

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

**IN RE: DEVELOPMENT OF STORAGE : DOCKET NO. 24-34-EL
TARIFF FRAMEWORKS :**

**NOTICE OF STAFF-LED WORKSHOP,
REQUEST FOR PUBLIC COMMENTS, AND
DEADLINE TO IDENTIFY DESIGNATED STAKEHOLDERS**

Staff of the Public Utilities Commission (PUC) will hold a public workshop on **Wednesday, December 4, 2024, at 10:00 AM**. The workshop will be conducted via a virtual meeting room. Participants can join via the internet by using this link <https://us02web.zoom.us/j/89129074530> or by phone by dialing (301)715-8592 and entering the meeting number 891 2907 4530. There will not be an in-person option to join the workshop. This is not an open meeting so no minutes will be drafted by PUC staff following the meeting.

The purpose of the workshop is to discuss the PUC's development of a storage interconnection tariff framework in sub-docket 24-34-EL-I and a storage service tariff in sub-docket 24-34-EL-TC. Staff will answer questions and provide any information that will inform stakeholders' decision to participate in the docket as Designated Stakeholders and benefit stakeholders' development of comments in response to the attached Request for Comments.

While any member of the public may submit comments, those stakeholders who have identified their intent to participate as Designated Stakeholders who have submitted a letter of qualification and commitment are expected to submit a written response to the attached Request for Comments.

Stakeholders who are interested in joining the group of Designated Stakeholders in this docket are encouraged to read the requirements provided in PUC's August 30, 2024, notice in this docket¹ and, if not already done, must submit a letter of qualification and commitment.

All comments and letters of qualification and commitment should be submitted to the PUC Clerk, Stephanie De La Rosa, at Stephanie.DeLaRosa@puc.ri.gov, ATTN: Docket 24-34-EL Storage Frameworks, by **Monday, December 23, 2024**.

Stephanie De La Rosa, Commission Clerk
November 22, 2024

¹ [https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-09/Dkt.24-34-EL Notice %288-30-24%29 Final.pdf](https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2024-09/Dkt.24-34-EL%20Notice%288-30-24%29%20Final.pdf).

REQUEST FOR COMMENTS

I. Overview

The Rhode Island Public Utilities Commission (PUC) is developing two distinct frameworks for tariffs related to energy storage resources connected to Rhode Island Energy's (RIE) distribution system: one focused on interconnection processes and costs, and the other on ongoing terms and conditions for energy storage services. These frameworks will help shape how energy storage systems interact with the distribution grid and the market. The PUC seeks stakeholder feedback to ensure the frameworks address the diverse needs of all parties involved, and to inform the development of fair, effective, and clear tariff structures.

1. Interconnection (24-34-I): Focuses on how energy storage resources physically connect to the distribution system, covering initial processes and costs.
2. Terms and Conditions (24-34-TC): Focuses on the ongoing rules and charges for energy storage resources, addressing service terms for both wholesale and retail markets.

The frameworks will acknowledge and address the distinct regulatory roles of Federal Regulatory Commission (FERC) (over wholesale markets) and the PUC (over retail markets) while ensuring both pathways are developed in alignment. Below the PUC provides some foundational considerations and presents questions for comments to the public.

II. Guidance for Engagement

Stakeholders are encouraged to familiarize themselves with the rate design principles and goals outlined in Docket 4600A,² as well as the Final Report of Docket 5000.³ Additionally, it is important to review the current RIE tariff structures,⁴ as they share common elements (e.g., eligibility and metering requirements) that will inform the development of new policies for storage integration.

III. Scoping Concepts Related to Wholesale and Retail Market Distinction

The following concepts provide stakeholders additional context for the PUC's initial approach to developing the two storage tariff frameworks. These preliminary concepts should not be inferred as PUC policy preferences. Comments are welcome but not requested.

The PUC recognizes that energy storage resources may participate in either wholesale or retail markets. These distinct participation models necessitate separate treatment within the interconnection and terms and conditions frameworks due to jurisdictional boundaries between

² <https://ripuc.ri.gov/eventsactions/docket/4600A-GuidanceDocument-Final-Clean.pdf>

³ https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-10/RIPUC_Final_Storage_Report_Docket_5000.pdf

⁴ <https://www.rienergy.com/site/ways-to-save/rates-and-shopping/service-rates/residential-service-rates/tariff-provisions>

FERC and the PUC. The PUC's goal is to develop comprehensive tariff frameworks for integrating energy storage resources into the distribution system, while respecting the regulatory distinctions of state and federal oversight.

