



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
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November 7, 2018

VIA U.S. MAIL & EMAIL

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

**Re: Docket No. 4604 - The Office of Energy Resources (OER) - Budget Requests to Perform Ceiling Price Services or Studies for the Renewable Energy Growth Program (Request Date 11/7/2018)**

Dear Ms. Massaro:

In accordance with R.I. Gen. Laws § 39-26.6-4(b), the Rhode Island Office of Energy Resources ("OER"), in consultation with the Rhode Island Distributed-Generation Board ("DG Board"), is requesting approval from the Public Utilities Commission ("PUC") to perform ceiling price studies for the 2020 Renewable Energy ("RE") Growth Program year and to conduct solar quality assurance field case studies during the 2019 RE Growth Program year. OER and the DG Board are respectfully requesting approval from the PUC to receive Eighty Five Thousand Dollars (\$85,000.00) representing the anticipated costs for the ceiling price studies and One Hundred Forty Five Thousand Five Hundred Seventy Five Dollars (\$145,575.00) representing the anticipated cost for the solar quality assurance studies.

The statute authorizing approval for both studies is R.I. Gen. Laws § 39-26.6-4(b) which reads as follows:

The office, in consultation with the board, shall be authorized to hire, or to request the electric-distribution company to hire, the services of qualified consultants to perform ceiling price studies subject to commission approval that shall be granted or denied within sixty (60) days of receipt of such request from the office. **The cost of such studies shall be recoverable through the rate-reconciliation provisions of the electric-distribution company set forth in § 39-26.6-25, subject to commission approval.** In addition, the office, in consultation with the board, may request the commission **to approve other costs incurred by the board, office, or the electric-distribution company to utilize consultants for annual programmatic services or to perform any other studies and reports, subject to the review and approval of the commission,** that shall be granted or denied within one hundred twenty (120) days of receipt of such request from the

office, and that shall be recoverable through the same reconciliation provisions. Emphasis Added.

For additional information relating to this filing please see the attached Exhibit A which provides background information in a question and answer format.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew S. Marcaccio", with a long horizontal flourish extending to the right.

Andrew S. Marcaccio  
Deputy Chief of Legal Services

Enclosures

cc: Kenneth Payne, Chairperson, Distributed Generation Board  
Christopher Kearns, Office of Energy Resources

The Office of Energy Resources (OER) - Budget	:	
Requests to Perform Ceiling Price Services or Studies	:	Docket 4604
for the Renewable Energy Growth Program	:	
(Request Date 11-7-2018)	:	

**Exhibit A**

**Background Information**

Prepared by Rhode Island Office of Energy Resources Staff

November 7, 2018

**DG Board Approval**

**Q. Did the Rhode Island Distributed-Generation Board (“DG Board”) approve the requested funding amounts relating to the Renewable Energy (“RE”) Growth Program?**

A. Yes. On October 22, 2018, the DG Board directed the Rhode Island Office of Energy Resources (“OER”) to submit a budgetary request to the Rhode Island Public Utilities Commission (“PUC”) in the amount of Eighty Five Thousand Dollars (\$85,000.00) to perform ceiling prices studies for the 2020 RE Growth Program year. In addition, the DG Board directed OER to submit a budgetary request to the PUC in the amount of One Hundred Forty Thousand Five Hundred Seventy Five Dollars (\$140,575.00) to conduct solar quality assurance field case studies for the 2019 RE Growth Program year.

