

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

DOCKET NO.

In Re: Petition of the Town of New Shoreham, Rhode Island, for Declaratory Judgment that the Town of New Shoreham, its residents and businesses are eligible to receive funding for Renewable Energy projects located in the Town of New Shoreham from the Renewable Energy Fund

***PETITION FOR DECLARATORY JUDGMENT***

**PETITION SUMMARY**

This Petition for Declaratory Judgment is filed pursuant to R.I.G.L. §42-35-8 and Commission Rule of Practice and Procedure 1.10(c).

The Town of New Shoreham (“Town”) files the within Petition on behalf of the Town and its residents and businesses, and seeks a declaration that the Town and its residents and businesses are eligible to receive funding for renewable energy projects from the Renewable Energy Fund (“REF”).

## FACTS

1. On January 27, 2009, the Rhode Island Economic Development Corporation (“RIEDC”) determined that renewal energy projects within the Town can be funded by the REF. According to the RIEDC, this determination was made primarily because “1) Block Island is located in Rhode Island, and 2) Block Island, while not currently interconnected to the regional transmission grid, is technically within the New England Power Pool (NEPOOL) Control Area as defined by FERC and the ISO/NE Open Access Tariffs. If necessary, RIEDC may request applicants to obtain authorization from the Rhode Island Public Utilities Commission (PUC) as an eligible renewable energy project, pursuant to the PUC’s rules implementing the Renewable Energy Standard. The RIEDC looks forward to receiving project applications from the Town of New Shoreham as well as from Block Island business owners in an effort to further the expansion of renewable energy in Rhode Island and to promote economic development in our State.” Please refer to *Exhibit 1: Letter dated February 4, 2009 from Julian Dash, Director of Renewable Energy RIEDC to the New Shoreham Town Manager.*

2. In furtherance of the January 27, 2009 RIEDC ruling, the Town applied for and received REF funding for a solar panel project at the Town hall. Please refer to *Exhibit 2: Letter dated July 27, 2009 from J. Michael Saul, Interim Executive Director RIEDC, to the New Shoreham Town Manager.*

3. Entech Engineering Incorporated (“Entech”), on behalf of several Town electricity consumers, filed an application for a grant award for REF funding. At the RIEDC meeting on April 22, 2013, RIEDC considered for approval a renewable energy fund small-scale solar project grant award for several applicants, including Entech. During the meeting, Hannah

Morini, the Renewable Energy Program Manager (“REF Manager”), made a presentation to the RIEDC regarding the REF. The REF Manager stated that there are four programs which are being funded: 1) a small scale solar program that funds residential projects less than 10kW, 2) a commercial scale category from 10kW to 50kW, 3) an early stage commercialization program to assist emerging technologies in renewable energy, and 4) a feasibility program to ensure projects make economic and physical sense before development. The REF Manager further stated that the RIEDC had promulgated new rules and regulations in December of 2012 which updated and strengthened the process by which projects are awarded, and that an advisory board (“Advisory Board”) made up of two members from the Office of Energy Resources and three members from the RIEDC board discusses every project “to ensure everyone is in consensus that the project meets the requirements of the program and discusses whether anything needs to be strengthened before the application is presented to the board.” Please refer to *Exhibit 3: Minutes of April 22, 2013 meeting of the RIEDC Directors*.

4. As set forth in *Exhibit 3*, the RIEDC Directors unanimously voted to approve an award to Entech in the amount of \$31,868.75. Based upon the presentation of the REF Manager, the Advisory Board determined that the application of Entech as well as the applications of the other six applicants for REF Small-Scale Solar Program grant awards, met the requirements of the program as set forth in state law and in the RIEDC rules and regulations.

5. On June 24, 2013, the RIEDC Board of Directors adopted the following resolution with respect to the Entech grant: “The April 22, 2013 vote of the Corporation granting approval to Entech Engineering, is hereby amended to reflect the condition, as previously presented to the Board of the Corporation, that Entech Engineering will seek clarification from the Public Utilities Commission as to eligibility of Renewable Energy Fund projects located in New

Shoreham.” Please refer to *Exhibit 4: Resolution adopted by the RIEDC Board of Directors in connection with the REF matter as well as the RIEDC’s secretarial certificate certifying the accuracy of the resolution.*

6. The issue of the eligibility of renewable energy projects located in New Shoreham for REF funding is a matter of concern to the Town, its residents and businesses. Accordingly, the Town Council voted to proceed with this Petition on behalf of the town, its residents and its businesses.

### **ISSUES PRESENTED**

I. THE PUBLIC UTILITIES COMMISSION DOES NOT HAVE JURISDICTION TO DETERMINE THE ELEGIBILITY OF GRANT APPLICANTS FOR REF FUNDS.

1. The January 27, 2009 determination of the RIEDC that Town renewable energy projects can be funded by the REF (See *Exhibit 1*), the actual funding of a Town project by the REF (See *Exhibit 2*), as well as the April 22, 2013 vote of the RIEDC board approving the REF grant for projects located in New Shoreham, clearly demonstrate that the RIEDC has made the determination, in accordance with state law and the RIEDC’s rules and regulations, that projects located in New Shoreham are eligible for REF grants.

