Model Policy 3

Accompanying Memo

Grid Ready Home Act

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Purpose

In order to meet growing electricity load demands, the state should encourage customer adoption of distributed energy resources like home solar and batteries. These technologies can help optimize the grid by reducing electrification costs and maintaining reliability.

However, the process for connecting these resources to the utility grid are complex and present a major barrier to residential solar and storage adoption.

Current interconnection and utility service upgrade processes are inefficient, cumbersome and costly. Unexpected expenses during the interconnection process and significant delays can lead to cancelled projects and frustrated customers.

New technologies, including improved smart inverters, present an opportunity to address these challenges by allowing for more effective integration of inverter-based distributed energy resources into the electric grid.

The "Grid Ready Home Act" will help speed up interconnection of distributed energy resources by directing the appropriate state agent to establish clear interconnection application processes and adopt minimum inverter functionality requirements.

This will allow utilities to proactively plan by leveraging customer-sited technologies, reduce interconnection barriers for customers, and overall support a more reliable and accessible energy grid. Smart inverters, in combination with consumer-friendly interconnection processes, will help maximize savings and achieve renewable energy deployment goals.

Provisions Summary

<u>Definitions</u>

This model legislation includes definitions for "distributed generation facility", "electric distribution company", and "smart inverter functionality requirements."

<u>Other Provisions</u>

This legislation:

Establishes a process for electric customers to notify the electric distribution company of their intent to install a distributed generation facility less than 25kW;

Specifies that new distributed generation facilities must meet minimum smart inverter functionality requirements;

Specifies that system installers submit an interconnection application for approval, including project description, the proposed site, a signed copy of the customer contract, verification of inverter settings, and any other relevant documents;

Requires the distribution company to issue a signed interconnection agreement and letter authorizing system operation upon receipt of completed application materials;

Specifies that, if system upgrades are required, the distribution company will authorize distributed generation facility operations with managed imports and exports until the upgrade is complete;

Requires the distribution company to complete any necessary system upgrades within three months of notifying the customer;

Limits customer interconnection application processing fees to $150 and requires that fees be waived for qualifying low-income applicants;

Requires the electric distribution company to cover the costs of any service upgrades over the $150 interconnection fee;

Establishes provisions to track distribution company performance, mechanisms to ensure compliance, mechanisms for customers to seek department review, and provisions for resolving disputes between customers and distribution companies; and

Establishes a permanent office of a distributed generation and clean energy ombudsperson to help resolve disputes related to distributed energy resource integration and requires this office to publicly publish an annual report on program effectiveness.