



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

**Department of Administration**  
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December 23, 2015

**SENT VIA FIRST CLASS MAIL 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. 4589-B]

Dear Ms. Massaro:

Enclosed for filing on behalf of the Distributed Generation Board is an original  
and ten (10) copies of the Commission's Second Set of Data Requests related to  
the above mentioned docket.

Sincerely,

A handwritten signature in blue ink, appearing to read "Daniel W. Majcher".

Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Kenneth Payne  
Christopher Kearns  
Docket List - 4589-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. 4589-B

COMMISSION'S SECOND SET OF DATA REQUESTS  
DIRECTED TO BOARD  
(December 7, 2015)

**COMM 2-1. The Board's Report and Recommendation on 2016 Renewable Energy Growth Classes, Ceiling Prices, and Targets includes ceiling prices for third-party owned, small solar technologies. Please explain the Board's position on why third-party ownership is allowed under R.I Gen. Laws §39-26.6 (The Renewable Energy Growth Program) for customers other than public entities or multi-municipal collaborative.**

The Board's position when developing the 2015 Renewable Energy Growth (REG) program ceiling prices is that the law does not prevent the option of providing third-party financing. There is no language in the law that prohibits third-party ownership of small solar systems. The Board's position is also supported by National Grid and Office of Energy Resources. The Board's views were reflected in its 2015 REG Report and Recommendations ("Report") filing in November 2014 that was reviewed and approved by the Public Utility Commission ("Commission") in March 2015.

The Board carried out the same process with its development of the 2016 REG program and associated ceiling prices and is reflected in its 2016 Report that was filed to the Commission in November. The option of third-party financing (in addition to the separate host owned ceiling price) is how local and national renewable energy companies have been marketing and selling potential projects since the small solar program launched in June and how the renewable energy market is preparing for possible solar project finance options and developing a pipeline of activity for 2016.

**COMM 2-2. R.I Gen. Laws §39-26.6-20(e) states,**

**"Except as provided herein for residential, small-scale solar projects, in every case where a distributed-generation project can be configured for net metering, it shall be the election of the owner of such generation to choose one of two (2) separate methods through which the owner will be compensated for the performance-based incentive:**

...

**(2) The owner is compensated through a combination of direct payments and the bill credit value of net metering for the life of the term of the tariff under the provisions of this chapter. In the case of residential small-scale solar projects, only option (2) shall be available."**

- A) Given the definitions set forth for “eligible net metering system,” “eligible net metering system site,” and “net metering” in R.I Gen. Laws § 39-26.4, is it the Board’s position that a third-party-owned, residential, small-scale solar project is “configured for net metering”?

See COMM 2-1 Response

- B) In the Board’s opinion, at the end of the tariff term, are third-party-owned, residential, small-scale solar projects eligible for net metering credits? If yes, would such an election to net meter at the end of a tariff term require the net metering customer to purchase the project from the third-party owner? Is the cost of purchasing the project from the third-party owner factored into ceiling prices?

Yes, at the end of the REG tariff term (15 or 20 years), residential, third-party-owned small-scale solar systems would have the option of receiving net metering credits for the small-scale solar system. Most third-party financed solar systems are for a 20 year term. The customer would need to meet all the requirements of the state’s net metering program and applicable provisions of that law. If there were no changes to the state’s net metering law (over the next 15 or 20 years), then the small-scale solar system owner would need to be the customer of record with National Grid and require the small-scale solar system customer to purchase the project from the third-party owner.

**COMM 2-3. Referring to the Board’s response to COMM 1-1, please explain what the Board means when it says, “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” [emphasis added]. Please also include any and all materials relied upon by the Board to assess the market demand for greater flexibility.**

The Board developed a ceiling price for up to three (3) projects of this megawatt scale for the 2016 REG Program, recognizing that there would be locations that could potentially support the installation of three (3) wind turbines with each wind turbine having a 1.5 or 1.65 megawatt nameplate capacity. The initial allocation plan draft was not aligned with the current nameplate capacity for wind turbines, and it was adjusted to allow for up to three turbines in the 2016 program year. The Board wanted to have a ceiling price designed and made available for if/when a project is submitted during a National Grid enrollment for a wind project of this scale.