2. The June 24, 2013 resolution of the RIEDC board (See *Exhibit 4*) appears to condition RIEDC’s approval on PUC approval. Based upon the statutory scheme for the administration of REF grants, the Petitioners respectfully submit that the PUC does not have jurisdiction over this matter. A declaration by the PUC that it does not have jurisdiction over this matter will mean that

the awarding of the grant to Entech and RIEDC's determination that projects located within New Shoreham are eligible to receive REF grants will stand. Accordingly, based upon Rhode Island law, the Town requests that the PUC make the determination that it does not have jurisdiction. Such a determination will then render the remaining issues in this petition moot.

3. A review of the applicable Rhode Island law demonstrates that the RIEDC is the public body which has jurisdiction over REF grants. In this regard, R.I.G.L. § 42-64-13.2 entitled, "Renewable energy investment coordination," states as follows: "(c) *Renewable energy development fund.* The corporation (defined therein to be the RIEDC) shall, in the furtherance of its responsibilities to promote and encourage economic development, establish and administer a renewable energy development fund as provided for in § 39-26-7, may exercise the powers set forth in this chapter, as necessary or convenient to accomplish this purpose, and shall provide such administrative support as may be needed for the coordinated administration of the renewable energy standard as provided for in chapter 39-26 and the renewable energy program established by § 39-2-1.2. The corporation may upon the request of any person undertaking a renewable energy facility project, grant project status to the project, and a renewable energy facility project, which is given project status by the corporation, shall be deemed an energy project of the corporation."

4. Paragraph (d)(1) of R.I.G.L. § 42-64-13.2 imposes upon the RIEDC the obligation to establish by rule the standards for financing renewable energy projects from diverse sources. In addition, paragraph(e)(1)(2) requires the executive director of the RIEDC by January 1, 2009 to adopt: "(A) Goals for renewable energy facility investment which is beneficial, prudent, and from diverse sources; (B) A plan for a period of five (5) years, annually upgraded as appropriate,

to meet the aforementioned goals; and (C) Standards and procedures for evaluating proposals for renewable energy projects in order to determine the consistency of proposed projects with the plan.”

5. In R.I.G.L. § 39-26-7, the responsibility and authority for administering the renewable energy development fund is given solely to the RIEDC. Paragraph (c)(3) expressly states that among the RIEDC’s purposes is "Providing technical and financial assistance to municipalities for interconnection and feasibility studies, and/or the installation of renewable energy products".

6. R.I.G.L. § 39-26-7 gives the RIEDC the exclusive right to adopt plans and guidelines for the management and use of the REF. This statute, entitled, “Renewable energy development fund,” authorizes and creates the renewable energy development fund within the economic development corporation, and provides: “The fund shall be located at and administered by the Rhode Island economic development corporation in accordance with § 42-64-13.2. The economic development corporation shall: Adopt plans and guidelines for the management and use of the fund in accordance with § 42-64-13.2...”

7. R.I.G.L. § 39-2-1.2 states that renewable energy programs “shall be administered by the economic development corporation pursuant to § 42-64-13.2 and, shall be held and disbursed by the distribution company as directed by the economic development corporation for the purposes of developing, promoting and supporting renewable energy programs.”

8. R.I.G.L. § 39-2-1.2 (b)(1) states that the renewable energy investment programs shall be administered pursuant to rules established by the RIEDC and that the rules shall provide transparent criteria to rank qualified renewable energy projects.

9. R.I.G.L. § 39-2-1.2 (d) gives the executive director of the RIEDC authority to enter into a contract with a contractor for the cost effective administration of the renewable energy programs.

10. R.I.G.L. § 42-64-13.2 gives no other agency or commission regulatory authority over the funding decisions of the RIEDC.

11. The RIEDC's own Rules and Regulations for the Renewable Energy Development Fund Programs clearly indicate that the RIEDC has jurisdiction. Rule 2.0 *Purpose, Scope and Applicability*, states that the purpose and scope of the Renewable Energy Development Fund as set forth in RIGL chapter 42-64 are "to develop an integrated organizational structure to secure for the State of Rhode Island and its people the full benefits of cost-effective renewable energy development from diverse sources." Rule 2.0 further states that the RIEDC, in the furtherance of its responsibilities to promote and encourage economic development, shall establish and administer a Renewable Energy Development Fund, and that the RIEDC may, upon the request of any person undertaking a renewable energy facility project, grant project status to the project, and a renewable energy facility project, which is given project status by the RIEDC is deemed to be an energy project of the RIEDC.

Based on the forgoing, it is evident that the statutory scheme adopted by the Legislature clearly demonstrates that the RIEDC is the public body which has jurisdiction over the implementation and management of the REF. Accordingly, the Petitioners respectfully submit that the PUC should decline to exercise jurisdiction over this matter.