A. Jurisdictional Distinctions:

1. For interconnection, distribution-connected facilities will follow an interconnection process subject to the PUC jurisdiction, regardless of whether they participate in wholesale or retail markets. However, the tariff framework may include distinctions for wholesale versus retail facilities based on their regulatory status and market participation.
2. For ongoing terms and conditions, wholesale facilities will require a Wholesale Distribution Service (WDS) tariff (under FERC's jurisdiction), while retail facilities will require a retail tariff (under the PUC's jurisdiction).
 - a. The WDS tariff (FERC jurisdiction) will set rules for wholesale storage facilities.
 - b. The retail tariff (PUC jurisdiction) will set rules for retail storage facilities.
 - c. Cost and Service Parity: The PUC starts with the assumption that cost allocation and rate design principles should result in similar treatment for similarly situated wholesale and retail facilities. However, this assumption will be tested through stakeholder input.

B. Additional Framework Elements for Retail Facilities

1. Credits for Discharge: The PUC will explore whether retail energy storage systems should be eligible to earn credits for discharging energy to the grid, similar to the treatment of net metering customers.
2. Eligibility Considerations: The framework will clarify eligibility for:
 - a. Different configurations (e.g., standalone systems, generation-sited, or load-sited storage).
 - b. Facilities participating in other programs (e.g., net metering, ConnectedSolutions, RE Growth, long-term contracts, etc.).

IV. Request for Comments

The PUC invites stakeholders to provide feedback on the questions outlined below. Additional issues may arise as the frameworks are developed, and we encourage stakeholders to share any concerns, suggestions, or ideas that should be considered.

Please submit your comments, suggestions, or answers to the specific questions by **Monday, December 23, 2024**, to the PUC Clerk, Stephanie De La Rosa, at stephanie.delarosa@puc.ri.gov
ATTN: Docket 24-34-EL Storage Frameworks.

Stakeholder Prompts for an Interconnection Tariff Framework (24-34-I)

The following section is addressed to stakeholders wishing to engage in development of an interconnection tariff framework. The interconnection tariff will address how energy storage resources connect to the distribution grid, including the eligibility, processes, and costs associated with interconnection. PUC staff has identified the following elements as necessary to create an interconnection tariff:⁵

1. Applicability: This section describes which interconnection applications are covered by the tariff.
2. Process: This section includes general processes and proforma inclusions, such as a description of the processes from application to completion, other documents necessary and incorporated, necessary understandings, definitions, and other elements.
3. Study process: This is a more specific explanation of what studies are necessary and how they will be conducted.
4. Costs: This element is necessary to define fee schedules for applications and studies, and to define cost allocation for any interconnection-related expenses incurred by the utility.
5. Timelines: This section would describe what time periods, if any, are allotted to both the utility and the interconnecting customer for certain tasks.
6. Technical requirements: This will include technical requirements for interconnection and technical requirements for operation.
7. Non-technical Requirements: This section might include explanations of liability and insurance requirements.
8. Other: This serves as a placeholder for additional stakeholder input on missing elements.

These eight elements form a basic and empty framework for an interconnection tariff, and into which many design choices could be implemented. In this sub-docket, the PUC will develop clear guidance on design choices for these elements with stakeholder input. The interconnection tariff framework will serve as policy guidance for the creation of model interconnection tariff that will include specific and necessary language to implement the design choices.

⁵ Examples of interconnection tariffs that informed the basic framework presented above include, among others: RIE's Terms and Conditions for Distribution Service: Policy 3 Line Extension and Construction Advance Policy for Commercial, Industrial, and Existing Residential Customers R.I.P.U.C No. 2243 (Appendix A, Policy 3), https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/neco-tcs-policy-3_ripuc_2243.ashx and Standards for Connecting Distributed Generation R.I.P.U.C No. 2258, https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/standards_for_connecting_dg.ashx.

The interim step of developing a model interconnection tariff is consistent with in R.I. Gen. Laws § 39-33-2 and will allow a stakeholder review process of specific interconnection tariff language before a final tariff is filed by RIE with the PUC pursuant to a future contested docket.

Some topics above will be addressed in future outreach, such as technical requirements. With this notice, the PUC seeks initial feedback on elements 1, 3, 4, and 8 (elements 2, 5, 6, and 7 will be addressed in the future):

1. Applicability

- a. What constitutes the distribution system? Some existing generation facilities have purpose-built interconnection that serve no other distribution customers and may never serve additional customers. Are these distribution facilities? Does it matter if those facilities are built to connect directly to the transmission system?
- b. For storage facilities co-located with facilities subject to existing interconnection tariffs and processes, should the existing tariffs control?
- c. Should a single interconnection tariff for all export facilities not subject to an existing interconnection tariff be developed, or should the current focus be on storage facilities? For example, examining a tariff for additional facilities, such as microgrids, could be useful, but could be more time consuming and delay the outcome on storage interconnection.

3. Study Process

- a. What interconnection studies should be required for energy storage resources?
 - i. Should the process allow for the applicant to seek alternative interconnection studies, for example one study without restrictions and one study subject to operational guidelines?
 - ii. If alternatives are allowed, how should alternatives be initiated and sequenced?
- b. What characteristics of the facilities, such as size, location, and/or configuration, should determine the study requirements?

