

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE RHODE ISLAND DISTRIBUTED :
GENERATION BOARD’S REPORT AND : DOCKET NO. 4672
RECOMMENDATIONS RELATING TO THE 2017 :
RENEWABLE ENERGY GROWTH CLASSES, :
CEILING PRICES, AND CAPACITY TARGETS :

PRE-FILED DIRECT TESTIMONY OF KENNETH F. PAYNE, PHD

1 **Q. Please state your name, employer and title?**

2 A. My name is Kenneth F. Payne, I am the Chairperson of the Distributed Generation Board.

3 **Q. Can you please provide your background in the area of renewable technologies?**

4 A. I have been actively involved in renewable energy issues in Rhode Island for more than a
5 decade. As senior policy advisor to the Rhode Island Senate, I was directly involved in drafting
6 the Renewable Energy Standard Act of 2004, the Comprehensive Energy Conservation,
7 Efficiency, and Affordability Act of 2006, and the Net Metering Amendments of 2007. In late
8 2007, I joined the research faculty of the University of Rhode Island (“URI”); while at URI I
9 helped organize the Energy Fellows, oversaw the Fellows’ first major research project. In 2010, I
10 was appointed to lead the Office of Energy Resources (“OER”). During 2011, I represented the
11 Chafee Administration in drafting the comprehensive overhaul of the State’s renewable energy
12 financing laws, the package of bills included the Distributed Generation Standard Contracts Act;
13 and as Administrator I oversaw the development of the distributed generation contracts, ceiling
14 prices and allocation plan. I have been a member and the Chairperson of the Distributed
15 Generation Standard Contracts Board, now called the Distributed Generation Board (“DG
16 Board”), since 2013.

17 **Q. What was your role in the development of the 2017 Renewable Energy Growth**
18 **(REG) Program?**

1 A. I was, and am, a member and the chairperson of the DG Board. In that capacity, I
2 presided at DG Board meetings, represented the Board in interactions with the consultant
3 retained by the OER and the DG Board, and attended community review meetings jointly
4 convened by the Board and OER.

5 **Q. In your estimation has anything changed in the manner in which ceiling prices are**
6 **developed?**

7 A. Yes, there now has been more than five years of experience with the Distributed
8 Generation program in Rhode Island with the result that we have much more Rhode Island
9 specific information. In the past the calculation of proposed ceiling prices was more dependent
10 on data from other jurisdictions in the Northeast and assessments from the community about how
11 things might work here in RI. Now installers can and do provide the Board, OER, and their
12 consultant, Sustainable Energy Advantage, information about the market functions in RI. This
13 strengthens the process as local data informs the judgments that must be made in making the
14 ceiling price calculations. There is stability in the manner of the ceiling price calculations, the
15 CREST model is still being used and the consultant running the model is the same, while the
16 process is more robust as a result of greater experience.

17 **Q. In a public meeting on October 17, 2016, continued to November 1, 2016, for the**
18 **purpose of allowing additional input regarding community remote distributed generation**
19 **(a new category of renewable energy projects provided for by statute), did the Board vote**
20 **to approve the recommended ceiling prices and allocation plan for the 2017 REG**
21 **Program?**

22 A. Yes.

23 **Q. Did the DG Board have a quorum?**

1 A. Yes.

2 **Q. Were there any dissenting votes?**

3 A. No.

4 **Q. Are recommendations voted on by the DG Board reflected in the Report and**
5 **Recommendation submitted to the Commission?**

6 A. Yes.

7 **Q. Is it your understanding that the OER and SEA on behalf of the DG Board**
8 **considered and reviewed the stakeholder feedback given during the period of the**
9 **development of the 2017 REG Program recommendations prior to the Board voting on the**
10 **recommendations?**

11 A. Yes. At the October 17, 2016, DG Board meeting the proposed recommendations were
12 presented by OER, SEA, and National Grid, reviewed and discussed section by section with
13 opportunities for public comment, recommendations for amendments were invited, none were
14 offered, and the proposed recommendations, with the exception of ceiling prices for “community
15 remote distributed generation”, were adopted. The meeting was continued to November 1, 2016,
16 to allow for additional input regarding “community remote distributed generation,” which was
17 provided for in recent statutory amendments to the Renewable Energy Growth Program.

18 **Q. Can you please provide the DG Board’s reasoning for adopting the**
19 **recommendations for the various ceiling prices and allocations of renewable energy**
20 **technologies?**

21 A. The DG Board reached a collective understanding that these recommendations should be
22 made to the Commission. The DG Board discussed the requirements and implications of the
23 requirements of the REG Program statute, looked at prior actual experience with the Distributed

1 Generation Standard Contracts program and first year of the REG program, received
2 recommendations from OER staff, took extensive input from SEA on what the CREST model
3 runs showed, and received comments on various drafts of the ceiling prices and allocation plan
4 through community review meetings. The DG Board, or SEA on behalf of the Board, received
5 and discussed public and renewable energy developer comments, and the Board decided that
6 these recommendations for 2017 REG Program should be submitted to the Commission for its
7 consideration and approval. The decision process was conducted in public meetings at which
8 public comment was allowed and welcomed.

9 **Q. Did the renewable energy business community and the public have sufficient time to**
10 **know what the 2017 ceiling prices would be for a renewable energy class?**

11 A. Yes, within statutory requirement of the Board to submit recommendations to the
12 Commission annually. When requested to do so the Board extended comment periods.

13 **Q. Does this conclude your testimony?**

14 A. Yes