II. THE TOWN OF NEW SHOREHAM, ITS RESIDENTS AND BUSINESSES, ARE ELIGIBLE TO RECEIVE REF GRANTS FOR PROJECTS LOCATED IN NEW SHOREHAM.

In the event that the PUC determines that it does not have jurisdiction, further consideration of the issues raised in this Petition are not necessary; however, in the event that the PUC determines that it does have jurisdiction, the Town of New Shoreham, its residents and businesses aver that they are eligible to receive REF grants for Projects located in New Shoreham and in support thereof, state as follows:

1. The enabling legislation sets forth the mission of the RIEDC as securing "for Rhode Island and its people the full benefits of cost-effective renewable energy..." (R.I.G.L. title 42, chapter 64). Further, the act grants the RIEDC the authority to, in furtherance of its responsibilities, "establish and administer a renewable energy development fund as provided for in § 39-26-7..." Neither R.I.G.L. § 39-26-7 nor the RIEDC's Rules and Regulations for the Renewable Energy Development Fund removes or excepts any Rhode Island municipality, resident or business from eligibility for the program.

2. R.I.G.L. § 39-26-7 gives the RIEDC the exclusive right to adopt plans and guidelines for the management and use of the fund in accordance with R.I.G.L. § 42-64-13.2, which also has no exclusion of any Rhode Island municipality, resident or business.

3. The Town, while excluded as an obligated entity because it does not sell electrical energy to end-use customers in Rhode Island has, in fact, been a member of the New England Power Pool since March 5, 2010.



4. Currently, because of the exemption from the Utility Restructuring Act, BIPCo does not have the same regulatory requirements of mainland utilities, e.g., certain reporting requirements or the assessment of the \$0.003/kWh charge (R.I.G.L. § 39-2-1.2(b)) which funds a part of the RIEDC's activities. This difference due to the current off-grid operation of BIPCo does not, as noted, preclude participation in, nor siting, eligible renewable facilities in New Shoreham, nor preclude participating in the statewide development of renewable resources through the RIEDC.

5. The funding or partial funding of an eligible facility by the RIEDC does not create any disadvantage to mainland utilities but rather furthers the program and its goals. The RIEDC is funded through sources other than the \$0.003/kWh assessment. Among these are the alternative compliance payment as defined in R.I.G.L. § 39-26-2(1). Additionally, RIEDC is supported by grants and state appropriations<sup>1</sup>.

6. The REF was created with the intent to increase the supply of NE-GIS certificates for compliance in future years. The NE-GIS is the information system of NEPOOL whereby a generation source is classified by its "attributes", i.e., its characteristics, one of which is whether the generation source is renewable. The system also records the total generation (MWhs) from the source allowing the determination of both the installed capacity (MW) and generation (MWhs) by attribute, e.g., renewable energy. In the legislative findings pertaining to the renewable energy standard, the Legislature has determined that Rhode Island has an interest in renewable resources which have the potential to stabilize costs, reduce air pollutants, maintain competitiveness with surrounding states and protect the public health. Consequently, to preclude state investment in a Rhode Island municipality, such as New Shoreham, due solely to the lack of

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<sup>1</sup> In 2012 less than half (43%) of the RIEDC revenue, excluding the Component Units of Quonset Development Corp., Rhode Island Airport Corp., Small Business Loan Fund Corp. and I-95 Redevelopment District Commission, was generated from the renewable energy fund.

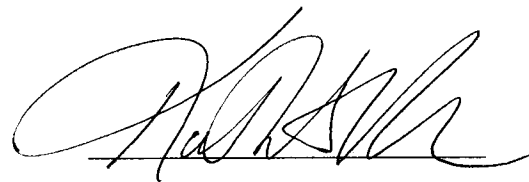
inclusion in the NE-GIS data base, would run counter to the intent of the legislation. Because of the interconnected nature of virtually all of New England, their generation reporting system becomes a simple administrative tool for record keeping, not a standard defining resource development. In addition, the State of Rhode Island has, in other regulatory venues, supported and furthered the ultimate connection of Block Island to the mainland grid system, consistent with the notion of compliance for future years. Renewable generation sources would reasonably be expected to operate for a generation.

Based on the foregoing, the Petitioners respectfully submit that the Town, its residents and businesses are eligible to receive REF grants for projects located in New Shoreham.

Petitioners,

by their Attorneys,

Merolla & Accetturo

A handwritten signature in black ink, appearing to read 'K. Merolla', written over a horizontal line.

Katherine A. Merolla, Esq.

No. 2344

Kent Office Building

469 Centerville Road

Warwick, RI 02886

*EXHIBIT 1*



RHODE ISLAND

**Economic Development Corporation**

315 Iron Horse Way, Suite 101 • Providence, Rhode Island 02908

PHONE: 401-278-9100 • FAX: 401-273-8270 • [www.riedc.com](http://www.riedc.com)

Ms. Nancy O. Dodge, Town Manager  
Town Hall  
PO Box 220 Old Town Road  
Block Island, Rhode Island 02807

February 4, 2009

Dear Ms. Dodge,

As you know, on January 15, 2009, the Renewable Energy Fund (REF) held a municipal event at the Rhode Island Economic Development Corporation (RIEDC) to discuss the REF as it relates to cities and towns. At the time of the event, there was some question as to whether or not Block Island is eligible to receive funding from the REF since the power generated by the Town of New Shoreham does not contribute to the National Grid / Pascoag surcharge fund which authorizes RIEDC to fund renewable energy projects.

