kilowatt-hour charge; and

26 (iv) Transition kilowatt-hour charge.

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

33 ~~(18)~~(20) "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

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

5 ~~(19)~~(21) "Third party" means and includes any person or entity, other than the renewable
6 self-generator, who owns or operates the eligible net-metering system or community remote-net-
7 metering system on the eligible net-metering-system site for the benefit of the renewable self-
8 generator.

9 ~~(20)~~(22) "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 finance arrangement. A
13 third party engaged in providing financing arrangements related to such net-metering systems
14 with 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
18 renewable 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. The
21 aggregate amount of net metering in the Block Island Power Company and the Pascoag Utility
22 District shall not exceed three percent (3%) of peak load for each utility district; and

23 (ii) Through December 31, 2018, the maximum, aggregate amount of community remote-
24 net-metering systems built shall be thirty megawatts (30 MW). Any of the unused MW amount
25 after December 31, 2018, shall remain available to community remote-net-metering systems until
26 the MW aggregate amount is interconnected. After December 31, 2018, the commission may
27 expand or modify the aggregate amount after a public hearing upon petition by the office of
28 energy resources. The commission shall determine within six (6) months of such petition being
29 docketed by the commission whether the benefits of the proposed expansion exceed the cost. This
30 aggregate amount shall not apply to any net metering finance arrangement involving public entity
31 facilities, ~~or~~ multi-municipal collaborative facilities, educational institutions, the federal
32 government, hospitals, or nonprofits. By June 30, 2019, the commission shall conduct a study
33 examining the cost to all customers of the inclusion of the distribution charge as a part of the net-
34 metering calculation.

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

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

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

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

31 (4) If the electricity generated by an eligible net-metering system or community remote-
32 net-metering system during a billing period is greater than the net-metering customer's usage on
33 accounts at the eligible net-metering-system site or the sum of the usage of the eligible credit-
34 recipient accounts associated with the community remote-net-metering system during the billing

1 period, the customer shall be paid by excess renewable net-metering credits for the excess
2 electricity generated up to an additional twenty-five percent (25%) beyond the net-metering
3 customer's usage at the eligible net-metering-system site, or the sum of the usage of the eligible
4 credit-recipient accounts associated with the community remote net-metering system during the
5 billing period; unless the electric-distribution company and net-metering customer have agreed to
6 a billing plan pursuant to subdivision (2).

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

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

15 (c) Any prudent and reasonable costs incurred by the electric-distribution company
16 pursuant to achieving compliance with subsection (a) and the annual amount of any renewable
17 net-metering credits or excess, renewable net-metering credits provided to accounts associated
18 with eligible net-metering systems or community remote-net-metering systems, shall be
19 aggregated by the distribution company and billed to all distribution customers on an annual basis
20 through a uniform, per-kilowatt-hour (kwh) surcharge embedded in the distribution component of
21 the rates reflected on customer bills.

22 (d) The billing process set out in this section shall be applicable to electric-distribution
23 companies thirty (30) days after the enactment of this chapter.

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

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LC001560/SUB A/2
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

- 1 This act would make educational institutions and nonprofit corporations established
- 2 pursuant to chapter 6 of title 7 eligible for net-metering financing arrangements.
- 3 This act would take effect upon passage.

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LC001560/SUB A/2
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