



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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January 14, 2014

VIA ELECTRONIC MAIL ONLY [Amy.Dalessandro@puc.ri.gov]

Amy D'Alessandro, Esq.
Public Utilities Commission
89 Jefferson Blvd.
Warwick, Rhode Island 02888

Re: DG Board's Report & Recommendation - Docket No. 4288

Dear Ms. D'Alessandro:

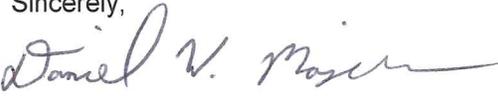
The Rhode Island Distributed Generation Standard Contracts Board ("Board") hosted a public community review meeting on Thursday, January 9, 2014 to discuss the additional kilowatt capacity made available for the 2014 Distributed Generation Standard Contracts Program ("DGC Program"). The Board determined at this public community review meeting that, given the number of megawatts to be reallocated that the Board might be in a better position to allocate the remaining kilowatt capacity after either the first or second enrollment in 2014. Therefore, the Board respectfully requests the Public Utility Commission ("Commission") allow the Board to review the results of the first enrollment and/or second enrollment and contracts awarded and determine how the remaining kilowatt capacity should be allocated amongst the technologies. Overall, this recommendation is consistent with the Board's 2014 program plan recommendations filed to the Commission on December 16, 2013 and the Commission should proceed with its review.

Providing this flexibility to the Board will allow additional time for the Board to weigh the results of the first enrollments of the year, which will allow the additional kilowatt capacity to be targeted to the most cost-effective renewable energy technologies and provide benefits to ratepayers by securing the most cost-effective projects.

Attached is a copy of the presentation given by the Office of Energy Resources at Thursday's meeting.

The Board also wishes to notify the Commission for the record that the federal renewable energy incentives for wind turbines expired on December 31, 2013. The possibility of that expiration was included in the Board's 2014 plan submitted to the Commission on December 16, 2013; the expiration does affect the ceiling prices under the 2014 plan for wind turbines.

If you have any questions regarding the Board's request for flexibility in addressing the issue of megawatt allocations by technology for enrollment periods, please let me know.

Sincerely,

Daniel W. Majcher, Esq.

DWM/njr

Attachment

c. Kenneth Payne
Christopher Kearns
Service List 4288

2014 Distributed Generation Contracts Program - Updates

Office of Energy Resources
Thursday, January 9, 2014



STATE OF RHODE ISLAND

**OFFICE OF
ENERGY RESOURCES**

Updates

- **The Board's 2014 Distributed Generation Contracts Program recommendations were filed with the Public Utility Commission (Commission) on Monday, December 16, 2013.**
- **The docket filing recommendations were based on a 13.352 megawatt (MW) capacity for the 2014 DG Program. That MW capacity is no longer accurate. The 2014 program will now have 16.352 MW of capacity.**
- **This is the largest yearly MW amount during the program's four year history.**
- **There were two separate 1.5 megawatt wind turbine projects that submitted DG applications in the 3rd enrollment (October 28 to November 8) but did not sign their contracts.**