On January 27, 2009, RIEDC determined that Block Island can be funded by the REF. This determination was made primarily because 1) Block Island is located in Rhode Island, and 2) Block Island, while not currently interconnected to the regional transmission grid, is technically within the New England Power Pool (NEPOOL) Control Area as defined by FERC and the ISO/NE Open Access Tariffs. If necessary, RIEDC may request applicants to obtain authorization from the Rhode Island Public Utilities Commission (PUC) as an eligible renewable energy project, pursuant to the PUC's rules implementing the Renewable Energy Standard.

The RIEDC looks forward to receiving project applications from the Town of New Shoreham as well as from Block Island business owners in an effort to further the expansion of renewable energy in Rhode Island and to promote economic development in our State. If you have any questions or comments please feel free to contact me or Jennifer Paolino, the Program Manager for the Renewable Energy Fund, at 401-278-9100.

Sincerely,

Julian Dash  
Director of Renewable Energy  
Rhode Island Economic Development Corporation

Cc: Christopher Warfel  
Peter Baute  
Raymond Torrey

***EXHIBIT 2***

6  
July 27, 2009

Ms. Nancy Dodge  
Town Manager - Town of New Shoreham  
PO Box 220  
Block Island, RI 02807

RE: RI Renewable Energy Fund Commitment Letter

Dear Nancy:

In connection with your successful RI Renewable Energy Fund Application (the "Application"), the Rhode Island Economic Development Corporation (the "RIEDC") has agreed to award a grant to the Town of New Shoreham (the "Town") of \$70,065 to be used to fund the Solar PV installation on your Town Hall (the "Project") upon your acceptance, agreement and acknowledgement of the following terms and conditions.

1. Funding Schedule: The Town agrees to the funding schedule as outlined on the attached Exhibit A.
2. The Town will notify the RIEDC before releasing or authorizing any statements or information to the media regarding the Project or the Award. The Town agrees to provide the RIEDC opportunity to comment on any such statement or release prior to publication. The Town will notify the RIEDC of any and all public references that will be used for the project, and will provide the RIEDC the opportunity to participate in any public display, mention and/or signage related to the support of this project.
3. Except as listed on the attached Exhibit B ("Other Sources of Funding"), the Town confirms that it has not submitted an application for any funding in connection with the Project from any sources whatsoever other than those specific sources of funding listed in Section 9(b) of the Application. It being acknowledged and understood that the RIEDC reserves the right, in its sole discretion, to limit or amend the Award based on additional available funding for the project.
4. Grant funding will only be used for direct Project expenses as outlined in your application. No grant funding may be used for any indirect, "soft" or administrative costs.
5. The Towns will provide brief narrative progress reports on a quarterly basis stating the status of the Project, the progress reports will include: (i) specific updates concerning the project criteria identified in the Application specifically including any time to market milestones identified in Section 7(k) of the Application and any success

metrics identified in Section 10 of the Application; and (ii) confirmation of the utilization of funds as identified in Section 9(a) of the Application.

6. The Town will provide a final progress report no later than December 31, 2009. This report will include narrative comparing the final Project to the results identified in Section 10(e) of the Application. Extensions may be granted on a reasonable basis, with prior written approval from the RIEDC.

7. The Town agrees and acknowledges that upon request, the Town will provide all data in connection with the Project to the RIEDC.

All notices and reports will be sent to the following contact at the RIEDC:

Julian Dash  
Director, Renewable Energy Fund  
RI Economic Development Corporation  
315 Iron Horse Way, Suite 101  
Providence, RI 02908  
jdash@riedc.com  
(401) 278-9138

If you have questions, please do not hesitate to contact Julian Dash, Director of the Renewable Energy Fund at 401-278-9138 or jdash@riedc.com.

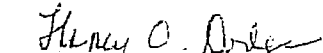
**If you accept, agree to and acknowledge these terms and conditions, please sign and return this commitment letter together with the completed attached Exhibits, which are a part of this commitment letter, so that your Award may be processed.**

Sincerely,



J. Michael Saul  
Interim Executive Director  
Rhode Island Economic Development Corporation

ACCEPTED, AGREED AND ACKNOWLEDGED

  
\_\_\_\_\_  
APPLICANT/DATE

Nancy O. Dodge  
Town Manager  
9/1/09

**EXHIBIT A**  
**STATUS OF SECTION 9(b) FUNDING SOURCES**

The RIEDC will issue funding to the Town according to the following schedule:

<u>Amount</u>	<u>Milestone</u>
\$70,065	Funded upon receipt of invoices for direct Project expenses in accordance with your Application. <sup>U.D.D.</sup>
	Funded upon evidence of the Town's <sup>\$28,435</sup> <del>\$50,000</del> contribution being expended.



