



**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**  
**Department of Administration**  
DIVISION OF LEGAL SERVICES  
One Capitol Hill, 4<sup>th</sup> Floor  
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July 5, 2016

Via Regular U.S. Mail and Email

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

**Re: Docket No. 4604**  
**R.I. Office of Energy Resources' Response to the Commission's Set of Data**  
**Requests Dated June 30, 2016**

Dear Ms. Massaro:

Enclosed please find an original and ten (10) copies of the Office of Energy Resources' ("OER's") Responses to the Commission's Data Request dated June 30, 2016 for filing in the above referenced docket.

If you have any questions or concerns, please do not hesitate to contact me at 401.222.3417 or at [Andrew.Marcaccio@doa.ri.gov](mailto:Andrew.Marcaccio@doa.ri.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio  
Legal Counsel

Enclosures

cc: Service List (email)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

**IN RE: THE RHODE ISLAND OFFICE OF ENERGY RESOURCES REQUEST FOR FUNDING TO PERFORM AN ECONOMIC JOBS STUDY** :  
: **DOCKET NO. 4604**  
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**R.I. OFFICE OF ENERGY RESOURCES' RESPONSE  
TO THE COMMISSION'S SET OF DATA REQUESTS DATED JUNE 30, 2016**

RESPONDENT: Christopher Kearns, Office of Energy Resources  
DATE: July 5, 2016

**COMM. 1-1 Please describe with specificity the parameters within which the consultant/company retained will conduct its evaluation of the costs and benefits of the Small Solar and Commercial Renewable Energy Programs that are within the Renewable Energy Growth program.**

The consultant/company will evaluate the 2015 and 2016 Renewable Energy Growth (REG) program years and the tariffs that were awarded under the Small Solar and Commercial Renewable Energy categories. The study will evaluate the costs and benefits of the two (2) programs and the impacts of those renewable energy systems over a 25 year period. The study will take into account the following aspects when evaluating the costs and benefits:

- Administrative costs in implementing the annual program;
- Executed tariffs and the associated price per kWh that is provided to the renewable energy system over a 15 or 20 year period;
- Ratepayer costs;
- Remunerations made to the electric distribution company;
- REG small solar systems that are using the power on-site;
- REG commercial renewable energy systems that are selling the power back to the electric distribution company;
- Direct and indirect job impacts;
- Environmental impacts;
- Local property tax impacts to municipalities;
- Price suppression impacts;
- Distribution and transmission impacts; and
- Federal tax credits leveraged, including the 30% investment tax credit.

**COMM. 1-2 Please provide a detailed cost justification of why \$125,000 is needed to perform an economic and jobs impact study of the 2015 and 2016 Renewable Energy Growth program years.**

The Distributed Generation Board (Board) was granted authority under the 2014 REG law to conduct studies to evaluate the REG program. The Board based their funding request to perform this study and report on the costs associated with the analysis performed on the 2011-2014 Distributed Generation Standard Contracts and modeling of the potential expansion of the distributed generation policy under different scenarios for the Office of Energy Resources (OER) and Commerce RI in the fall/winter of 2014. The total cost of that study was \$104,800. Here is a link to that 2014 report:

<http://www.energy.ri.gov/documents/DG/RI%20Brattle%20DG-REF%20Study.pdf>

The Board and OER will not know what the budget amount will be until the Request for Proposals (RFP) to conduct the study is released by State Purchasing this summer and the competitive bidding is received from consultants/companies. However, OER anticipates cost proposals from consultants/companies to perform the scope that the Board wants performed will be similar to the costs associated with the 2014 report referenced above.

The Board and OER would only request the reconciliation funding needed through invoice payments to National Grid and wouldn't necessarily use the full funding that is requested. This occurred with the 2015 ceiling price development when the Commission approved a budget of \$65,000 but the Board did not use the full amount of reconciliation funding approved.

This reconciliation funding request and process for this specific study is the same process performed when the Board requested reconciliation funding requests to the Commission for the 2015 (\$65,000), 2016 (\$65,000) and 2017 (\$85,000) ceiling price services.

**COMM. 1-3 Please identify the specific cost categories that the Office of Energy Resources anticipates the \$125,000 will be used to fund.**

The costs categories associated with this study and report will include, but are not limited to, the following:

- The analyses referenced in COMM. 1-1;
- Each staff member from the selected consultant/company and his/her associated hours committed and wages;
- Travel/lodging costs for the consultant/company to Providence; and
- 2-3 public presentations on the results of the study.

OER will not have the specific costs breakdowns for the different cost categories until the proposals are received and evaluated by OER and the Board through a competitive solicitation. OER would be happy to provide a copy of the selected consultant/company's proposal to the Commission once a selection is made.

**COMM. 1-4 Please provide a copy of any analysis that was performed to determine that \$125,000 is the appropriate amount to include in the budgetary request.**

The Board's process for determining the requested reconciliation funding for this 2016 study was based on the 2014 study cost referenced in COMM. 1-2 and is also following the same reconciliation funding request process to the Commission that was used by the Board when requesting reconciliation funds for the 2015 REG ceiling price services, based upon the costs in developing the 2014 ceiling prices for the Distributed Generation Standard Contracts program.

Rhode Island Office of Energy Resources,  
By its attorney,



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## CERTIFICATION OF SERVICE

I hereby certify that I filed the original and 10 copies of this Response to Data Request with the PUC. In addition, I served a copy of this Response to Data Request to the service list electronically. I certify that all of the foregoing was done on July 5, 2016.



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