



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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May 4, 2020

SENT VIA ELECTRONIC MAIL ONLY [Luly.Massaro@puc.ri.gov]:

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

RE: Docket No. 4604 - Office of Energy Resources Budget Requests to Perform 2021 Renewable Energy Growth Program Development

Dear Ms. Massaro:

Enclosed for filing on behalf of the Rhode Island Office of Energy Resources ["OER"] is a pdf copy of the *Public Utilities Commissions Data Requests Directed to the Rhode Island Office of Energy Resources. (Issued April 13, 2020).*

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

Sincerely,

Daniel W. Majcher
Legal Counsel
Department of Administration
on behalf of the Office of Energy Resources

DWM/njr

c. Docket #4604 Service List

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE OFFICE OF ENERGY RESOURCES – :
BUDGET REQUESTS TO PERFORM 2021 RENEWABLE : DOCKET NO. 4604
ENERGY GROWTH PROGRAM DEVELOPMENT :

PUBLIC UTILITIES COMMISSION’S DATA REQUESTS DIRECTED TO THE OFFICE OF
ENERGY RESOURCES
(Issued April 13, 2020)

Task 1

1. Has the DG Board and OER adopted OER’s response to PUC 2-3.d in Docket No. 4983 as the scope for Task 1? If not, please explain why not and please provide the scope.

Yes. The proposed scope for Task 1 (and included in the cost estimate in the Memorandum) is based on in PUC decision (3)(iii) in the minutes from the February 18, 2020 open meeting. In the minutes, the PUC stated that OER and the Board “must report on their findings resulting from the scope set forth in OER/DG Board’s response to OER 2-3.d and explain the methodology used to derive the results.”

2. Has the DG Board and OER adopted the DG Board’s response to PUC 1-8.e in Docket No. 4983 as the description of data and observations needed in Task 1 to support the scope provided in response to data request 1? If not, please explain why not and please provide the goals and descriptions of data needed.

Yes. To undertake an analysis consistent with the scope described in OER 2-3.d, it is necessary to gather the data described in the DG Board’s response to PUC 1-8.e.

Please also indicate for each if and how a baseline will be established. Please also indicated for each if and how collection of baseline data is included in the task.

As proposed in Task 1.1, OER, SEA and National Grid plan to jointly develop a methodology for the Task 1 effort. It is OER’s assumption that this exercise will include methodologies for developing a baseline for completing the analysis.

3. Why does Task 1 appear to lack development of baseline assumptions for determining the incremental benefits generated from carport installations? If the development of baselines is included, please provide detail on that sub-task, and how it will employ:
 - a. the benefit and cost categories in the RI Test (the benefit-cost test created from the Docket 4600 Framework), and
 - b. the CREST Model input categories.

The Task descriptions throughout the memo are intended to represent incremental cost estimates relative to Task 0 efforts that SEA intends to undertake each year (including, but not limited to, sending out Data Request(s) and Survey(s) to market participants). As a result,

the values in Task 1 are intended to represent certain *incremental* efforts relative to Task 0. As described in 7.d below, SEA expects at least one of the Task 0 Data Request(s) and Survey(s) to include questions to developers of non-Carport solar projects about their experience with many of the same issues referenced in the OER 2-3.d and PUC 1-8.e responses in Docket 4983. The purpose of doing so would be to develop an understanding of the typical (*read: "baseline"*) experience and expectation of affected project developers. SEA would then compare this information with the same information from Carport developers sought as part of the Task 1 effort.

4. Will SEA be developing a methodology for determining what benefits from the Docket 4600 Benefit Cost Framework are generated from carport installations? If not, why not? If so, where is that described?
 - a. If the response is no, please explain if and how SEA would develop such a methodology.

OER worked with SEA to develop the Task 1 cost estimate using the above-mentioned decision (3)(iii) from the February 18, 2020 Open Meeting minutes. This decision, in discussing a methodology for analysis, did not reference the Docket 4600 Benefit-Cost Framework. As a result, OER and SEA had not assumed that delivering the scope described in OER 2-3.d (and the metrics included in the DG Board's response to PUC 1-8.e) would require a full Docket 4600-style quantitative or qualitative analysis. Thus, based on this assumption and in an effort to contain costs, the OER and SEA did not budget for such an item or items as part of the proposed Task 1 effort.

However, OER and SEA would be open, if desired by the PUC, to re-budgeting Task 1 to include such a quantitative and/or qualitative analysis in line with the Docket 4600 Benefit-Cost Framework. Such an analysis - whether quantitative, qualitative, or a mix of the two - would involve developing a series of additional assumptions, calculations, and related sensitivities, including (but not limited to):

- The expected net avoided Power System and Societal costs of the projects in question (assuming 100% displacement of greenfield capacity and capacity distant from load);
 - The relative odds of success or failure of each non-Carport Commercial and Large Solar project selected based on historical experience of similarly situated projects;
 - The relative odds that a given Carport project displaced the development of a non-Carport project on a greenfield parcel, and for how long; and
 - The actual and/or expected cost and performance of both Carport and non-Carport Commercial and Large Solar projects (to calculate Customer costs).
5. Will SEA be developing a methodology for quantifying the benefits generated from carport installations? If not, why not? If so, where is it described?
 - a. If the response is no, please explain if and how SEA would develop such a methodology.

Please see OER's response to Question 4 above.