**Ceiling Price Studies**

**Q. How does the amount requested by the DG Board and OER to perform the ceiling price studies for the 2020 RE Growth program year compare with prior years?**

A. Please see Table 1 below.

<b>Table 1</b>					
<b>Historical Funding Amounts for Ceiling Price Studies</b>					
<b>RE Growth Program Year</b>	<b>OER / DG Board Request Date</b>	<b>Requested Amount</b>	<b>PUC Order No.</b>	<b>PUC Approved Amount</b>	<b>Actual Amount Spent</b>
2020	11/5/2018	\$85,000	N/A	N/A	N/A
2019	11/16/2017	\$68,000	23015	\$68,000	\$38,266.00 <sup>1</sup>
2018	3/6/2017	\$68,000	22765	\$68,000	\$68,000.00
2017	2/17/2016	\$85,000	22473	\$85,000	\$65,000.00
2016	4/15/2015	\$65,000	22503	\$65,000	\$66,180.00 <sup>2</sup>
2015	7/8/2014	\$65,000	21685	\$65,000	\$53,129.14

<sup>1</sup> As of October 31, 2018

<sup>2</sup> The amount in excess of \$65,000 was not recovered through rate-reconciliation.

1 **Q. The DG Board and OER are requesting an additional \$17,000 as compared to last**  
2 **year's budgetary request for ceiling price studies. Why?**

3 A. OER and the Rhode Island Division of Public Utilities and Carriers ("DPUC") are  
4 interested in examining possible location-based incentives to be factored into ceiling prices  
5 for future RE Growth program years, potentially beginning with the 2020 RE Growth  
6 Program year. To understand the potential value in location-based ceiling prices, the  
7 additional funds would be utilized to cover the costs of a brief analysis to be conducted by  
8 the consultant who will be conducting the ceiling price studies. The analyses would  
9 examine best practices in other jurisdictions and offer possible incremental steps toward  
10 adopting granular location-based prices. OER, the DPUC, National Grid, and the DG  
11 Board would examine any potential opportunities for location-based incentives with the  
12 consultant during the spring and summer of the 2019 calendar year while developing the  
13 ceiling prices for the 2020 RE Growth Program year.

14 **Q. Who will be the consultant to perform the ceiling price studies for the 2020 RE**  
15 **Growth Program year?**

16 A. Sustainable Energy Advantage, LLC ("SEA").

17 **Q. Was SEA selected through a competitive solicitation process?**

18 A. Yes, the Rhode Island Division of Purchases ("Purchases"), on behalf of OER and the DG  
19 Board, issued a request for proposals, solicitation number 7587549, entitled *Renewable*  
20 *Energy Growth Program -- 2020-2024 Ceiling Prices Development* (the "RFP"). The RFP  
21 was issued on February 5, 2018 and solicited services of a qualified consultant to conduct  
22 ceiling price studies for the 2020-2024 RE Growth Program years. SEA was the selected  
23 consultant.

1 **Q. In the order approving funding for the ceiling price studies for the 2019 RE Growth**  
2 **Program year (Order No. 23015), the PUC included a footnote that the consultant's**  
3 **2018 invoices had not included an hourly rate or number of hours billed and that**  
4 **OER explained the consultant agreement in effect for the 2015-2019 program years**  
5 **had established a lump sum fixed-fee price agreement for ceiling price studies. The**  
6 **footnote also provided that OER would seek a provision requiring an hourly rate**  
7 **breakdown through the upcoming RFP for ceiling price services. Does the consultant**  
8 **agreement for ceiling price studies for the 2020-2024 program years require the**  
9 **consultant to include an hourly services breakdown in its invoices?**

10 **A. Yes.**

11 **Q. Does the consultant agreement include a budgetary cap to perform the ceiling price**  
12 **studies for the 2020 RE Growth Program year?**

13 **A. Yes. The cap is \$57,570.**

14 **Q. Why is the requested amount attributable to the ceiling price studies above the**  
15 **budgetary cap?**

16 **A. As has been the case for prior requests, the requested amount serves as a do-not-exceed**  
17 **amount and only the actual amount utilized will be recovered through ratepayers. The**  
18 **additional funds provide OER and the DG Board with the ability to adjust in response to**  
19 **market conditions or enacted federal legislation and such adjustments could be beyond the**  
20 **scope of the consultant agreement. For example, in December 2015, the federal renewable**  
21 **tax credits were extended which required the proposed ceiling prices to be updated. In**  
22 **2017, the Trump Administration imposed tariffs on imported solar panels, which required**  
23 **adjustments to the 2018 ceiling prices in January 2018. If there are no unexpected expenses**

1 and the funds aren't needed, then OER will not request payment from National Grid for  
2 the unused budget.