**Exhibit B**  
**Other Sources of Funding**

Identify any application submitted for any funding in connection with the Project from any sources other than those specific sources of funding listed in Section 9(b) of the Application.

<u>Source</u>	<u>Amount</u>
Town of New Shoreham	<del>\$50,000</del> 28435 N.O.D.
RI Renewable Energy Fund	\$70,065
Total	<del>\$120,065</del> \$ 98,500 N.O.D.

***EXHIBIT 3***

# RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

## MEETING OF DIRECTORS

### PUBLIC SESSION

APRIL 22, 2013

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, April 22, 2013, in Public Session, beginning at 5:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto as **Exhibit A**, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, and Mr. Jason Kelly.

Directors absent were: Mr. Karl Wadensten

Also present were: John J. Pagliarini, Thomas Carlotto, René Pickett, and Christel Donnelly.

#### **1. CALL TO ORDER AND OPENING REMARKS**

Governor Chafee called the meeting to order at 5:03 p.m. indicating that a quorum was present. Governor Chafee stated that the unemployment rate has declined to 9.1% and that there have been nine consecutive months of decline. This is the lowest unemployment rate since 2008 and largest year over year decline since 1985.

#### **2. INTRODUCTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS**

Governor Chafee introduced and welcomed the new members of the board. Jason Kelly is the Executive Vice President of Moran Shipping Agencies. Mr. Kelly stated there were no dissenting votes during the confirmation process. Roland Fiore runs a business in South County. Mr. Fiore was previously appointed but not acted upon by the Senate. Mr. Fiore states that there were no dissenting votes during his confirmation process. Nancy Carriuolo is the President of Rhode Island College. Dr. Carriuolo stated there no dissenting votes during her confirmation process and that it was a very interesting process. Shannon Brawley is the Executive Director of the Rhode Island Nursery and Landscape Association. Ms. Brawley commented that it's an honor to be representing the agricultural and landscape community. George Nee was re-appointed to the board after previously serving for two years.

3. **APPROVAL OF THE MINUTES OF THE MEETING HELD ON MARCH 4, 2013**

Upon motion duly made by Mr. Adams and seconded by Mr. Weiss, the following vote was adopted:

**VOTED:** To approve the Public and Executive Session Minutes of the meeting of March 4, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, and Mr. Jason Kelly.

Voting against the foregoing were: None.

4. **EXECUTIVE DIRECTOR'S REPORT**

Governor Chafee introduced Chief of Staff John Pagliarini to discuss the Executive Director's Report. See **Exhibit B**. Governor Chafee stated Marcel Valois has been nominated as to serve as Executive Director of the RIEDC and Mr. Pagliarini will be filling in until Mr. Valois is confirmed as the new Executive Director.

Mr. Pagliarini stated that on April 16<sup>th</sup> Tunstall Americas celebrated the grand opening of their new facility in Pawtucket. The company relocated its medical call center to Rhode Island and is expected to create 250 jobs in the state. Mr. Pagliarini noted that the Small Business Loan Fund Corporation was able to lower average interest rate from 7.5% to an average rate of 5.75%.

He continued that the RIEDC's International Trade Team and Tourism Division is currently on a trade mission to Hong Kong and China. They left on April 19<sup>th</sup> and will be returning on May 1<sup>st</sup>. The mission is being held in collaboration with the John H. Chafee Center for International Business at Bryant University and the U.S. – China Institute at Bryant University. The mission is focused on fostering stronger ties between Rhode Island and China and Hong Kong to spur local growth, increase Rhode Island exports, and attract more direct international investment to our state. He also stated that there is interest to recruit more Chinese students to come to our higher education institutions. Mr. Pagliarini introduced Mark Brodeur who is the director of tourism. Mr. Brodeur showed a bag the team took with them on the mission to China, which included items such as Mr. Potato head from Hasbro, brochures in Chinese see **Exhibit C**, Rhode Island's Official 2013 Tourism Guide see **Exhibit D**, and a book on the Newport mansions.

Mr. Pagliarini continued that Governor Chafee and the RIEDC partnered with municipal leaders, the U.S. SBA, DLT, Office of Regulatory Reform, local Chambers of Commerce and others to host Community Outreach Programs in Cumberland on March 5<sup>th</sup> and in Coventry on April 3. He noted additional forums are being planned on May 8<sup>th</sup> and in Warwick on May 30<sup>th</sup>. Mr. Pagliarini stated that at the forums they hear from

local small businesses and discuss ways to help them succeed, grow the economy and create jobs for Rhode Islanders.

