

THE NARRAGANSETT ELECTRIC COMPANY  
NET METERING PROVISION

**I. Definitions**

**“Commercial or Industrial Customers”** means any non-residential customer of the electric distribution company.

**“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.

**“Core Forest”** shall mean unfragmented forest blocks of single or multiple parcels totaling two hundred fifty (250) acres or greater unbroken by development and at least twenty-five (25) yards from mapped roads, with eligibility questions to be resolved by the director of the department of environmental management. Such determination shall constitute a contested case as defined in § 42-35-1(5).

**“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

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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 Rhode Island General Laws Section 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 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 Net Metering Financing Arrangement, (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, or (iv) owned and operated by a

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renewable-generation developer on behalf of one or more Commercial or Industrial Customer(s) through Net Metering Financing Arrangement(s) shall be treated as an Eligible Net Metering System within an Eligible Net Metering System Site. Notwithstanding any other provision to the contrary, effective July 1, 2060, an Eligible Net Metering System means a facility generating electricity using an eligible net metering resource that is interconnected behind the same meter as the net metering customer's load.

**“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 on 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 or for a Commercial or Industrial Customer through a 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, or for a Commercial or Industrial Customer through a 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.

**“Eligible Reconciliation Pool”** shall mean all Net Metered Accounts except for accounts that are associated with a single metered Eligible Net Metering System that is 25kW or less.

**“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

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this purpose as the Last Resort 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 Rhode Island General Laws Section 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 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 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.

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**“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.

**“Net Metering Financing Arrangement”** shall mean arrangements entered into by a Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or a Commercial or Industrial Customer 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, Multi-Municipal Collaborative, or Commercial or Industrial Customer where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, Educational Institution, Hospital, Municipality, Multi-Municipal Collaborative, or Commercial or Industrial Customer, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Commercial or Industrial Customer to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts. For purposes of entering into a Public Entity Net Metering Financing Arrangement as defined in R.I. Gen. Laws § 39-26.4-2(16)(i) (the Net Metering Act), the requirement that an Eligible Net Metering Resource be located on property owned or controlled by a Public Entity, Educational Institution, Hospital, Municipality, Multi-Municipal Collaborative, or Commercial or Industrial Customer is satisfied by showing documentation of ownership or, for control, the public entity or municipality entering into a ground lease as a co-tenant along with the soar developer or granting and recording an irrevocable license, sublicense, easement agreement, or equivalent to the Eligible Net Metering Customer in which the public entity or municipality has control over the property.

**“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.

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**“Preferred Site”** shall mean a location for a renewable energy system that has had prior development, including, but not limited to, landfills, gravel pits and quarries, highway and major road median strips, brownfields, superfund sites, parking lots or sites that are designated appropriate for carports, and all rooftops including, but not limited to, residential, commercial, industrial, and municipal buildings.

**“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. Subject to the safe-harbor provisions in § 39-26.4-3(a)(1), new and distinct projects cannot be located on adjoining parcels of land within core forests, except for preferred sites.

**“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 System”** shall mean a system generating renewable energy at a property owned or controlled by the Public Entity that is participating in a Net Metering Financing Arrangement where the Public Entity has designated accounts in its name to receive Net Metering Credits.

**“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) Last Resort 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.

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 Company by December 31, 2018, or if an interconnection study is not required, a completed and paid interconnection application has been

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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 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 Rhode Island General Laws Section 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) (i) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.  
  
(ii) Eligible Net Metering Systems shall be sited outside of Core Forests with the exception of development on Preferred Sites in the Core Forest and the exception of systems that, as of April 15, 2023, (i) Have submitted a complete application to the appropriate municipality for any required permits and/or zoning changes or, (ii) Have requested an interconnection study for which payment has been received by the distribution company, or (iii) If an interconnection study is not required, systems that have a completed and paid interconnection application.  
  
(iii) For systems developed in Core Forests on Preferred Sites, no more than one hundred thousand square feet (100,000 sq. ft) of Core Forest shall be removed, except for work required for utility interconnection or development of a brownfield, in which case no more Core Forest than necessary for interconnection or brownfield development shall be removed.
- (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.