3 **Q. Does the requested budget for ceiling price services help achieve some of the goals**  
4 **relating to PUC Docket 4600?**

5 A. Yes, the annual ceiling price design, which has been approved annually by the PUC since  
6 2012, achieves some of Docket 4600 objectives by developing cost effective renewable  
7 energy ceiling prices for the technology categories; diversifying of the state's energy mix  
8 with a variety and scale of distributed generation resources; and assisting the state's climate  
9 change objectives upon the installation of systems with the associated ceiling prices  
10 through 15 or 20 year tariffs.

11 **Q. Will the DG Board and OER utilize the consultant's ceiling price studies to provide**  
12 **recommendations to the PUC for the 2020 RE Growth Program year?**

13 A. Yes. The DG Board and OER anticipate filing ceiling price recommendations for the 2020  
14 RE Growth Program year in the fall of 2019. See PUC Docket 4892 for an example of  
15 how the recommendations were filed for the 2019 RE Growth Program year.

16 **Solar Quality Assurance Case Studies**

17 **Q. How does the amount requested by the DG Board and OER to perform the solar**  
18 **quality assurance studies during the 2019 RE Growth program year (the "2019 QA**  
19 **Study") compare with prior years?**

20 A. See Table 2 [starting on next page].

<b>Table 2</b>						
<b>Historical Funding Amounts for QA Studies</b>						
<b>QA Study</b>	<b>OER / DG Board Request Date</b>	<b>Requested Amount</b>	<b>PUC Order No.</b>	<b>PUC Approved Amount</b>	<b>Actual Amount Spent</b>	<b>Date Report Issued</b>
2019 QA Study	11/5/2018	\$140,575	N/A	N/A	N/A	N/A
2018 QA Study	7/25/2017	\$145,000	23012	\$145,000	\$99,377.34 <sup>3</sup>	11/5/18
2017 QA Study	8/14/2015	\$125,000	22180	\$125,000	\$120,750	4/20/2017

**Q. Who will be the consultant to perform the quality assurance studies for the 2019 RE Growth Program year?**

A. The Cadmus Group Inc. (“Cadmus”).

**Q. Was Cadmus selected through a competitive solicitation process?**

A. Yes, the Rhode Island Division of Purchases (“Purchases”), on behalf of OER, issued a request for proposals, solicitation number 7549810, entitled *Solar Quality Assurance Inspection Study and Report* (the “QA RFP”). The QA RFP was issued on August 18, 2015 and solicited services of a qualified consultant to conduct quality assurance studies to cover installations that occurred in 2015 and 2016 provided that the DG Board has the express right to retain the selected consultant to perform additional solar quality assurance inspections and reports for additional years. The DG Board has exercised its right to retain the consultant for the 2018 QA Study and anticipates doing so for the requested 2019 study.

**Q. When the DG Board and OER procured Cadmus for the 2018 QA Study, what was the negotiated fee?**

<sup>3</sup> As of October 31, 2018. Pursuant to consultant agreement, the price of the 2018 QA Study is \$139,422.



1 A. Pursuant to consultant agreement as amended, the negotiated fee for the 2018 QA Study is  
2 \$139,422 which is lower than the \$145,000 do-not-exceed amount that was requested by  
3 the DG Board and OER for that report.

4 **Q. Is the requested budget for the 2019 QA Study the same as for the 2018 QA Study?**

5 A. No. The requested budget for the 2019 QA Study of \$140,575 is greater than what the 2018  
6 actual cost will be for the 2018 QA Study. OER negotiated with Cadmus to keep the budget  
7 as close to the budget for the 2018 QA Study, despite the addition of two (2) new tasks.  
8 The expected cost for all nine (9) tasks listed below is \$140,575 which is \$1,153 more than  
9 the negotiated price contained within the consultant agreement.