5. **TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE I-195 COMMISSION**

Governor Chafee introduced Colin Kane for a status update from the I-195 Commission. Mr. Kane welcomed the new board members. Mr. Kane stated it has been a very productive two weeks. For the past 18 months the Commission has been working towards several activities, which were successfully completed this week. Mr. Kane stated the Commission voted to take title and place bonds with Sovereign Bank, that the EDC and Commission signed the loan documents, and will record the real estate transfer of the former interstate I-195 properties on Wednesday morning. Mr. Kane noted that Jan Brody accepted the position of Executive Director of the Commission. Ms. Brody has an MBA from Wharton, is a University of Pennsylvania trained architect, and has successfully managed projects throughout the country. Ms. Brody will start as Executive Director on May 20<sup>th</sup>.

Mr. Kane continued that road construction was started recently on the west side of the highway on Clifford Street and Friendship Street. The construction will include utility updates for those streets. Construction on the east side is scheduled to start pending contract negotiations. Mr. Kane stated a consensus relative to the Commission's permitting approach was reached by the Department of Environmental Management, Coastal Resources, Narragansett Bay Commission, and the City of Providence Engineering Department to apply a master permit across all 40 acres. The permitting process was truncated from an 18 to 24 month process to a 45 day turn around. Mr. Weiss asked if the master permitting process and the requirements already approved would apply to future projects. Mr. Kane responded that that it would.

Mr. Nee asked about the magnitude of unstructured expenses over the next 2 ½ years. Mr. Kane responded that it is a \$40 million DOT expenditure. \$35 million is road work and the balance is park and bridge construction, along with investment from Narragansett Bay, Providence Water Authority and National Grid for utility upgrades.

6. **TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE QUONSET DEVELOPMENT CORPORATION**

Governor Chafee introduced Steve King for a status update from the Quonset Development Corporation. See **Exhibit E**. Mr. King stated the Quonset Business Park is 3,207 acres with more than 175 companies employing 9,100. Of the 3,207 total acres, 1,395 acres are developable. The Corporation has developed a site readiness program and designed improvements for each of the 45 sites. Mr. King continued that the QDC worked closely with the Town of North Kingstown to create a Quonset Zoning District to develop a single set of rules and regulations. Mr. King discussed several recent openings at the business park, including Wide World of Sports and Marriott TownePlace Suites. He also noted there are several properties currently under construction, including the Electric Boats Coating Building and the Gateway Office Building. Mr. King

continued that the Davisville dredging project started in October was completed in January at no cost to the taxpayer. Mr. Nee asked if the dredging needs had been satisfied. Mr. King responded that there is a huge improvement but over time more will need to be done. Mr. Weiss asked if the small office would provide secretarial service. Mr. King responded that it would provide concierge and secretarial type services.

Mr. King continued that it has been a record breaking year for the arrival of autos at the Port of Davisville. On December 19<sup>th</sup> 4,100 cars arrived at the port, which was the most cars ever in a single day. The longest train in history arrived on December 10<sup>th</sup> and was 85 cars long. In 2012 more than 172,000 autos were imported. Governor Chafee noted that there are many jobs created by the car business at Quonset. Mr. King responded that there are many small components added to the cars to prepare them for distribution from Quonset. This is done by several hundred employees. Mr. King continued that the dredging project removed 250,000 cubic yards of material making the port safer for 30' draft vessels.

Mr. King noted the TIGER Grant Projects that have been completed. Improvements were made to the rail and road networks, as well as the terminals and ports. Mr. King ended by noting the QDC board is made up of eleven members. The Governor appoints six members, the EDC Executive Director and Chairs appoint two members, the Town of North Kingstown appoints two members, and the Town of Jamestown appoints one member.

7. **TO CONSIDER FOR APPROVAL THE ISSUANCE OF RHODE ISLAND AIRPORT CORPORATION BONDS IN CONNECTION WITH THE DE-ICER MANAGEMENT SYSTEM AT T.F. GREEN AIRPORT**

Tom Carlotto stated he had presented the resolution to the board and introduced Kelly Fredericks from the Rhode Island Airport Corporation to speak about the De-icer Management System. Governor Chafee commented that Governor Sundlun started the RIAC during his term in the early 90s. Mr. Fredericks stated he will give an update regarding what is happening at the next meeting. Mr. Fredericks introduced Dr. Kathleen Hittner and Brian Schattle to give an overview of the project. Mr. Schattle explained that De-icer is the process airlines use to make sure that frost is off the planes during cold weather. RIAC have been working with the Rhode Island DEM on a new permit and to create a permitting process going forward. Part of the permit will include the development of a De-icing management facility to deice around the terminal and at the off ramp and De-icing fluid will be collected and treated at a centralized facility. Mr. Schattle continued that the project is estimated to cost approximately \$28 million. RIAC has worked closely with the DEM and Rhode Island Clean Water Finance Agency. The project falls under a DEM priority project and the nature of the project allows RIAC to utilize those funds. The bonds and financing are solely backed by general airport revenue. The revenues from the airport will pay for the debt servicing of the facility with bonds and save about 1/3 off the interest rate.

