

RI House Corporations Committee Rhode Island State House 82 Smith Street Providence, RI 02903 April 1, 2025

RE: H6085 AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Members of the House Corporations Committee:

I write as a registered lobbyist for MassAmerican Energy LLC d/b/a Gridwealth, in support of H6085.

Two years ago you passed many amendments to Rhode Island's renewable energy programs designed to protect open space against new developments while encouraging more projects on previously developed space. That bill, H5853, stated its purpose to, in part:

enable the state to meet its climate and resilience goals, including those established in the act on climate. This includes the goals to facilitate and promote installation of grid-connected generation of renewable energy; support and encourage development of distributed renewable energy generation systems while protecting important core forest areas essential to climate resilience and complying with Rhode Island's climate change mandates.

The net metering amendments expanded eligibility to all customers while it capped program eligibility for "ground mounted" remote net metering projects to 275 megawatts and cut the net metering rate 20% for those projects subject to the cap. It did not define which projects are considered "ground mounted."

Gridwealth has invested in the development of a solar parking canopy project to be installed above the huge surface parking lot used for shipped cars at Quonset Point. The project would be built on top of a former brownfield site, above the continuing parking activity. If installed, it would enhance the Act on Climate's climate and resilience goals greatly while minimizing siting and environmental impacts. This project would provide significant lease income to its host and it would supply lower cost energy to the business customers that H5853 newly authorized to net meter. If it can be built, the project is a huge win win for Rhode Island.

When RIE filed its tariff to implement your legislative amendments (PUC docket 24-10-EL), Gridwealth reached out to RIE to clarify that parking canopies are not "ground mounted" solar projects that were meant to be restricted and paid less under H5853. RIE was noncommittal. As an intervenor in docket 24-10-EL, Gridwealth formally asked RIE whether "ground mounted" includes parking canopies. RIE finally said it would consider canopies to be "ground mounted." The PUC's final order in docket 24-10-EL did not address the question, so it remains uncertain how H5853's amendments apply to parking canopies. Parking canopies are much more expensive to build than ground mounted projects precisely because of the steel structure needed to elevate them off the ground. Gridwealth's Quonset project is not economical and will not proceed if the net metering rate paid for its electricity is slashed by 20%.

Despite all of the obvious economic and environmental benefits of this project, we expect the common refrain that RI's renewable energy programs cost ratepayers too much. Such arguments are off base. This bill only maintains and clarifies the general assembly's intent to allow the full net metering rate for projects that are environmental well-sited. Our state energy plan, Energy 2035, that business as usual will produce the most costly energy future for RI. We are so heavily overdependent on natural gas for heating and electricity that we are at the end of a pipe of cost escalation over which we exercise no control. Reducing reliance on natural gas benefits all customers based on simple laws of supply and demand. Moreover, the constantly escalating costs of infrastructure investments in our traditional gas and electric systems will only come down if and as we diversify away from our reliance on an overbuilt and underperforming energy system. Energy 2035 also establishes that it is diversification that will bring us energy security, rather than doubling down on our insecure overdependence on natural gas.

Local generation of clean electricity is the way for RI to take control of our energy future, when put together with other strategies like storage, time of use rates and scaled energy efficiency. Please pass H6085.

Respectfully,

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2023 -- H 5853 SUBSTITUTE A

LC002218/SUB A

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2023

AN ACT

RELATING TO PUBLIC UTILITIES AND CARRIERS -- NET METERING

Introduced By: Representatives Speakman, Boylan, Ajello, McGaw, Donovan, Tanzi,

Cortvriend, Knight, Kislak, and Potter

Date Introduced: March 01, 2023

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Sections 39-26.4-1, 39-26.4-2 and 39-26.4-3 of the General Laws in Chapter

39-26.4 entitled "Net Metering" are hereby amended to read as follows:

3 **39-26.4-1. Purpose.**

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The purpose of this chapter is to facilitate and promote installation of customer-sited, grid-

connected generation of renewable energy; to support and encourage customer development of

6 renewable generation systems; to reduce environmental <u>and siting</u> impacts; to reduce carbon

7 emissions that contribute to climate change by encouraging the local siting of renewable energy

8 projects; to diversify the state's energy generation sources; to stimulate economic development; to

improve distribution system resilience and reliability; and to reduce distribution system costs.