4. Costs

- a. Should there be a payment schedule for interconnection costs?
 - i. What fees can be assessed fairly via a schedule?
 - ii. Which fees, if any, should depend on project scope and size?
 - iii. Which other interconnection costs should be collected from applicants and how?

- iv. What is reasonable timing for assessment and payment of study costs and construction costs?
 - b. Under what conditions, if any, should a storage facility be eligible for a reduction/credit to the interconnection construction costs? (See e.g., Tariff RIPUC No. 2243 Appendix A, Policy 3).⁶
8. Other: What other main elements can stakeholders identify that do not fall within the basic tariff structure provided above?

⁶ https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/neco-tcs-policy-3_ripuc_2243.ashx.

Stakeholder Prompts for a Terms and Conditions Tariff Framework (24-34-TC)

The following section is addressed to stakeholders wishing to engage in development of a service tariff framework. The service tariff will define the terms and conditions for energy storage resources, including service eligibility, rates, and technical requirements not addressed in the interconnection tariff. PUC staff has identified the following elements as necessary to create both a WDS and retail service tariff:⁷

1. Availability: This section describes which customers are eligible for service under the tariff.
2. Charges: This section incorporates all the charges and credits that will be billed to customers. To complete this section, applicable costs must first be determined and allocated to the class. Second, rates design and rates applicable to the class must be set.
3. Terms and Conditions: This section described additional terms and conditions for service, which may include technical and non-technical requirements specific to the class. For RIE service tariffs, it typically incorporates RIE's general service terms and conditions provided in Terms and Conditions for Distribution Service R.I.P.U.C No. 2243.⁸
4. Other: This serves as a placeholder for additional stakeholder input on missing elements.

These four elements form a basic and empty framework for a service tariff, and into which many design choices could be implemented. In this sub-docket, the PUC will develop clear guidance on design choices for these elements with stakeholder input. The service tariff framework will serve as policy guidance for the creation of model service tariff that will include specific and necessary language to implement the design choices.

The interim step of developing a model service tariff is consistent with in R.I. Gen. Laws § 39-33-2 and will allow a stakeholder review process of specific service tariff language before a final tariff is filed by RIE with the PUC pursuant to a future contested docket.

Some topics above will be addressed in future outreach, such as additional cost-related issues, rate design and terms and conditions. With this notice, the PUC seeks initial feedback on elements 1, 2, and 4 (elements 3 will be addressed in the future):

⁷ Examples of service tariffs that informed the basic framework presented above include, among others: General C&I Rate (G-02) Retail Delivery Service R.I.P.U.C No. 2228, https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/g02_ripuc_2228.ashx and Station Power and Reliability Service Rate (M-1) R.I.P.U.C No. 2230, https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/m1_ripuc_2230.ashx.

⁸ https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/residential-rates/tariff-provisions/tariff-provisions/neco-tcs-dist-svc_ripuc_2243.ashx

1 Availability

- a. What types of energy storage resources should be eligible for service under a WDS?
- b. What types of energy storage resources should be eligible for service under a retail service tariff?
- c. Should storage facilities be considered a distinct class of customers because they have unique characteristics, warranting separate cost allocation and rates?
 - i. Are these characteristics different for similarly designed wholesale and retail storage systems?
 - ii. If storage facilities should be considered a distinct class of customers, should that apply to standalone, generation-sited, or other configurations?
- d. Should the tariff availability depend on concurrent enrollment in net metering, Renewable Energy Growth, or other programs or tariffs?
 - i. Should availability allow a wholesale storage facility to be paired with generation participating in the retail market?
- e. Should other facility types, like microgrids, be considered at this time or should a storage tariff be the priority?

2 Costs

- a. Once the interconnection costs for a storage facility have been incurred, do storage facilities generally create ongoing costs to the distribution system?
 - i. Operations costs?
 - ii. Maintenance costs?
 - iii. Ongoing capital investment? If so, related to what (growth, modernization, asset condition, etc.)?
- b. Do responses to part a on cost causation depend materially on any of the following:
 - i. Wholesale versus retail participation,
 - ii. Metering/wiring configuration,
 - iii. Whether the interconnection relies on existing distribution system capacity,
 - iv. Timing of charging and discharging,
 - v. Electrical location of the facility, or
 - vi. Something else?

- c. All retail customers are assessed certain mandatory charges per various laws. Are there any configurations under which storage connected to the distribution system would or should be able to avoid those charges?⁹
- 4. Other: What other main elements can stakeholders identify that do not fall within the basic tariff structure provided above?

⁹ For a reference of current charges and rates *see* Summary of Retail Delivery Rates R.I.P.U.C. 2095, <https://www.rienergy.com/site/-/media/rie-jss-app/home/ways-to-save/rates-and-shopping/service-rates/commercial-service-rates/2024-11-1-Summary-of-Rates-2095.ashx>.