Mr Nee asked how soon the project will start. Mr. Schattle responded bidding will close on June 4<sup>th</sup> and construction will start shortly thereafter. Mr. Adams asked is

there an existing De-icing program that is being replaced. Mr. Schattle responded that there is an operational program in place utilizing vacuum trucks and this project will consolidate everything into one treatment facility. The Governor commented that there are wetlands and ponds to the east of the airport and there were accusations in the past that a lot of the deicing fluid would wash into the pond.

Mr. Schattle again noted that the total estimate for construction is \$28 million. Mr. Nee noted the resolution is for \$33.5 million and asked where the other 5.5 million would go. Mr. Schattle responded that this is an authorization to borrow up to 33.5 million from Rhode Island Clean Water.

Upon motion duly made by Mr. Nee and seconded by Mr. Weiss, the following vote was adopted:

**VOTED:** To approve the issuance of Rhode Island Airport Corporation bonds in connection with the Deicer Management System at T. F. Green Airport, pursuant to the Resolution submitted to the board of directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, and Mr. Jason Kelly.

Voting against the foregoing were: None.

Governor Chafee asked if Dr. Hittner would like to add anything about the airport. Dr. Hittner added that this is a pivotal time at the airport. There is a lot going on with the construction of the De-icer Management System as well as the extension of a runway. Dr. Hittner continued that they need to increase air service by making planes fuller and getting bigger planes here. More flights to more destinations and bring in more airlines. She stated development of the intermodal and the area around the intermodal is very important. The new runway extension will allow airplanes to increase passengers and increase cargo. Mr. Adams asked if there was a desire or benefit to becoming an international airport. Dr. Hittner responded that they have the ability to fly international now but the question is whether the carriers want to and if there is enough business. Dr. Hittner noted San Juan and Puerto Rico are likely international destinations.

**8. TO CONSIDER FOR APPROVAL AN UNDERWRITER IN CONNECTION WITH THE ISSUANCE OF RHODE ISLAND AIRPORT CORPORATION BONDS**

Governor Chafee introduced Sean Esten to present regarding the selection of a bond underwriter for the proposed Airport Refunding Bonds. See **Exhibit F**. Mr. Esten stated that the Rhode Island Airport Corporation is looking to refinance their existing 1998B series and 2003A series Rhode Island Economic Development Corporation Revenue Bonds to lower their cost of borrowing. All bonds that are issued to be sold in public markets are required to be underwritten by a certified, licensed underwriter. The

EDC already has a list of approved underwriters. Mr. Esten stated they went through the list and put out a Request for Qualifications Process for the underwriting of the bonds. The EDC received 14 responses. A selection committee reviewed the top responses in terms of their qualifications with airports. The committee has recommended Citigroup be selected as the underwriter of the bonds because it is the best in terms of pricing and experience with airport funding.

Mr. Adams asked about savings in terms of interest rates and amortization period. Mr. Esten responded that during the underwriting process they would determine what the optimal term would be. Mr. Adams asked how many bonds they are looking to consolidate. Mr. Esten responded that they are looking at 1998 series and 2003 series. Mr. Schattle stated that the present value savings on the 1998 series bonds is about 11% without changing the amortization terms.

Upon motion duly made by Mr. Nee and seconded by Mr. Weiss, the following vote was adopted:

**VOTED:** To approve the appointment of Citigroup Global Market Incorporated as underwriter in connection with the issuance of Rhode Island Airport Corporation bonds.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, and Mr. Jason Kelly.

Voting against the foregoing were: None.

9. **TO CONSIDER FOR APPROVAL RENEWABLE ENERGY FUND SMALL-SCALE SOLAR PROJECT GRANT AWARDS FOR: (a) NEWPORT SOLAR; (b) REAL GOODS SOLAR; (c) CHURCH COMMUNITY HOUSING; (d) US SOLAR WORKS; AND (e) ENTECH ENGINEERING; AND TO CONSIDER FOR APPROVAL RENEWABLE ENERGY FUND COMMERCIAL SCALE DIRECT PROJECT FUNDING GRANT AWARDS FOR: (A) CLEM'S ELECTRIC; AND (B) NATIONAL SECURITY**

The Governor introduced Hannah Morini for a presentation on the Renewable Energy Fund. See **Exhibit G**. Ms. Morini stated the Renewable Energy Fund is a rate payer funded program created by legislation in 1996 and has been in the managing control of the EDC since 2008. The fund receives money from rate payers, National Grid, and the Pascoag Utility District to the tune of about \$2 million per year. The fund also receives money from alternative compliance payments from large energy users, including National Grid, if they do not buy renewable energy credits from eligible sources as required of them through the renewable energy standard. Ms. Morini continued that this year the EDC received close to \$6 million in alternative compliance payments. Ms. Morini stated the purpose of the fund is to increase the role of



renewable energy in the forms of both business development and supply of electricity on the grid. Ms. Morini continued that there are four programs the EDC is putting money into – a small scale solar program that funds residential projects less than 10kW, a commercial scale category from 10kW to 50kW, an early stage commercialization program to help emerging technologies in renewable energy, and a feasibility program to make sure projects make economic and physical sense before going through development.