10 **Q. Why is the requested budget for the 2019 QA Report \$1,153 more than the negotiated**  
11 **price for the 2018 QA Report?**

12 A. The budget was increased for the two new additional tasks. See Task 8 and Task 9 below.

13 **Q. What are the objectives of the requested 2019 Solar Quality Assurance Study?**

14 A. The quality assurance studies will assist OER and the DG Board in ensuring solar PV  
15 installations that occur as part of the RE Growth Program are safe and trustworthy. For  
16 additional information, please see § VI of the *Report and Recommendations of the Rhode*  
17 *Island Distributed Generation Board on 2019 Renewable Energy Growth Classes, Ceiling*  
18 *Prices, and Capacity Targets* dated October 19, 2018 that was filed by the DG Board an  
19 OER in PUC Docket No. 4892.

20 **Q. What tasks will be performed by the consultant through the requested 2019 Solar**  
21 **Quality Assurance Study?**

22 A. There are nine (9) tasks outlined for the 2019 work Cadmus will perform. They include:

- 23
- Task 1 – Project planning

- 1       • Task 2.1 – Small scale inspections
- 2       • Task 2.2 – Medium scale solar inspections
- 3       • Task 2.3 – Large solar inspections
- 4       • Task 3 - Wind Turbine inspections
- 5       • Task 4 – Customer survey – Cadmus will conduct a survey of RE Growth customers,
- 6       as was previously done for the 2018 report. The survey will be web based and program
- 7       participants will have the opportunity to win a gift card for completing the survey.
- 8       • Task 5 – Draft report
- 9       • Task 6 – Final report
- 10      • Task 7 – Presentations
- 11      • Task 8 – RE Growth Minimum Technical Requirements (“MTR”) – new to 2019.
- 12      Cadmus, in coordination with OER and National Grid, will develop Minimum
- 13      Technical Requirements for solar PV projects. The document, which will be posted on
- 14      the National Grid RE Growth website, will focus on installation best practices that are
- 15      mandated by both the National Electric Code as well as the RE Growth Program, such
- 16      as interconnection and metering requirements. Appended to the MTR will be basic
- 17      electrical diagrams of approved interconnection types and arrangements.
- 18      • Task 9 – Training for new installers and self-installers – new to 2019. The DG Board
- 19      has directed OER to move forward with additional quality assurance measures for
- 20      2019. One such measure is to create a webinar style training that will be mandatory
- 21      for new RE Growth Program participants and self-installers. The training will need to
- 22      be completed prior to applying for interconnection. OER, in coordination with Cadmus
- 23      and National Grid, will develop this training which applicants would access via the

1 National Grid interconnection portal. It would be approximately one (1) hour in length  
2 and will discuss the RE Growth Minimum Technical Requirements, the unique  
3 interconnection requirements of the RE Growth Program, and common installation  
4 violations.

5 **Q. In the order approving funding for the 2018 QA Study (Order No. 23011), the PUC**  
6 **directed OER to provide the PUC with an implementation plan for each 2018 QA**  
7 **Study recommendation that it adopts. Has OER developed such an implementation**  
8 **plan for the 2018 QA Study?**

9 A. Yes.

10 **Q. Will OER develop an implementation plan for all of the 2019 QA Study**  
11 **recommendations that are adopted?**

12 A. Yes

13 **Q. Does the requested budget for quality assurance studies help achieve some of the goals**  
14 **relating to PUC Docket 4600?**

15 A. Yes, the results of the quality assurance study will help the state identify and address safety  
16 concerns. This will help advance the goal of providing safe, clean, and affordable energy.

17 **Q. Will the PUC receive a presentation from OER and the consultant when the 2019**  
18 **studies and report is complete?**

19 A. Yes, we anticipate that a meeting will be scheduled at the PUC office in Q4 2019.