



City of East Providence

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CITY MANAGER
RICHARD E. KIRBY

November 30, 2015

Chairperson Margaret E. Curran
Commissioner Paul J. Roberti
Commissioner Herbert F. DeSimone, Jr.
Rhode Island Public Utilities Commission
89 Jefferson Blvd
Warwick, RI 02888

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PUBLIC UTILITIES COMMISSION

RE: DOCKET NO. 4568 - REVIEW OF ELECTRIC DISTRIBUTION DESIGN PURSUANT TO R.I. GEN. LAWS §39-26.6-24

Dear Commissioners:

On behalf of the City of East Providence we are requesting that the Commission reject the proposal by Narragansett Electric Co., d/b/a/ National Grid to impose an "Access Fee" on stand-alone distributed energy projects in Rhode Island. We are very concerned with the impacts that such a new "Access Fee" will have on existing, pending, and future projects in the City.

As the Commission knows, the City's former municipal landfill, the Forbes Street Landfill, is host to the State's first successful large solar project, a 3.7 MW solar energy project that was designed, financed and constructed by the City's partners, CME Energy LLC and Hecate Energy LLC, and supported by this Commission. This project was successfully completed under the DG Standard Contract Program. Working off the success of our first Forbes Street Solar Project, the Commission just recently awarded a new Certificate of Eligibility for another 4MW project on this site, pursuant to the Renewable Energy Growth Program. Both of these projects are now at risk from National Grid's "Access Fee" proposal.

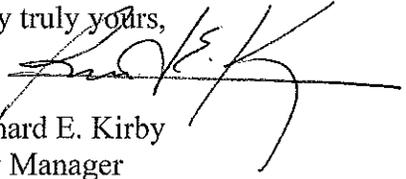
With the successful development of the first Forbes Street Landfill Project, the City is now able to receive important revenues, in the form of lease payments and taxes, while also allowing the development of clean energy in an environmentally responsible manner. We are proud that this project was recently recognized as the winner of the Governor's 2015 "Clean Energy Future Award." More importantly, this project has proven that contaminated sites, such as former municipal landfills, can be put to a beneficial use, through the development of clean and sustainable energy, to support the state's environmental and clean energy goals, and to allow National Grid to meet its renewable energy portfolio requirements.

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But this project, and the second Forbes Street Landfill Project, could not have occurred without the successful partnership with the private developers, who were required to secure the Power Purchase Agreement and Certificate of Eligibility that was critical to the financing and development of the projects. The PPA and COE were secured through a highly competitive process where the developers bid against other companies. Understanding the costs to the project must have been a critical component to securing these awards, while ensuring sufficient returns in order to secure needed investment and financing for the capital costs required to construct, own and operate the project. Imposing new charges in the form of an "Access Fee" that was not known at the time the PPA and COE were secured seems fundamentally unfair and threatens the fundamental assumptions relied upon by the City and the developers. Both projects would be placed at risk of failure. We also believe that inserting new charges after the fact will completely undermine the credibility and integrity of the state's renewable energy programs.

We agree with the testimony and comments opposing the "Access Fee," filed by our private development partners, CME Energy LLC and Hecate Energy LLC, and also the comments the Governor's Energy Office, and of other parties including the Rhode Island League of Cities and Towns. These testimonies and comments prove that the new "Access Fee" would destroy the economic fundamentals that were relied upon by the City and the developers when these projects were established with National Grid, and would put these projects, as well as future projects, at serious risk of failure. The Commission should not allow National Grid to undermine all the hard work and success that we have achieved thus far.

Very truly yours,


Richard E. Kirby
City Manager