

CLEAN Resource Hub

Interconnection Costs Legislation Examples

As more wholesale distributed generation (WDG) programs are created and WDG projects are deployed, the costs of interconnection can emerge as a significant barrier. In many cases, legislation is necessary to streamline the interconnection processes, define which party is responsible for paying for interconnection related grid costs, or even simply require utilities to be transparent about interconnection costs. This document summarizes notable examples of legislation that address interconnection costs.

- Arkansas HB 1390 (2013) – CLEAN Program legislation in active study for future consideration
- California SB 32 (2009) – Enacted CLEAN Program legislation, program launched in Oct 2013
- California AB 2590 (2011) – Introduced legislation on interconnection transparency. Died in committee, but useful example
- Maine LD 1085; SP 367 (2013) – CLEAN Program legislation died in committee, but useful example
- Minnesota HF 729 (2013) – Enacted legislation, omnibus renewable energy bill including CLEAN Program and interconnection
- Rhode Island HB 6104 (2011) – Enacted legislation creating CLEAN Program
- Rhode Island HB 6222 (2011)– Enacted legislation dedicated to distributed generation interconnection
- Vermont Energy Act of 2009 – Enacted legislation, omnibus renewable energy bill including CLEAN Program and interconnection

Arkansas

Bill Number/Title: HB 1390 (2013)

Status: Recommended for Joint Interim Study as of 4/5/13. This means that the bill's provisions will be studied for possible reconsideration in the 2015 legislative session.

Interconnection Provision:

23-18-1007 Sec. (a)

- Explicitly allows regulatory commission to allow utility to bear interconnection costs. Historically, all interconnection costs are borne by the developer.
- *Text: The generation facility must bear the cost of interconnection unless the [Commission] determines it is in the public's best interest that the utility bear a portion of that cost*

Link: <ftp://www.arkleg.state.ar.us/Bills/2013/Public/HB1390.pdf>

California

Bill Number/Title: SB 32 (2009)

Status: Passed into law in 2009. Prompted reform of the state's Rule 21 interconnection tariff

Interconnection Provisions:

399.20 subsection. (e)

- Specifies that the utilities must create expedited interconnection procedures for new wholesale distributed generation (WDG) projects that help reduce peak demand on a distribution circuit
- *Text: An electrical corporation shall provide expedited interconnection procedures to an electric generation facility located on a distribution circuit that generates electricity at a time and in a manner so as to offset the peak demand on the distribution circuit, if the electrical corporation determines that the electric generation facility will not adversely affect the distribution grid.*

399.20 subsection (b)(3)

- Creates new concept of "strategically located", setting early example of specifying location restrictions on siting of new facilities. Implementation of this provision resulted in an interconnection costs threshold for project eligibility. A project was not eligible to participate in the CLEAN Program if the estimated transmission related interconnection costs exceeded \$300K.
- *Text: Requires generation facilities to be strategically located and interconnected to the transmission and distribution grid in a manner that optimizes the deliverability of electricity generated at the facility to load centers*

Link:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200920100SB32

California (cont.)

Bill Number/Title: AB 2590 (2011)

Status: Introduced, but died in committee

Interconnection Provisions:

Entire bill is about interconnection transparency. Key elements include:

- Annual report detailing all interconnection studies: *The commission shall annually prepare and make available to the public a detailed report on each distributed generation interconnection study conducted by an electrical corporation in the previous year.*
 - Specifies data that must be reported, including: date of application, technology type, personnel working on interconnection
 - Requires all completed studies to be posted with actual costs of doing the study
- Online detailed queue of projects being studied
- A new proceeding to harmonize confidentiality rules between the Public Utilities Commission and the Independent System Operator, requiring a presumption of non-confidentiality

Link:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120AB2590

(Introduced version, not amended version)

Maine

Bill Number/Title: LD 1085; SP 367

Status: Referred to Energy, Utilities, and Technology Committees in both chambers as of 3/20/2013. Did not get a vote in 2013 session, so the bill will need re-introduction in later session.

Interconnection Provision:

Sec. 4423 Subsection (2):

- Sets responsibility for interconnection costs based on distance to nearest grid interconnection point
- Text: *Cost of interconnection must be included in the wholesale rate only if the generation facility can connect to existing transmission lines within 500 feet of the facility; if the facility is further than 500 feet from existing transmission lines, it must bear the cost of interconnection*

Link: http://www.mainelegislature.org/legis/bills/bills_126th/billtexts/SPO36701.asp

Minnesota

Bill Number/Title: HF 729

Status: Passed in May 2013. Due to launch early 2014

Interconnection Provision:

Article 10, Section 2, Clause (e)(2):

- Authorizes cost recovery for interconnection costs associated with solar gardens, even though these are wholesale interconnections.
- Text: *establish uniform standards, fees, and processes for the interconnection of community solar garden facilities that allow the utility to recover reasonable interconnection costs for each community solar garden*

Link:

https://www.revisor.mn.gov/bills/text.php?number=HF729&version=4&session=ls88&session_year=2013&session_number=0

Rhode Island

Bill Number/Title: HB 6104; formerly known as HB 7616

Status: Passed into law in 2011.

- Rhode Island Distributed Generation Standard Contract

Interconnection Provision:

39-26.2-7 (2)(i):

- Requires that the developer pay for the cost of interconnection and upgrades to the distribution system. But, the developer can appeal to the public utilities commission to showing that some of the upgrades benefit other customers and thus can be added to the ratebase.
- Text: *[The standard contract shall:] Hold the distributed generation facility owner liable for the cost of interconnection from the distributed generation facility to the interconnect point with the distribution system, and for any upgrades to the existing distributed generation system that may be required by the electric distribution company. However, a distributed generation facility owner may appeal to the commission to reduce any required system upgrade costs to the extent such upgrades can be shown to benefit other customers of the electric distribution company and the balance of such costs shall be included in rates by the electric distribution company for recovery in the year incurred or the year following incurrence*

Link: <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-26.2/INDEX.HTM>

Rhode Island (cont.)

Bill Number/Title: HB 6222

Status: Passed into law in 2011.

- Distributed Generation Interconnection

Interconnection Provision:

Entire bill is about interconnection. Key elements include

- Allows developer to request feasibility study before impact study but does not require both studies
- Sets specific feasibility study and impact study fees based on size of system. Requires commission to update fees annually without allowing fees to go below levels set in bill.
- Sets 30 day max timeline for feasibility study and 90 day max timeline for impact study
- States that utility company is not held liable for actual interconnection costs exceeding estimates that resulted from impact study

Link: <http://webservice.rilin.state.ri.us/billtext11/housetext11/h6222aaa.pdf>

Vermont

Bill Number/Title: Vermont Energy Act of 2009

Status:

- Passed into law in 2009
- Known as the 'Vermont SPEED Standard Offer Program'

Interconnection Provision:

Section 8004(i)

- Gives Public Service Board very broad authority to change rules on interconnection cost amounts and allocation with respect to the standard offer contracts
- Text: *With respect to standard offers under this section, the board shall determine whether its existing rules sufficiently address interconnection, metering, and the allocation of metering and interconnection costs, and make such rule revisions as needed to implement the standard offer requirements of this section.*

Link: <http://www.leg.state.vt.us/docs/2010/Acts/ACT045.pdf>