



ALLCO RENEWABLE ENERGY GROUP LIMITED, LLC

14 Wall Street – 20th Floor
New York, NY 10005

Response to Docket #3999

Dec. 12, 2008

RI Public Utilities Commission
99 Jefferson Blvd.
Warwick, RI 02888

Re: Docket 3999

Honorable Commissioners:

Allco Renewable Energy Group Limited, LLC would appreciate the opportunity to participate in the discussion regarding Docket 3999, regarding the changes in the net metering tariff pursuant to R.I.G.L. Sections 39-26-2 and 39-26-6 (g)-(k) enacted on July 5, 2008.

- 39-26-6(g)(3) - Application of Credits

We agree with the RI PUC Division and other stakeholders regarding the statute 39-26-6(g)(3) that refers to an unlimited number of accounts, not up to a maximum of five as per National Grid. Many towns and cities in Rhode Island have multiple meters and many accounts – street lights, schools, town hall, pumping stations. All of these bills represent the town's electrical consumption and so it would seem arbitrary and unfair to limit the application of credits to only 5 accounts. The intent of the net metering legislation is to allow municipalities, affordable housing developers, farms, educational institutions, or the Narragansett Bay Commission to apply the energy generated at a site to multiple accounts.

- 39-26-6(g)(1) – Maximum Size for Net Metering

We believe that this statute is meant to limit the size of projects that qualify for net metering. The statute states certain criteria such as location and ownership which determine the maximum size that qualifies for net metering.

We do not feel that the purpose of this statute is to apportion ownership of any net metering credits according to project ownership. Although we believe that this statute does not pertain to apportioning net metering credits, we feel strongly that net metering credits should be able to be retained 100% by the customer owning the meter through which the qualifying project is net metered. The purpose of third-party financing is to provide capital to towns, companies and individuals for renewable energy projects who cannot afford the upfront capital investment. As many of the benefits for renewable energy are in the form of tax credits and are unavailable to towns, non-profits and homeowners, this third-party capital is crucial in order to bring projects to fruition. Third-party financing is merely placing capital and in return, looks to the town, business, non-profit, homeowner etc for repayment. They are not seeking to purchase any interest in the net



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metering credits directly. In many cases, these third-party financiers (banks, etc) do not have accounts in state and would not be able to avail of the credits in any case.

In order to develop renewable energy projects in state, it is crucial to attract third-party financing. In light of current credit conditions, very few towns and businesses have the capital on-hand to invest in projects. Therefore, it is important that we do not interpret the statutes in such a way that could limit third-party financing into projects in Rhode Island.

We look forward to the discussion at the technical session.

Respectfully,

Keith Peltzman
Vice-President
Allco Renewable Energy Group Limited, LLC

cc: Bill Fischer