39-26.4-2. Definitions.

Terms not defined in this section herein shall have the same meaning as contained in

12 chapter 26 of this title. When used in this chapter:

13 (1) "Community remote net-metering system" means a facility generating electricity using

including the water supply board of the city of Providence.

(21) "Public entity net metering system" means a system generating renewable energy at a
property owned or controlled by the public entity which is participating in a net metering financing
arrangement where the public entity has designated accounts in its name to receive net metering
credits.

metering system or a community remote net-metering system up to one hundred percent (100%) of either the renewable self-generator's usage at the eligible net-metering system site or the sum of the usage of the eligible credit-recipient accounts associated with the community remote net-metering system 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, and/or generated up to the sum of the eligible credit-recipient account usage during the billing period multiplied by the sum of the distribution company's:

- (i) <u>Standard offer Last resort</u> service kilowatt-hour charge for the rate class applicable to the net-metering customer, except that for remote public entity and multi-municipality collaborative net-metering systems that submit an application for an interconnection study on or after July 1, 2017, and community remote net-metering systems, the <u>standard-offer last resort</u> service kilowatt-hour charge shall be net of the renewable energy standard charge or credit;
 - (ii) Distribution kilowatt-hour charge;
 - (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

For projects after April 15, 2023, subject to the allowable two hundred seventy-five megawatts alternating current (275MWac), under § 39-26.4-3(a)(1)(vi), the credit shall be reduced by twenty percent (20%).

Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the distribution company, or if an interconnection study is not required, a completed and paid interconnection application, by December 31, 2018, the renewable net-metering credit for all remote public entity and multi-municipal collaborative net-



after December 31, 2018, shall remain available to community remote net-metering systems until the 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 office of energy resources. 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 aggregate amount shall not apply to any net metering financing arrangement involving public entity facilities, multi-municipal collaborative facilities, educational institutions, the federal government, hospitals, or nonprofits. By June 30, 2018, the commission shall conduct a study examining the cost and benefit to all customers of the inclusion of the distribution charge as a part of the net metering calculation.

(vi) The maximum aggregate capacity of remote net metering allowable for groundmounted eligible net-metering systems, as defined by § 39-26.4-2(6), with the exception of systems that have, as of April 15, 2023, submitted a complete application to the appropriate municipality for any required permits and/or zoning changes or have requested an interconnection study for which payment has been received by the distribution company, or if an interconnection study is not required, a completed and paid interconnection application by the distribution company date of passage, shall be two hundred seventy-five megawatts, alternating current (275 MWAC), excluding off- shore wind. None of the systems to which this cap applies shall be in core forests unless on a preferred site located within the core forest. A project counts against this maximum if it is in operation or under construction by July 1, 2030, as determined by the local distribution company. All eligible ground-mounted net-metering systems must be under construction or in operation by July 1, 2030. This restriction shall not apply to the following: (1) the eligible net metering system is interconnected behind the same meter as the net metering customer's load; and/or (2) the energy generated by the eligible net-metering system is consumed by net-metered electric service account(s) of the same owner of record that are actually located on the same or contiguous parcels as the eligible net-metering system.

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

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 24-10-EL
In Re: Tariff Advice to Amend the Net Metering Provision
Responses to GridWealth's First Set of Data Requests
Issued on January 8, 2025

<u>GW 1-1</u>

Request:

Please refer to RIE's response to PUC 1-5-c. The Company indicates that a project would be included in the 275 MWac cap on ground mounted projects, as indicated in the General Laws at § 39-26.4-3(a)(1)(vi), if it meets the definition of "ground mount" included in R.I. General Laws § 39-35-1, which states,

"Ground-mounted solar system" means a solar electric system that is structurally mounted on the ground and is not roof-mounted.