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(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, except as provided in sections 2(v) and 2(vi), below. 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, except as provided in sections 2(v) and 2(vi), below. 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.

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(v) The Cap Expiration Date may be extended by six (6) months (to 30 months) with no additional performance deposit. The Cap Expiration Date may be extended for an additional six (6) months beyond that (to 36 months) by posting one-half of the original performance deposit if a Community Remote Net Metering System still does not achieve commercial operation or has not met the credit allocation requirements under Section II.(7) below because of :

- 1) Demonstrable lack of action or failure on the part of a governmental agency to issue a required permit or approval in the normal course. The Customer must provide to the Company evidence that it filed either a preapplication or completed state or municipal permit application for the Community Remote Net Metering System and that such preapplication or permit application was officially accepted by the applicable state agency or municipality as a complete application within the first six (6) months of being awarded capacity by the Company; providing such evidence shall be deemed sufficient for the Company to grant the additional six (6) months (to 36 months) extension to the Customer; or
- 2) Project construction related delays associated with weather, materials, or labor, which are in good faith and beyond the control of the Customer, and could not have been prevented or avoided (each, a “Delay Event”).

(vi) If the Cap Expiration Date cannot be met because 1) the Company’s interconnection work is not complete (“Interconnection Delay”), or 2) there is a pending legal challenge or moratorium (collectively, a “Permit Delay”) after the permit process has been started, affecting one or more required governmental permits or approvals that is not resolved by the expiration of the 36-month period set forth in section 2(v) above, and the Interconnection Delay or Permit Delay, as applicable is not attributable to any action or inaction of the Customer, the Cap Expiration Date shall be extended by the period of the Interconnection Delay or Permit Delay, as applicable, with no additional performance deposit required. With respect to a Permit Delay, the Customer must provide evidence of the legal challenge or moratorium to the Company and Office of Energy Resources and a monthly update on the status of the pending legal challenge or moratorium. Failure by the Customer to provide such status updates to the Company and Office of Energy Resources may result in the termination of capacity with the Customer by the Company. Nothing herein shall be construed to alter or amend any timeframes set forth in the Customer’s interconnection service agreement and/or the Company’s interconnection tariff.

(vii) In the event of a request for an extension due to a Delay Event under section 2(v), above and/or a Permit Delay under section 2(vi), above, the Customer must give the Company, and Office of Energy Resources written notice within thirty (30) days of pending project deadline milestone (i.e., 24, 30, 36 months) and certify to the existence of the Delay Event and/or the Permit Delay prior to the Cap Expiration Date, providing details regarding the nature, extent of, and expected duration of the Delay Event and/or the Permit Delay.

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(viii) The maximum aggregate capacity of remote net metering allowable for ground-mounted 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 as of June 24, 2023, 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 Account(s) of the same owner of record that are actually located on the same or contiguous parcels as the Eligible Net Metering System.

- (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) Monthly Application of Renewable Net Metering Credits with Annual Reconciliation
  - (a) 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, for the Eligible Reconciliation Pool, the Company will conduct a reconciliation applying a volumetric method analysis as explained in this Section (II)(5) and as

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presented in Schedule C (the “Annual Reconciliation”). The Annual Reconciliation will commence with the reconciliation of Renewable Net Metering Credits that were applied on bills rendered in billing cycles that reflect usage occurring within calendar year 2024 and will continue with the reconciliation of each calendar year thereafter. Unless the Company encounters difficulties beyond its reasonable control and obtains an extension from the Commission, the Company will complete each Annual Reconciliation by June 15<sup>th</sup> of the year immediately following the reconciled calendar year. 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. Subject to Section II(5)(b) of this Tariff, 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. Refer to Schedule C for volumetric method billing charges.