**COMM 2-4. Describe in detail the efforts, if any, that are being made by the Board and OER to raise public awareness about the RE Growth Program. The question is seeking what type of specific outreach efforts are being made, beyond an explanation of the Program and FAQs on the agency’s website. Include in your response the specific method of communicating the RE Growth Program to customers, if applicable, and whether specific geographical areas have been targeted for such outreach efforts. If specific areas have been targets, explain the reasons why these areas have been targeted.**

OER communicates and shares information about the REG Program on a weekly basis with homeowners, businesses, and municipalities that contact OER to learn about the available state and federal renewable energy incentive programs to help with the financing of solar installations. OER generally receives several calls a week from constituents interested in the REG Program. OER’s Chris Kearns and Shauna Beland are the leads in communicating with the public about the REG Program. Chris Kearns has overseen and communicated to the public about the Distributed Generation Standard Contracts and its

replacement (REG Program) since 2011. Shauna Beland began communicating and engaging with interested customers about the REG Program in 2015.

Overall, there has been a growing interest in the REG Program since it launched this past summer. As of December 1<sup>st</sup>, the 2015 REG Program has allocated 19.25 megawatts of capacity from the commercial REG enrollment and over 500 kilowatts awarded under the REG Small Solar Program. OER has hosted several solar business stakeholder meetings in coordination with Commerce RI to educate and answer questions about the REG Program to existing and new solar businesses in the RI market. OER has also been educating municipalities and residents during workshops in Solarize communities (including North Smithfield, Foster, South Kingstown, Warwick, Barrington, Newport, Middletown, Tiverton, Little Compton, and Portsmouth).

OER is also working with the RI Infrastructure Bank in promoting the REG Program with the development of the Efficient Building Fund and Property Assessed Clean Energy Programs- both scheduled to be operational in 2016. The 2015 REG Program has seen small and commercial-scale solar project proposals and/or tariff awards made in the following municipalities: Exeter, Cumberland, Cranston, Lincoln, Providence, Wakefield, West Greenwich, East Providence, Warren, Bristol, Gloucester, Charlestown, North Kingstown, North Smithfield, Narragansett, Richmond, Portsmouth, Tiverton, Westerly, Warwick, Barrington, Woonsocket, Johnston, Pawtucket, West Warwick, Jamestown, Lincoln, Middletown, East Greenwich, and Newport.

**COMM 2-5. How would you describe the level of questions and feedback from customers regarding the RE Growth Program since inception in terms of both volume and content of questions. Address whether the feedback met or exceeded the Board's expectations and how well the Board has handled these questions. Provide reasons to support your answer.**

See response to COMM 2-4

**COMM 2-6. Identify the individual or individuals, if any, within the Board or OER who are responsible for answering questions from the public about the process of becoming eligible to participate in the RE Growth Program and/or how to start receiving incentive payments. Include the title, mailing address, phone number and email address for each individual, and the length of time that these individual(s) have assumed this responsibility.**

1. Chris Kearns, Chief, Program Development, OER  
1 Capitol Hill, Providence, RI, 02908  
[Christopher.kearns@energy.ri.gov](mailto:Christopher.kearns@energy.ri.gov)  
Providing information on the Distributed Generation Standard Contracts and REG Program - 5 years
2. Sue AnderBois, Policy Analyst, Northeast Clean Energy Council  
250 Summer St, Boston, MA 02110  
[sanderbois@necec.org](mailto:sanderbois@necec.org)  
Providing information on the REG Growth Program – 1 year
3. Shauna Beland, Chief, Program Development, OER  
1 Capitol Hill, Providence, RI, 02908  
[Shauna.beland@energy.ri.gov](mailto:Shauna.beland@energy.ri.gov)  
Providing information on the REG Growth Program – 1 year