- a. How would "ground mounted solar systems" be distinguished from "roof-mounted solar systems"?
- b. Are "ground-mounted solar systems" designed to sit on a racking structure that is close to the ground and anchored or ballasted to the ground?
- c. Do "ground-mounted solar systems" occupy the ground space such that no activity can take place under the array?
- d. Are "roof-mounted solar systems" installed on structures that allow the safe and continuous use of substantially all the ground area beneath the solar array?
- e. Could "roof mounted solar systems" be installed over parking areas, walkways, recreation areas, or agriculturally used land?
- f. Could "roof-mounted solar systems" be building-integrated, like an awning, or decorative in nature, like an elevated "solar tree?"

Response:

In the Company's response to PUC 1-5-c, the Company indicated that a project would be considered "ground-mounted" if it is structurally mounted on the ground and is not roof-mounted, which is consistent with how the term ground-mounted was recently defined in state law. Whether a ground-mounted project is subject to the 275MWac cap depends on additional criteria as specified in the Net Metering Law, R.I. Gen. Laws § 39-26.4-3. For example, off-shore wind is excluded from the cap as well as systems configured behind the same meter as the net-metering customer's load and systems serving electric account(s) of the same owner of record that are located on the same or contiguous parcel.

¹ See R.I. Gen. Laws § 39-35-1. The definition was enacted into state law during the 2024 legislative session. See P.L. 2024, ch. 380, § 1, effective January 1, 2025; P.L. 2024, ch. 381, § 1, effective January 1, 2025.

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- a. Ground-mounted solar systems would be distinguished from roof-mounted solar systems based on the mounting details specified by the applicant on the site plan. As indicated in the name, a ground-mounted solar system is structurally mounted on the ground, whereas a roof-mounted solar system is structurally mounted on a roof.
- b. These design details are determined by the project developer. The Company understands that ground-mounted solar systems can use a variety of racks, poles, and other foundations to support the arrays.² Rack mounting is one type of mounting system. Different design factors may dictate the array elevation, or how close to the ground the system is.
- c. These design details are determined by the project developer. The Company understands that there may be space under a ground mounted system.
- d. Roof-mounted solar systems are installed on the exterior surface on the top of a building.
- e. No, not with the understanding that roof-mounted solar systems are installed on the exterior surface on the top of a building.
- f. No, not with the understanding that roof-mounted solar systems are installed on the exterior surface on the top of a building.

² https://www.nabcep.org/wp-content/uploads/2013/08/NABCEP-PV-Guide-7-16-13-W.pdf

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GW 1-2

Request:

To provide needed clarity, would the Company consider adopting a more specific and differentiating definition of "roof mounted solar system" into the proposed Net Metering Provision amendments, such as:

"Roof mounted solar system" means a solar electric system that is structurally mounted on a building, or on a structure that allows for substantially all the ground area below the solar electric system to be usable for other purposes, including but not limited to driving, parking, walking, livestock grazing, agriculture, or recreation.

Response:

At this time, the Company is not considering adopting the proposed definition above or amending its definition of ground-mounted. The Company interprets the types of systems referenced in the proposed definition above to be ground-mounted as the system is structurally mounted on the ground independent of the amount of space between the ground and the system.

The language in the Net Metering Law, R.I. Gen. Laws § 39-26.4-3(a)(1)(vi), provides certain exclusions to the 275MWac cap such as off-shore wind, systems configured behind the same meter as the net-metering customer's load, and systems serving electric account(s) of the same owner of record that are located on the same or contiguous parcel. Therefore, depending on the design details, systems referred to in the proposed definition above could be excluded from the cap contingent upon the configuration (i.e. if co-located with load, i.e. not remote net metering).