



September 9, 2015

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

Re: Docket #4570

Dear Commissioners:

The New England Clean Energy Council (NECEC) greatly appreciates this opportunity to provide public comment on Rhode Island Public Utilities Commission (PUC) Docket 4570 *Solicitation for Proposals for Clean Energy Projects Pursuant to R.I. Gen. Laws § 39-31-1.*

NECEC is a regional non-profit clean energy business, policy, and innovation organization whose mission is to accelerate the region's clean energy economy to global leadership by building an active community of stakeholders and a world-class cluster of companies. NECEC is the only organization in New England that covers all of the clean energy market segments, representing the business perspectives of investors and clean energy companies across every stage of development. NECEC members span the broad spectrum of the clean energy industry, including energy efficiency, demand response, renewable energy, combined heat and power, energy storage, fuel cells and advanced and "smart" technologies.

NECEC applauds the state of Rhode Island for their leadership in working across state boundaries to procure secure, cost-effective, and sustainable energy resources for the State. Participation in this regional "Clean Energy RFP" recognizes the regional nature of energy markets in New England and the opportunity available to advance the local clean energy industry, reduce costs to residents through more economically efficient construction of generation and transmission, and reduce greenhouse gas emissions across the region.

NECEC strongly supports Rhode Island taking this step toward a regional approach to procuring clean energy. While NECEC recommends that the PUC approve this RFP, NECEC offers the following comments for consideration when implementing the procurement. Specifically they include:

- Concerns with the clean energy delivery commitment method
- Urging consideration of hydro as a firming resource for Class I renewables
- Principles to guide the competitive solicitation

NECEC strongly urges the State of Rhode Island to consider using Power Purchase Agreements (PPAs) instead of the clean energy delivery commitment method (EDCM) described in the clean energy RFP. PPAs are a proven method for contracting these types of large-scale regional resources and have a track record of reducing costs to customers by reducing developers' financing costs. We have significant concerns that the ECDM is an un-

tested method that may not provide the contractual certainty necessary to allow developers to attract the low-cost financing that increases the cost-effectiveness of clean energy resources for customers. EDCMs could limit the State's access to high quality proposals submitted into this process and drive up the costs for ratepayers and residents. If a legislative adjustment is needed in order to authorize the use of PPAs, NECEC stands ready to support the State on this policy fix.

NECEC also urges to the State to see large-scale hydro – along with local medium and small-scale hydro – as a means to firm in-region Class I renewable resources, especially large on-shore wind resources. Coupling Class I renewables with hydro ensures that the transmission needed to deliver these resources is more economic for ratepayers and residents of the Ocean State, while also helping to cost-effectively meet the state's important Renewable Energy Standard and Greenhouse Gas reduction goals. We urge you to consider this balancing of resources when contracting for transmission for clean energy resources.

Overall, to ensure that procurements pursuant to the Clean Energy RFP achieve the Procuring States objectives, NECEC recommends adherence to the following principles:

- Procurements should be conducted on a competitive basis to promote efficiency and cost-effectiveness.
- The most valuable proposals should result in long-term contracts, which reduce costs to customers. Long-term contracts provide certainty with respect to revenues, reducing the cost of financing for developers. These savings are in turn passed along to customers.
- Solicitations should take place no later than December 31, 2015 to take advantage of federal PTC/ITC, with long-term PPAs entered into by June 30, 2016.
- Transmission options should enable in-region clean energy development, not just hydro imports. This can be done through encouraging combination proposals, rather than on a single resource and transmission line basis.
- The criteria used to evaluate proposals should take into account long-term benefits and costs. Proposals should be required to demonstrate that they:
 - Provide enhanced electricity reliability in the state, including, where feasible, the ability to replace energy provided by retiring carbon emitting generation sources;
 - Contribute to energy source diversity;
 - Are cost effective to electric ratepayers over the term of the contract;
 - Create additional employment and economic development in the state, where feasible;
 - Contribute to greenhouse gas reductions;
 - Demonstrate project viability through evidence including:
 - Appropriate federal, state and local permits are substantially likely to be obtained
 - Site control has been or is substantially likely to be obtained,
 - Corporate approvals for contracts have been obtained, and
 - Security payments have been posted
 - Demonstrate that the clean energy generation sources will be delivered to the ISO New England Control Area.

NECEC greatly appreciates the opportunity to provide these comments on the Clean Energy RFP and again commends Rhode Island for their leadership on multi- state and regional procurement of clean energy. Please consider NECEC a resource for information on clean energy and clean energy policy, and do not hesitate to contact us if you would like additional information.

Sincerely,



Peter Rothstein
President

Janet Gail Besser
Vice President, Policy and Government Affairs



CC: Sue AnderBois, Rhode Island State Coordinator