- (b) For Net Metered Accounts within the Eligible Reconciliation Pool associated with a single metered Eligible Net Metering System, when generation is assumed to be greater than 125% of consumption and actual consumption is not known (because there is only one meter), the Company will treat any Net Metering Credits in excess of 100% of consumption measured at a single meter configuration as Excess Renewable Net Metering Credits for purposes of executing the process described in Section II(5)(a) and Schedule C of this Tariff.

(6) Schedule B’s

- (a) 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 provided that submissions made to the Company in accordance with Section II(15)(d) of this Tariff will not count against the quarterly limitation.

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- (b) When performing an Annual Reconciliation for a host account, the Company will use the last effective Schedule B provided to the Company for the applicable calendar year as a measure of consumption.
  - (c) In instances where a satellite/off-taker account is being provided credits from more than one host account and appears on more than one Schedule B submitted to the Company by owners of host accounts, the Company will allocate the total consumption of the off-taker to each host account at the time of the Annual Reconciliation in a manner that accounts for 100% of the off-taker's consumption while avoiding double counting of consumption for separate projects.
  - (d) For the instances in which mutual agreement has not been reached among the affected host accounts and off-taker to the reasonable satisfaction of the Company as to the allocation of consumption to host accounts from off-takers appearing on more than one Schedule B that avoids double counting of consumption, the Company will, for purposes of the annual reconciliation, allocate the consumption of the off-taker to the host account on the basis of each host account's share of the total credits received by the off-taker over the annual period. To avoid application of the Company's default methodology, affected host accounts and the affected satellite/off-taker are encouraged to enter into discussions in order to agree upon an allocation that reasonably allocates percentages of the annual consumption to each host account without counting more than 100% in total.
  - (e) Following a review and accounting of all Schedule B's, which shall be conducted by the Company by April 1, 2024 unless an extension is granted by the Commission and which may be conducted by the Company from time to time thereafter, to identify off-taker accounts that appear on more than one Schedule B, the Company will provide a notice and schedule to each host account that has one or more off-takers being provided Net Metering Credits from more than one host account. At a minimum, the notice and schedule will contain the following:
    - a. For each off-taker receiving credits from more than one host account, the schedule will identify the off-taker and the applicable Schedule B of the host account.
    - b. The notice will explain the provisions set forth by Section II(6)(c) and (d) of this Tariff and will provide instruction for the affected parties to submit a confirmation of agreement in a form reasonably acceptable to the Company signed by authorized persons for each entity confirming the allocation to the Company's reasonable satisfaction.
- (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.

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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 will 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

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NET METERING PROVISION

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.
- (12) Once an Annual Reconciliation is completed for accounts on a given Schedule B, the Company shall notify the customers of record for each satellite/off-taker account listed on the Schedule B, within a reasonable time after completion of the Annual Reconciliation, of their respective eligibility to cash out their credits, including an explanation of how the customer can initiate the cash out.
- (13) Net Metering Customers are permitted to cash out subject to the following conditions:
  - (a) The cash out only applies to credit balances that remain on a Net Metered Account after the completion of an Annual Reconciliation;
  - (b) The post-reconciliation amount of the cash out shall be the lower of (i) the credit balance shown from the Annual Reconciliation of the applicable account or (ii) the credit balance on the applicable account on the date the Company processes the cash out;
  - (c) For any accounts that had a positive balance of credits as of the end of 2023, those accounts shall be deemed eligible for cash out at the lower of (i) the credit balance as of the end of 2023 or (ii) the credit balance on the account as of the date the Company processes the cash out; and

