



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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December 4, 2015

SENT VIA HAND DELIVERY AND ELECTRONIC MAIL:

Luly E. Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Rhode Island Distributed Generation Board Report and Recommendation
Regarding 2016 Renewable Energy Growth Classes, Ceiling Prices and
Targets (Docket No. 4536-B)

Dear Ms. Massaro:

Enclosed for filing on behalf of the Rhode Island Distributed Generation Board ("Board") is an original and ten (10) copies of the Commission's First Set of Data Requests Directed to the Board (November 20, 2015) regarding the 2016 renewable energy growth program classes, ceiling prices and targets.

Sincerely,

Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Kenneth Payne
Christopher Kearns
Docket List - 4536-B

State OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REPORT AND RECOMMENDATION
OF R.I. DISTRIBUTED GENERATION BOARD
ON 2016 RENEWABLE ENERGY GROWTH
CEILING PRICES, CLASSES AND TARGETS

DOCKET NO. 4536-B

COMMISSION'S FIRST SET OF DATA REQUESTS
DIRECTED TO BOARD
(November 20, 2015)

COMM 1-1. Page 5, Table 1. Provide the reasons supporting the addition of the new Wind III class.

The Wind III ceiling price was developed by the Board to align with the MW allocation for 3 typical wind turbines (still under the 5 MW project cap) to respond to market demand for greater flexibility. The Board requested a ceiling price analysis in order to capture any economies of scale associated with this increased number of turbines in an application proposal.

COMM 1-2. Pages 5-7. Confirm that the pilot program referred to in this section is the Non-Profit Affordable Housing Income Eligible Pilot.

The Pilot Program referenced on Page 5 and discussed on pages 6 and 7 is for non-profit entities that do not have any tax obligations (e.g. 501c3 organizations, churches, schools, affordable housing properties, etc.) as well as those entities or individuals who are unable to effectively leverage the current federal tax incentives because of their income levels (i.e. low- and moderate-income families). In addition, the moderate income and low income sectors typically have challenges around securing financing for home improvement projects, such as a PV system due to low credit. The Pilot Program will help with providing evidence to a financial institution of a slightly higher ceiling price as well as demonstrating a fixed revenue stream for the duration of the tariff.

COMM 1-3. Page 7. OER is assuming the cost of the vendor services for the Pilot program. Does this mean the estimated \$5,000 to \$7,000 in vendor services will or will not be recovered from ratepayers?

The cost of the vendor services would be paid by OER. It would not be recovered by ratepayers through the the Renewable Energy Growth Program.

COMM 1-4. Page 10. What, if anything, was different about the process SEA followed in developing the 2016 ceiling prices, compared to the development of the 2015 ceiling prices.

Fundamentally, the proposed 2016 ceiling prices were developed using the same process and approach as the Ceiling Prices for 2011 through 2015. This process included the solicitation of both published and empirical data from stakeholders, supplementary

research on the cost and performance of renewable DG systems in the Northeast, interviews of market participants, and a series of three public meetings for the discussion of three drafts of proposed ceiling prices – each with a subsequent period with a subsequent period for written comments. Consistent with the practice from previous years, SEA was available for Board and stakeholder questions throughout the ceiling price development period.

COMM 1-5. Provide a spreadsheet showing a 2015 to 2016 comparison of the annual and first enrollment kilowatt allocations for each technology class.

Please find attached the spreadsheet that shows the differences between the 2015 approved and 2016 recommended allocations.

COMM 1-6. Page 11, Table IV. Explain why the Non-Profit Affordable Housing Income Eligible Pilot ceiling prices are higher than the corresponding ceiling prices for the same technology classes (small and medium solar classes).

The recommended Pilot Program ceiling prices are equivalent to the ceiling prices developed for the respective size categories without accounting for the federal tax incentives. These ceiling prices are recommended for 2016 (while the federal ITC is still in place) in order to provide incentive for increased development among non-profit and income-eligible entities. See response to COMM 1-2 for further explanation.

COMM 1-7. Page 15, Table VI. Of the 14 classes that existed in 2015, how many of them will have lower ceiling prices in 2016, assuming the recommendations are approved?

Of the 14 ceiling price classes from 2015, there are 7 ceiling prices being recommended in 2016 that will have a lower ceiling price.

COMM 1-8. Page 4, Section V, Paragraph 2. Apparently the Board expects to see continued decreases in ceiling prices “in each technology.” Clarify whether the Board expects decreases in every single technology class, regardless of whether ceiling prices have increased, not decreased, for certain technologies in recent years. Provide reasons to support your response.

Yes, the Board would like to clarify its comments from the Report. The Board anticipates seeing decreases in a majority of the competitively bid solar projects and hopes to see increased competition with the small scale hydropower, anaerobic digestion, and wind classes in 2016.

COMM 1-9. Estimate the length of time it will take to complete the income verification process illustrated in the flowchart on page 8.

The OER anticipates that the process between the selected vendor and National Grid to take between 3-5 weeks to process the applications that are submitted.

Technology Category	Renewable Energy Growth Program - Megawatt Allocations	
	2015	2016
Small Solar I	3 MW	5.5 MW
Small Solar II		
Small Solar (Pilot Program)	N/A	1 MW
Medium Solar	4 MW	5 MW
Medium Solar (Pilot Program)	N/A	1 MW
Commercial Solar	5.5 MW	8 MW
Large Solar	6 MW	9 MW
Wind I	4.95 MW	9 MW
Wind II		
Wind III		
Anaerobic Digestion I	1.5 MW	1.5 MW
Anaerobic Digestion II		
Small Scale Hydropower		
Small Scale Hydropower II		
Total	25 MW	40 MW