



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

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January 12, 2016

**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: 2016 Ceiling Prices for the Renewable Energy Growth Program  
(Docket No. 4589-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 Fourth Set of Data Requests Directed to the Board (January 8, 2016) regarding the 2016 renewable energy growth program classes, ceiling prices and targets.

If there are any questions, please feel free to contact me.

Sincerely,

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 FOURTH SET OF DATA REQUESTS  
DIRECTED TO BOARD

(January 8, 2016)

**Reply by January 12, 2016**

**COMM 4-1. What is the correct size of the Wind I class? Tables I (p.5) and VI say 1.5 -2.9 MW. Exhibit B (p.24) says 1.0 - 1.65 MW.**

The correct size for the Wind I class is 1.0-1.65 MW.

**COMM 4-2. What is the correct size of the Wind II class? Tables I (p.5) and VI (p.15) say 3-5 MW. Exhibit B (p.24) says 1.5-2.99 MW.**

The correct size is 1.65-2.99 MW for the Wind II class. The Wind III class is 3.0 to 5 MW. The Board apologizes for that error.

**COMM 4-3. Comm 3-4 does not refer to property tax. Interconnection taxes in this question refer to costs of interconnection paid by the developer to National Grid which are considered contributions in aid of construction pursuant to Internal Revenue Code Section 118. The same question is re-submitted. Please indicate whether you have sufficient information or knowledge to answer the question.**

The Data Request sought only the total cost of interconnection for projects throughout Rhode Island and the Northeast region that are similar to those expected to participate in the REG program. Data on interconnection tax rates was not collected, and a specific interconnection tax rate was not assumed in the Ceiling Price analysis.

**COMM 4-4. Referring to Comm 3-5, provide specific examples of "safety-related interconnection equipment" which is driving the increased interconnection costs for the Wind I and Wind II classes.**

- (1) Direct Transfer Trip (DTT)
- (2) 3Vo Overvoltage Protection

**COMM 4-5. Please clarify the response to Comm 3-7. The heading at the top of the table refers to 4 data responses, but the table itself appears to include more than 4 responses. How many responses did SEA receive to the July 10, 2015 data request?**

There were four (4) individual respondents to the initial Data Request. Some respondents provided data for more than one technology sub-category. The four entities responded as follows:

Entity 1: Medium Solar, Commercial Solar & Large Solar

Entity 2: Commercial Solar & Large Solar

Entity 3: Wind I, Wind II & Wind III

Entity 4: Anaerobic Digestion II

**COMM 4-6. Explain why CREST Model interconnection cost inputs for Wind I, II and III are so much lower than the interconnection costs provided by the developer in the data response. The CREST Model inputs for interconnection costs for Wind I, II and III are \$241/kWh, \$181/kWh and \$160/kWh (Modeled Parameters, Slide 12). The wind developer reported interconnection costs of \$400/kWh, \$800/kWh and \$1200/kWh for Wind I, II and III, respectively (Summary of Response to Data Request, no page number available).**

The CREST Model inputs strive to represent costs (in all categories) that could be reasonably expected for appropriately-sited projects in Rhode Island and the Northeast region. The wind data response indicates \$400/kW for interconnection costs for Wind I. The accompanying letter, however, indicates an interconnection cost of \$423,000 per turbine. Assuming a 1.5 MW turbine, this translates to \$282/kW for the cost of interconnection. The majority of market experience demonstrates that interconnection costs are expected to decrease on a \$/kW basis as the number of turbines increases. The data response indicates that this is not expected to be the case for this particular project, but insufficient data are available to conclude that interconnection costs for all wind projects in Rhode Island should be expected to increase on a linear basis with the number of turbines. Therefore, the interconnection costs are modeled as described in COMM 3-5.

**COMM 4-7: The Board's responses to COMM 1-1, 2-3 and 3-1 collectively fail to answer the question of why there is a new Wind III class. Please provide the reasons supporting the addition of a new Wind III class.**

Under the REG law, the Board has the ability to design ceiling prices for renewable energy technologies/projects up to 5 megawatts. The Board recognized that there could be possible locations (farms, municipal properties) that could support the installation of 3 wind turbines on a property with each wind turbine having a 1.5 or 1.65 megawatt nameplate capacity. In the event that there were possible properties that could support 3 wind turbines, the Board wanted to have a ceiling price designed for projects of this scale.