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- (d) For accounts that fall outside the Eligible Reconciliation Pool, cash outs of the credit balance on the account are permitted once per year after the end of the applicable year, unless a second cash out is requested by the owner of the Eligible Net Metering System because the owner is moving from the premises and is closing the current electric account, in which case a second cash out is permitted after the closing of the account in the amount of the credit balance as of the date of the closing of the account.
- (14) The transfer of credits shall only be permitted under the following circumstances:
- (a) When ownership of the host account is changing because of the sale of the unit and the credits are transferred from the old host account to the new host account; or
  - (b) The transfer of credits is between accounts owned by the same customer of record or accounts of affiliates of the same parent company/entity that holds 100% ownership interest in each affiliate.
- (15) Consumption Balance Reports
- (a) At the end of the third quarter of each year, the Company shall provide a consumption-to-production balance report (“Consumption Balance Report”) to each host account.
  - (b) The Consumption Balance Report should provide the following:
    - (i) Year-to-date consumption information for each satellite account listed on the Schedule B as of end of the third quarter, reflecting total consumption through the September billing cycle of each customer listed on the Schedule B;
    - (ii) The total net production recorded by the Company for the host account’s generation through the end of September;
    - (iii) The total consumption that occurred in the prior calendar year from each of the satellite accounts listed (to the extent available) for the months of October through December; and
    - (iv) A list of any accounts on the applicable Schedule B that also appear on other applicable Schedule B’s associated with other host projects.
  - (c) The Consumption Balance Report shall be provided to the host account within 30 days of the last satellite/off-taker account billing cycle of September that is reflected in the report.

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- (d) The host account will have thirty (30) days from receipt of the Consumption Balance Report to amend the Schedule B which will be considered effective in the calendar year for purposes of the Company executing the Annual Reconciliation.
- (16) The Company will publish the credit values of all of its applicable net metering credits by rate class as an Addendum to Tariff No. 2095 and update the Addendum each time there are rate changes affecting the credits.
- (17) The Company will publish on its website a separate document which lists the history of the crediting values by month, year, and rate class, in a downloadable excel format.

**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 Last Resort 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 Rhode Island General Laws Section 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 Last Resort Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.

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- (3) The Company will perform an Annual Reconciliation, consistent with Section II(5) of this Tariff, which compares kWh generated to kWh consumed over an annual period and will apply billing charges to host Net Metered Accounts for ratios greater than 100%. The results of the Annual Reconciliation will be applied to all distribution customers as a uniform per kilowatt hour (kWh) credit through the Net Metering Charge for a period of up to twelve (12) months subject to Commission approval.

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**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 kWhs 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)

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Service Address: \_\_\_\_\_

Electric Delivery Company 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 \_\_\_\_\_

Total estimated generation to consumption ratio \_\_\_\_\_ (shall be as close to 100% as feasible, any ratio between 100% - 125% will be subject to partial billing charge and any ratio greater than 125% will be subject to a full billing charge).

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% but shall be as close to 100% as feasible. If the Net Metering Credits being allocated are not as close to 100% as feasible and all other interconnection requirements are met, the Company will allow interconnection and commencement of operation to occur pursuant to the Qualifying Facilities Power Purchase Rate (R.I.P.U.C. No. 2256) as amended and superseded from time to time until the NMC is able to reach the required as close to 100% as feasible threshold, after which net metering treatment commences. Any remaining percentage will be applied to the NMC's account.

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**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:

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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 or within thirty (30) days following receipt of a Consumption Balance Report.

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.

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Agreed and Accepted – Please sign

[NAME OF NMC]

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

The Narragansett Electric Company

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

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**Schedule C – Volumetric Method Billing Charges**

<b>Billing Charges</b>	
$\frac{\text{Generation}}{\text{Consumption}} \leq 100\%$	No charge: customer was paid the full value of a Renewable Net Metering Credit, all generation is eligible for the Renewable Net Metering Credit amount.
$100\% < \frac{\text{Generation}}{\text{Consumption}} \leq 125\%$	Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is eligible for Excess Renewable Net Metering Credits, which are worth less at Last Resort Service.  Charge = (Distribution + Transmission + Transition) * (Generation (kWh) 100% - 125%)
$\frac{\text{Generation}}{\text{Consumption}} > 125\%$	Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is not eligible for any Net Metering Credit.  Charge = (Last Resort Service + Distribution + Transmission + Transition) * (Excess Generation (kWh) > 125%)

Billing Charges will be applied based on the annual weighted average rate for each rate class.

The corresponding billing charge for credits treated as Excess Renewable Net Metering Credits pursuant to Section II(5)(b) of this Tariff will be calculated pursuant to the middle row in the above table as opposed to the last row.