



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888  
(401) 941-4500  
(401) 941-9248 - Fax

April 20, 2021

Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

**In Re: Docket 4604 – Revised Scope of Services and Budget Request for  
2022 Renewable Energy Growth (REG) Program Support**

Dear Luly,

Attached please find for filing with the Public Utilities Commission the Memorandum of the Division of Public Utilities and Carriers in the above entitled matter.

I appreciate your anticipated cooperation in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jon G. Hagopian".

Jon G. Hagopian  
Deputy Chief Legal Counsel



## STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888  
(401) 941-4500  
(401) 941-9248 - Fax

### Memorandum

**To: Luly Massaro, Commission Clerk  
Rhode Island Public Utilities Commission**

**From: Michael Brennan, Consultant for the Division  
of Public Utilities & Carriers**

**Date: April 19, 2021**

**Subject: Docket 4604 – Revised Scope of Services and Budget Request  
for 2022 Renewable Energy Growth (REG) Program Support**

---

The Division of Public Utilities and Carriers (“Division”) respectfully offers the following comments on The Office of Energy Resources (OER) Docket 4604 Revised Scope of Services and Budget Request for 2022 Renewable Energy Growth (REG) Program Support. The Division’s comments are based on review of the background and summary of the budget request. The Division offers these comments in response to the Public Utilities Commission’s request.

#### **Task 1 – Incremental Ceiling Price Assistance**

##### **Sub Task 1.1 - Feasibility of Incorporating Single-Axis Tracking into 2023 PY Ceiling Prices**

The Division believes that the solar ceiling prices should continue to be set assuming fixed tilt configurations. The competitive bidding process should allow for projects that can improve performance and economics utilizing tracking systems (or any other factor that reduces costs or improves output, for example a higher DC/AC ratio) should be positioned to outbid other projects and therefore win in a competitive process at prices that are lower than the ceiling price. Introducing single axis tracking in the ceiling price calculation process will add unnecessary complexity that the Division does not believe will yield significant

improvements to the program. The Division recommends that National Grid begins collecting data on whether proposed systems are fixed tilt or tracking in order to analyze this in the future if needed (if this information is not already being collected).

### **Sub Task 1.2 - Sensitivity Analysis of Residential Ceiling Prices by Tilt/Azimuth**

The Division is concerned with pursuing more granular ceiling prices based on a range of system configurations. The potential combinations are so large in number that this proposed work would result in an overly complex set of prices. As suggested by PUC staff at the April 5, 2021 meeting, National Grid should have data available regarding the actual capacity factors for existing systems that are already operating that could be used to assess whether 14% is the appropriate capacity factor to represent a “typical” system. Given the intent for the RE Growth program to be a competitive process, the Division believes a single ceiling price is the most appropriate approach for the Small Solar I class. While projects do not competitively bid into this class, establishing a ceiling price ensures that only projects with favorable siting conditions are selected, thereby lowering the costs of the program. While this means that certain potential Small Solar sites may not be able to install solar economically under this part of the program, other options such as CRDG and Community Remote Net Metering are available to afford these customers the opportunity to participate in solar energy and receive the associated benefits.

### **Sub Task 1.3 - Potential Further Subdivision of Solar Classes/Targeting of Compensation to Enhance Ratepayer Savings**

The Division supports continued efforts to explore further sub-division of the solar classes with some caveats. One caveat is that the first enrollment period data may provide some direction in terms of the effectiveness of the initial step taken in the 2021 program year to bifurcate the Commercial Class. If the data from the first enrollment period (and potentially the second enrollment period) suggest favorable results, this work could proceed. If not, this work scope could be eliminated or modified. The second caveat is to eliminate from consideration any splitting of the Large solar class. The Division believes that historical evidence from previous years supports a conclusion that this Class has more robust competition already. The Division supports continuing to set a single ceiling price for the Large Solar Class as a whole, using ~4,500 kW as the modeled system size consistent with the approach for the 2021 program year. Based on our recommendation to eliminate Large Solar class from this work, the Division believes the requested budget amount for this task can be reduced.

#### **Task 4 - Paired Solar and Storage Adder Development Support**

This work scope is described as first phase work and the Division believes it is more appropriate for this to be undertaken by National Grid to make a preliminary assessment of the potential feasibility of including storage paired with solar in the program, with a focus primarily on the potential incremental benefits that a paired solar and storage could add. The Division believes this is consistent with the clear language of the statute which states that “The electric-distribution company also may propose other incentive payments to achieve other technical or public policy objectives that provide identifiable benefits to customers.” (**§ 39-26.6-22. Zonal and other incentive payments**). With emphasis added to the phrase “identifiable benefits” the Division believes that the clear intent of the statute was for the EDC to initiate this process and to pursue any potential incentive payments based on an evidence of benefits accruing to all customers. If the results of National Grid’s analysis indicate that this is worth pursuing further, the Division expects that the budget for the 2023 program year would include funding for the work required to incorporate such recommendations into the program.

#### **Conclusion**

Notwithstanding the above-mentioned concerns surrounding the specific tasks outlined in the budget, the Division does not oppose the overall budget request being proposed given that it is a “not-to-exceed” total amount. The Division looks forward to continued discussions on these important issues going forward.