Ms. Morini noted that the EDC promulgated new rules and regulations board in December 2012, which updated and strengthened the process by which projects are awarded. This year there are three specific deadlines for each of the programs and the renewable energy fund staff reviews the applications to ensure they are complete and meet all of the requirements. Ms. Morini continued that there is a new advisory board made up of two members from the Office of Energy Resources and three members from the EDC board. The board discusses every project to ensure everyone is in consensus that the project meets the requirements of the program and discusses whether anything needs to be strengthened before the application is presented to the board.

Ms. Morini stated the small scale solar program and commercial development program both have projects up for approval. The small scale solar program has \$1.5 million in the fund and six applications were received for a total of \$172,000. This fund is for either a grant of 25% of the turnkey contract between the homeowner and their selected solar installer or a 50% low interest loan. The six applicants are Newport Solar, Real Goods Solar, Church Community Housing, US Solar Works, Entech Engineering. Dr. Carriuolo asked if there was requirement to ensure all of the homeowners are Rhode Island residents. Ms. Morini responded that yes there is a requirement and the applicants submit documentation such as an electric bill.

Ms. Morini continued that the commercial development program has two applications. The applicants for this program are National Security Corporation and Clem's Electric. Ms. Morini noted that all of the applicants are eligible for a 30% Federal tax credit. Ms. Morini also noted that one of the requirements of the program is that the homeowners must receive an energy audit first so that all of the applicants are aware of how much energy they are using.

Upon motion duly made by Mr. Adams and seconded by Mr. Nee, the following vote was adopted:

**VOTED:** To approve the following awards:

- Newport Solar in the amount of \$13,196.75
- Real Goods Solar in the amount of \$26,388.25
- Church Community Housing in the amount of \$34,596.00
- Solar Works in the amount of \$22,643.50

- Entech Engineering in the amount of \$31,868.75
- National Security in the amount of \$28,250.00
- Clem's Electric in the amount of \$27,390.40


and to authorize the Chief of Staff or Director of Financial Programs to negotiate and execute all necessary documents.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, and Mr. Jason Kelly.

Voting against the foregoing were: None.

Governor Chafee commented that Senator Reed had an energy round table and it was shared that in 2012 Rhode Island ranked 7<sup>th</sup> in the nation for energy efficiency investments based on the rankings of the American Council for Energy-Efficient Economy. Rhode Island has been in the top ten for the fifth consecutive year due to our strong state energy efficient programs and incentives.

There being no further business in Public Session, the meeting was adjourned at 6:38 p.m., upon motion made by Mr. Weiss and seconded by Mr. Adams.

  
Thomas Carlotto, Secretary

***EXHIBIT 4***

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**  
**SECRETARY'S CERTIFICATE**

The undersigned hereby certifies that the attached Resolution is a true and accurate copy of the Resolution duly adopted by the Rhode Island Economic Development Corporation (the "RIEDC") Board of Directors (the "Board") in connection with the Renewable Energy Fund matters considered at the June 24, 2013 meeting of the RIEDC Board.

A handwritten signature in black ink, appearing to read "Thomas E. Carlotto", written over a horizontal line.

Thomas E. Carlotto, Secretary

Dated: June 25, 2013

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

**June 24, 2013**

**(With Respect to Renewable Energy Fund Matters)**

WHEREAS, the Board of Directors has received information and a presentation regarding the following Renewable Energy matters at its meeting held on June 24, 2013.

The request of East Avenue Solar Project for a forgivable loan in the amount of \$39,750.00 to develop a 1MW Solar Farm in Burrville, RI;

The request of Newport Solar for a grant from the Renewable Energy Fund in the amount of \$33,188.00 to design and install a total of 28.66 kW of Solar Photovoltaic on eight (8) residential properties;

The request of Newport Renewables for a grant from the Renewable Energy Fund in the amount of \$29,422.97 to design and install a total of 24.62 kW of Solar Photovoltaic on three (3) residential properties and one (1) business property;

The request of Real Goods Solar for a grant from the Renewable Energy Fund in the amount of \$72,431.00 to design and install a total of 59.70 kW of Solar Photovoltaic on ten (10) residential properties; and

The incorporation of a condition in a prior vote of the Board granting approval to Entech Engineering, to reflect the condition, as previously presented to the Board, that the grantee would seek clarification from the Public Utilities Commission as to eligibility of Renewable Energy Fund projects located in New Shoreham.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation approves a Renewable Energy Fund forgivable loan to the East Avenue Solar Project in the amount of \$39,750.00.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Newport Solar in the amount of \$33,188.00.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Newport Renewables in the amount of \$29,422.97.

Section 4: The Corporation approves a Renewable Energy Fund grant award to Real Goods Solar in the amount of \$72,431.00.

Section 5: The April 22, 2013 vote of the Corporation granting approval to Entech Engineering, is hereby amended to reflect the condition, as previously presented to the Board of the Corporation, that Entech Engineering will seek clarification from the Public Utilities Commission as to eligibility of Renewable Energy Fund projects located in New Shoreham.

Section 6: Any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 7: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.