Memorandum
From: People's Power & Light,
represented by Karina Lutz, Advocacy Consultant, and Stephan Wollenberg, Green Power Manager
To: RI Public Utilities Commission
Date: October 7, 2011
Re: Docket No. 4277, Distributed Generation Enrollment Application and Enrollment Process Rules

People's Power & Light's policy agenda in this matter is to see the new distributed generation long term contracts program work, at as affordable rates as possible. We believe that the was written with that in mind—additional requirements for small businesses beyond what was in statute make it less viable and increase costs, and therefore prices over the life of the program.

Foremost, we object to the "threshold requirements," as they are unnecessary barriers to entry of the market, and the utility and ratepayer are protected by the performance guarantee. The categories and the scoring are irrelevant on that account. Such initial hurdles were not anticipated by statute, which is intended to encourage, not discourage viable project applicants.

Please cut the capacity/Forward Capacity Market section entirely. The law requires the utility to purchase the capacity and did not require anything of the developer on this account. To maximize the recovery of the costs ratepayers pay for that capacity, the utility should aggregate it and bid it into the FCM.
There are several reasons for this:

1) The value of the capacity, since sold to NGrid by law, should go to the ratepayer, not to the developer or a third party as NGrid suggested at the standard contract working group.

2) If NGrid doesn't capture the capacity value, some of the value will be lost, as it is not worth the developer's effort to go through the FCM to capture it for such small projects, and it will be lost to both developers and the utility/ratepayer. If a third party aggregator captures the value, they will take a cut.

3) People's Power & Light sometimes works in the market in order to be able to demonstrate through pilots that new policies can work. On that account, we acted as an aggregator of the capacity in the Connecticut solar program. We know it is viable, and see that it would be easier for the utility to administer, since they will be already purchasing all the DG capacity in the program, than it would be for any outside aggregator.

4) The state's energy efficiency programs provide a model of the utility aggregating the FCM on behalf of the EE program participants and feeding that value back into buy down the cost of the program for ratepayers.

Therefore, delete section2.8

REC eligibility, upon signing of the contracts, should shift to the utility. Project owners could be required to register and ensure the project's eligibility for renewable energy credits in multiple states before that, if that is of concern to the utility. This may have the added benefit of recovering the best rate for the RECs for RI ratepayers.

Throughout the document, the rules should use the language of the statute regarding location, not "'in RI" or "RI load zone" but "electric utility's load zone." Similarly, remove the requirement to prove projects are good for "economic development for RI." Not only is this not in the statute, and irrelevant, but muddies some of the purposes of the program, such as to "stimulate" economic development generically, and separately, to facilitate distributed generation to improve the local load zone distribution system's resilience, costs, etc. These criteria were not intended as requirements for each project but as purposes of the program in general. Additionally, the law clearly states in section 39-26.2-6(b) that
"[f]or small distributed generation projects, the electric distribution company on *a first-*

come, first-served basis, shall enter into standard contracts at the applicable standard contract ceiling price with any distributed generation project which meets the requirements of all applicable tariffs and regulations, and meets the criteria of a renewable energy class in effect, until the class target is met." [emph. ours]

Strike "month to month basis" from footnote 5 (p. 6) because RECs are actually sold on a quarterly basis.

-Karina Lutz & Stephan Wollenberg