



March 21, 2024

The Honorable Joseph J. Solomon,  
Chairman, House Corporations Committee  
Rhode Island State House  
Providence, Rhode Island 02908

**RE: H7808 - Relating to Public Utilities and Carriers – Net Metering**

Dear Chairman Solomon,

PosiGen strongly supports removing the 3-year sizing restriction for net metering systems and we are in support of clarifications regarding the treatment of renewable and excess net metering credits to simplify and improve the administration of the program. We understand that there are a range of perspectives regarding what the correct policy and language should be regarding excess net metering credits and we look forward to continuing to participate in that discussion. We believe that removing the 3-year sizing restriction should happen this session regardless of other changes to the net metering statute. It has been discussed for several years at this point and everyone is in agreement that it is not serving the interests of Rhode Islanders.

**Removing the 3-Year Sizing Restriction Benefits Homeowners**

The existing requirement to size a solar system to the home's 3-year average historical usage has been one of the biggest pain points for the industry. This is primarily because it has required Rhode Island Energy to utilize their own internal "sizing calculator" in order to check compliance with the requirement, but that sizing calculator has always been fundamentally flawed and inaccurate. The sizing calculator does not account for any system-specific shading factors and, up until a few years ago, didn't even account for which direction the panels were facing. *The predictable result has been that solar systems installed in Rhode Island have been systematically undersized to the customer's actual electricity needs.*

Unsurprisingly, this often frustrates customers who do not understand why the utility will not let them install a system to meet their annual electricity needs. In the worst cases, the difference between the solar system's expected production modeled by the installer and the production estimated by Rhode Island Energy's calculator can be 30% or more. It is also challenging for installers to navigate and adds costs and friction to the process because receiving utility rejections due to a system being "oversized" are fairly common, particularly when the current homeowner does not have a full 3 years of usage and thus the prior homeowner's usage is taken into account. At a time when we need to reduce costs and increase the adoption of solar and home electrification technologies, we cannot continue to have these artificial and unnecessary obstacles in place.

**Excess Net Metering Credits Should be Applied Annually**

We support language that would clarify the application of net metering to residential systems 25 kW or less, including the treatment for excess net metering credits. In practice currently, renewable net metering credits are able to theoretically roll forward indefinitely. We recommend that instead an annual true-up date of April 1 be implemented whereby any net excess production over the year be credited at



the excess net metering credit rate. Within months the current renewable net metering credits would apply to the next bill (if generated).

This true-up ensures that there is still a strong *economic incentive* to size systems appropriately because the excess net metering credit value alone would not justify the oversizing of a solar system. While a customer would be able to add extra panels to their solar system to plan for future electricity needs, they really wouldn't see a financial benefit of doing so until that increased electricity usage actually materialized. Until that happened, that excess solar production would be provided to ratepayers at a discounted rate. Currently, renewable net metering credits carry forward without a true-up date which could result in some customers carrying forward large credit balances which is not ideal.

#### **Any Threshold Above 100% of Annual Usage is Problematic**

We are supportive of removing the 125% threshold after which excess net metering credits have no credit value because such thresholds are highly problematic for residents. **Any threshold above or below 100% of a customer's annual or monthly usage presents a real problem for utility administration of net metering credits.** Because the utility only has a bidirectional meter that is capable of seeing what electricity is imported to the home and what is exported from the home - and *not* the full picture of what is produced by the solar system and consumed in real-time at the home - the utility has to *estimate* what the 125% threshold is for each customer based on historical usage patterns and estimated solar production. Regardless of how well-designed those methodologies are, *they will always be wrong.*

In a recently concluded docket (23-05-EL), an estimation methodology was approved for use by Rhode Island Energy for net metering systems greater than 25 kW. It is likely that RIE would attempt to use the same methodology for projects under 25 kW in the near future. This bill would make that burdensome and inherently inaccurate reconciliation process unnecessary for residential net metering systems, but would also not impact the decision made in Docket 23-05-EL for larger community net metering systems.

#### *Conclusion*

Rooftop solar is a critical part of our clean energy future. We need legislation that helps empower homeowners to electrify their homes and transportation, provides common-sense protections to ensure systems remain appropriately sized, and simplifies administration of net metering.

We would appreciate the opportunity to participate in discussion on H7808 as it moves forward. Please feel free to contact me at [kwallace@posigen.com](mailto:kwallace@posigen.com).

Respectfully,  
Kyle Wallace  
VP, Public Policy & Government Affairs  
PosiGen, PBC

*PosiGen is a public benefit corporation and certified B corp that provides rooftop solar and energy efficiency services with an emphasis on making solar affordable and accessible to low-and-moderate income communities. PosiGen expanded operations to Rhode Island in 2023 and was selected to be the solar provider of Rhode Island's [Affordable Solar Access Pathways](#) ("ASAP") Program for low-income households. PosiGen has over 25,000 customers and 600 employees across a dozen states.*