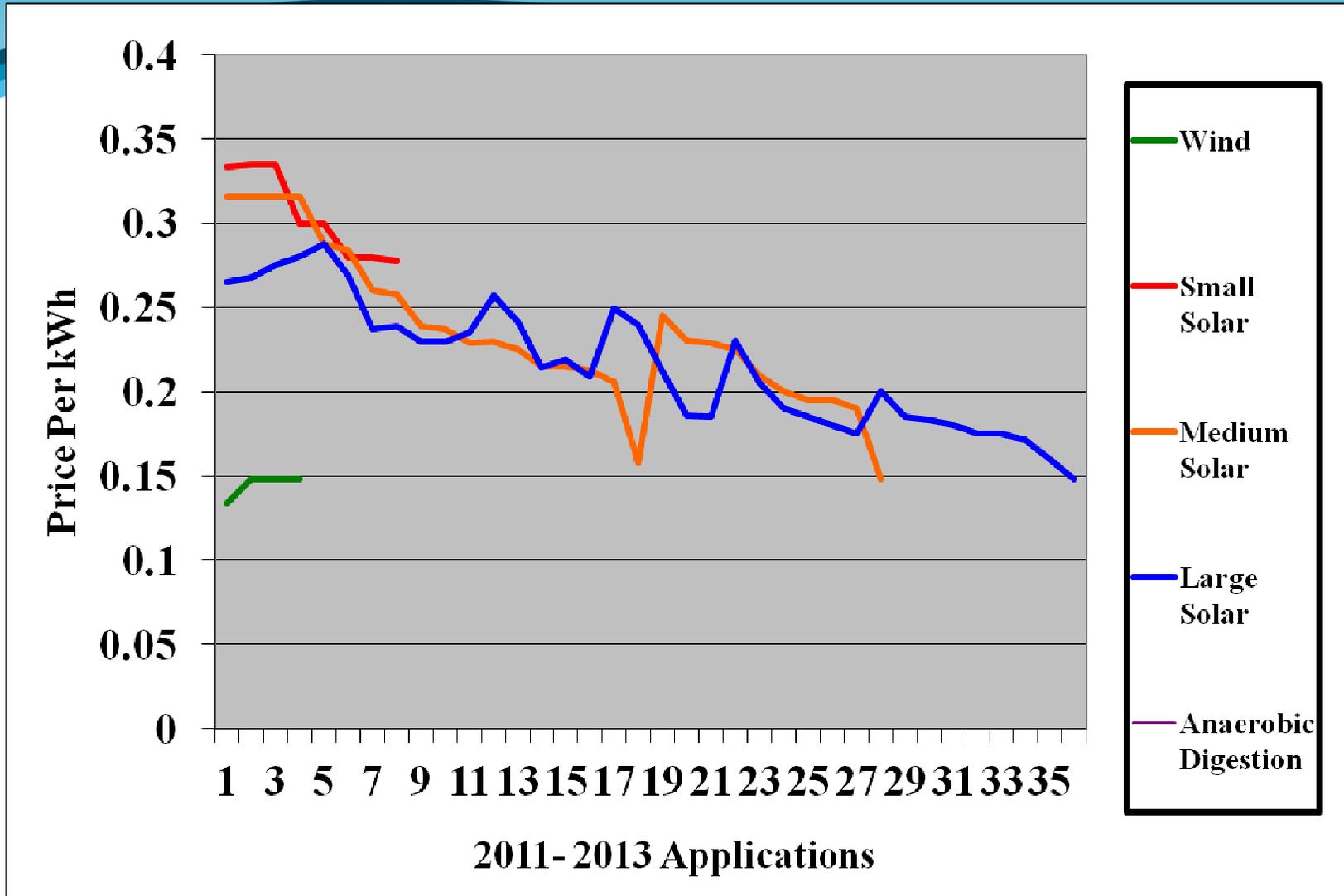
Updates

- **National Grid and the OER provided additional time to the applicants, beyond the time line established in the Distributed Generation Contracts Program regulations to sign and submit the necessary contracts and deposits.**
- **This issue also occurred with two solar applications in the 2nd enrollment.**
- **The Board notified the Commission of this additional MW capacity on Monday, December 23rd.**
- **The Board will need to determined how that additional capacity should be utilized in the 2014 program. The Board will need to notify the Commission of what is contemplated or suggested from this public meeting.**

Updates

- The ceiling price for the 1.5 MW wind turbine renewable class has now increased by 39 percent (compared to actual 2013 ceiling prices) due to the expiration of the federal incentives on December 31, 2013. It was an 18 percent increase with the federal incentives in place.
- The federal solar tax incentive is currently in place until the end of 2016.
- The OER has launched an Economic and Environmental Impact Study of the DG Program. That report will be submitted to the Governor and General Assembly in April.

December 2011 – December 2013 Results



3rd Round Contract Results

- The project locations and ceiling price results were filed by National Grid to the Commission on Monday, January 6th.
- 6 solar contracts were signed for a total capacity of 2.996 MW.
- The system sizes were 52, 150, 498, 498, 500 kw and a 1.298 MW .
- The contracted ceiling prices were 0.27757, 0.27990, 0.19488, 0.19, 0.14790 and 0.14790.
- The solar projects are located in Smithfield, Providence, Richmond, North Kingstown and West Warwick.

Recommendation

- **The OER would recommend that the Board notify the Commission that the additional MW capacity allocation be determined after the first two enrollments results.**
- **This allows time to see the 2014 contracted prices and number of applications received. Base the final allocation of MW capacity on those primary factors.**
- **This is consistent with what the Board discussed and approved at the December 2nd meeting with additional MW capacity.**
- **This process allows the Board additional time to determine the proper direction to take, and also allows stakeholder input on how the additional MW capacity should be disbursed to potentially additional wind, solar, etc. projects.**
- **A decision would need to be made by the Board in late spring or early summer for the 3rd enrollment scheduled in the fall, and notify the Commission of that decision.**



Questions