6. Will SEA be developing a qualitative analysis for benefits generated from carport installations that includes key information on direction, magnitude, and likelihood of the identified benefits being achieved?
 - a. If not, why not? If so, where is it described?
 - b. If the response is no, please explain if and how SEA would develop such analysis.

Please see OER's response to Question 4 above.

7. For Task 1.3:
 - a. Is there data that will be collected beyond the "6-8 in-depth phone surveys?"

Yes. As budgeted, the Task 1.3 and 1.4 effort would include "collect(ing) data needed for evaluation," along with undertaking the analysis itself, which would include collecting the Carport project-related data discussed in the DG Board's response to PUC 1-8.e (via other relevant phone calls and desktop research).

- b. Are these surveys best described as interviews?

Yes. As budgeted, the goal would be to have 1-1.5 hour phone interviews with each of the 6-8 Carport market participants. However, if SEA uses a virtual survey platform such as Survey Monkey (as planned), it is possible that developers could (if unable to provide information in a phone interview) provide open-ended responses in a written form via Survey Monkey, after which time SEA would contact them once again regarding any needed follow-up questions.

- c. Will six to eight surveys cover the entire population, or is six to eight an expected sample population. If this is a sample, please explain if the subjects are randomly selected.

Given the expected number of carport developers that could potentially enroll a project during the 2020 Program Year, SEA expects that the 6-8 interviews (as budgeted for) would likely cover most, if not all, of the population of potential Carport project developers.

- d. Please explain what reliable information is expected to be gained from six to eight interviews.

The goal of the Task 1 interviews is to obtain the metrics described in OER 2-3.d and the DG Board's response to PUC 1-8.e from Carport project developers, and compare the information with the experience of developers of non-Carport solar projects regarding the same topics, which will be requested through the Task 0 data request to affected Rhode Island renewable energy stakeholders, to provide an effective comparison. Information from non-market participants (e.g. local/municipal officials) is expected to be obtained by OER staff.

8. Rather than developing a new survey instrument, did the OER/SEA consider using data produced from the Massachusetts carport experience and providing the results of a

thorough review of such data? If not, why not? Please include in your answer the data available in Massachusetts.

No. OER believes a new survey instrument would be more effective than focusing solely on the Massachusetts Canopy market, because Carport projects have been constructed in other states under different state-specific compensation approaches. As such, OER believes the experience of Carport developers related to carport development in other states throughout the Northeast is a relevant consideration. This is because public cost data from the SMART program as a whole is very limited, and while SEA has collected relevant data, it will need authorization to use the data from the clients for whom SEA collected the data. However, SEA does plan to use Carport project data from Massachusetts, where appropriate and available.

Tasks 2 and 3

9. Task 2 states that it is in response to decision number 4. Tasks 2.2, 2.3, and 2.4 and Task 3 appear to be developing a program design for future proposals. Is that the case?

No, OER will work closely with the DG Board, SEA, and National Grid to identify potential policy objectives to explore additional adders, subtractors, or other incentive measures through the REG program. In May, the DG Board will vote on the policy objectives and the program design parameters for the 2021 program development that will occur between June and September.

After that vote, SEA will conduct research and analysis on the various topics. During this period of research and analysis, SEA will regularly report to OER, National Grid and the DG Board. Only after a thorough investigation into the Board approved policy objectives, will discussion begin about possible program design related to additional incentives or disincentives.

10. If so, why is SEA performing these tasks based on the PUC's ruling rather than National Grid?

For reference, decision Number 4 stated: By a vote of 3-0, the PUC will require that if the DG Board wants to proceed with a carport adder or any other public policy adder in 2021, they follow the following process which is consistent with RIGL 39-26.6-22:

- i. National Grid shall work with the DG Board to identify the public policy goal(s) – consistent with statutory guidelines and goals established in Docket 4600.
 1. The public policy should not necessarily be to installation-specific – e.g. develop more carports - but rather, something like ‘promoting optimal siting of solar away from greenfields and open space by incentivizing REGrowth projects on various types disturbed land.
- ii. Once the public policy goals have been agreed upon, National Grid shall then design the scope of any proposal, work with SEA to develop any proposed adders, and design a pilot for consideration by the DG Board.

1. National Grid shall develop the pilot using the Docket No. 4600 Guidance document and shall provide a cost benefit analysis.
2. While, based on RIGL § 39-26.6-22, the proposal may include an adder that is based on cost (economics), ideally, it should be based on the net benefits received from the proposal.
- iii. The proposal shall be in National Grid's filing for the relevant program year. In other words, the burden of proof to support the proposal will be on the company. If National Grid were to propose an adder to meet locational or technical goals, it will be held to the same standard as outlined here.
- iv. In addition, the DG Board should ask for sufficient funding in its annual budget request to allow SEA to review the pilot and provide meaningful input during the 2021 Program Year filings.

SEA will be performing these tasks in close alignment with both OER and National Grid. National Grid will rely heavily on SEA's experience with the program to conduct work associated with Tasks 3 and 4 because it will overlap with the work that will be done for Task 0 related to annual ceiling price development. SEA will be able to utilize the CREST model and industry/financier-focuses surveys to understand incremental costs associated with certain types of solar installations that may need additional incentives or disincentives.

The plan for SEA to conduct this work will hopefully result in industry confidence of the recommendations, proposed costs, and will reduce survey fatigue. Also, a similar methodology for modeling for incentives or disincentives to the ceiling price development methodology will provide clarity and understanding in a process that is already well understood by the DG Board and stakeholders.