



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
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August 19, 2013

Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

In Re: Rules & Regulations Governing the Implementation of a Renewable Energy Standard- Docket No. 3798

The Division of Public Utilities and Carriers (the "Division") submits the within comments in the above captioned matter. The Division's comments are in response to the filing on July 1, 2013 of R.I. LFG Genco, LLC ("Genco"), seeking the Commission to declare that Renewable Energy Certificates ("RECs") produced during the period prior to the commencement of commercial operations of a generating facility (the "Test Period"), to be eligible as Rhode Island RECs. Genco asserts *inter alia* that Test Period RECs are recognized under its Power Purchase Agreement ("PPA") with National GRID and that there is no distinction between Test Period RECs and those generated after commencement of commercial operations.

The Commission has maintained a policy since 2007 that a renewable facility's RECs become Rhode Island Eligible effective on the first day of the month in which Rhode Island certification is issued.¹ The Commission policy has been that the certification of an Eligible Renewable Energy Resource is complete upon notification of a facility's Commercial Operation Date and assignment of a NEEPOOL-GIS Asset Identification number, at which point the Commission issues a unique, Rhode Island-specific certification number.² As a result of the Commission's policy here, it has declined to recognize Genco's RECs eligible as Rhode Island RECs during the Test Period in this case.

¹ Order No.21120 p.4; *citing* Rules & Regulations Implementing a Renewable Energy Standard, Rule 6.0

² Order No. 20255. (issued December 20, 2010).

The issue for disposition here is whether the Commission's present REC eligibility policy in place since 2007 should be changed to recognize and make eligible Test Period RECs. The Division believes that the Commission's present REC eligibility policy warrants changing.

The Division agrees that that there is no discernable distinction between RECs generated, during renewable generating facilities Test Period and those generated on or after commercial operations. The Test Period is usually a period where a facility is undergoing pre-operational testing and commissioning according to a equipment manufactures guidelines and at a period in time when the facility is interconnected with the electric grid. The terms test period and commercial operations typically are contractually defined triggering events in a PPA negotiated by parties that are agreed upon for purposes of obligating a buyer to compensate a seller for the delivery of its energy, capacity and RECs.³ In the instant matter, for example, the parties agreed to recognize that RECs were eligible to be counted during the Test Period. Finally, the Division believes that the eligibility of RECs in the Test Period could provide market stimulation through greater REC supply, potentially resulting in lower REC prices. For the foregoing reasons the Division has no objection to a change in Commission policy that would make RECs eligible for market during a generating facilities Test Period.

I appreciate your anticipated cooperation in this matter.

Very truly yours,



Jon G. Hagopian
Senior Legal Counsel

cc: Stephen Scialabba

³ See e.g., PPA Between National Grid & R.I. LFG GENCO, LLC May 21, 2010, Section 3.3 at pp. 16-18 & Section 4.9 at p. 27.