



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
89 Jefferson Blvd.
Warwick RI 02888
(401) 941-4500

January 23, 2017

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

**In Re: R.I. Distributed Generation Board's Report And Recommendation
Regarding The 2017 Renewable Energy Growth Classes, Ceiling
Prices And Capacity Targets----Docket No. 4672**

Dear Luly,

Please find for filing ten (10) copies of the Division of Public Utilities and Carriers, (the "Division"), January 23, 2017, Memorandum authored by Ms. Carrie Gilbert of Daymark Energy Advisors on behalf of the Division, setting forth their findings and recommendations in response to the Renewable Energy Growth Program-Classes, Revised Ceiling Prices and Capacity Targets for 2017 submitted by the Distributed Generation Board on November 11, 2016 for consideration by the Public Utilities Commission (the "Commission") in its review of the above captioned docket. Similarly, Ms. Gilbert prepared a Memorandum relating to proposed Tariffs and Solicitation and Enrollment Process Rules changes which is attached for filing with ten (10) copies for commission consideration.

The Division submits the referenced Memoranda in lieu of pre-filed testimony and will have its consultant Ms. Gilbert of Daymark Energy Advisors available at hearing.

The Division recognizes as a matter of policy that R.I. Gen. Laws § 39-26.6-22 of the Renewable Energy Growth Program statute controlling the Distributed Generation Board's report and recommendations relating to ceiling prices provides for location-based incentives for distributed generation. Although this statute permits implementation of location-based incentives, it does not require it and National Grid does not currently offer location-based incentives to encourage development of distributed generation in areas of its distribution system that would provide most value to the system.

In general, the absence of location-based prices results in building distributed generation without regard to the location of the resource on the distribution system and potentially wastes

valuable rate-payer dollars that could be used more productively. In addition to location-based incentives, the Division recognizes the importance of aligning distributed generation production with peak times of electric demand. The Division encourages greater investigation into the potential under the statute for time-sensitive incentives.

The Division looks forward to working with the Office of Energy Resources and National Grid and all stakeholders to develop locational and temporal specific incentives to leverage the value of the Renewable Energy Growth Program.

I appreciate your cooperation in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jon G. Hagopian". The signature is stylized and cursive, with a long horizontal stroke extending to the right.

Jon G. Hagopian
Senior Legal Counsel



MEMORANDUM

TO: RHODE ISLAND PUBLIC UTILITIES COMMISSION

FROM: CARRIE GILBERT—DAYMARK ENERGY ADVISORS ON BEHALF OF RHODE ISLAND DIVISION OF PUBLIC UTILITIES AND CARRIERS

DATE: JANUARY 23, 2017

SUBJECT: DOCKET NO. 4672 – TARIFFS AND SOLICITATION AND ENROLLMENT PROCESS RULES

In this memo, I summarize the results of our review of the proposed Tariffs and Solicitation and Enrollment Process Rules changes proposed by National Grid for the Renewable Energy Growth (REG) Program. These changes were presented by National Grid in its November 15, 2016 filing in Docket 4672.

The changes in the filing are related to changes to the REG program that were included in H8354 which was enacted last summer and changes related to the Distributed Generation Board's November 10 recommendation for 2017 REG Classes, Ceiling Prices and Capacity Targets. Additionally, the Company has proposed several voluntary changes to the program.

Overall, I believe that the changes proposed by the Company to the REG Tariffs and Solicitation and Enrollment Process Rules are reasonable and are responsive to the REG Amendments enacted in 2016. In this memo, I describe the changes in the filing and include two suggestions for program tracking by the Company.

RENEWABLE ENERGY GROWTH AMENDMENTS

The Rhode Island General Assembly amended the REG program in June 2016. This action created two new REG programs:

- **Shared Solar Facilities.** This program allows multiple customers to share a solar facility up to 250 kW as long as the customers are on the same or adjacent parcel of land.
- **Community Remote Distributed Generation.** This program allows multiple customers to share the benefits of a renewable energy distributed generation

facility larger than 250 KW. These customers do not need to be adjacent to each other.

The Company has made the necessary changes to the Tariffs and Solicitation and Enrollment Process Rules to incorporate these new programs.

CHANGES UNRELATED TO REG AMENDMENTS

The Company has included several changes to the Tariffs and Solicitation and Enrollment Process Rules that are unrelated to the REG amendments described above or the ceiling price changes. These include the Zero Energy Building initiative and the two changes to the Solar Wise Program.

The Zero Energy Building Initiative would allow customers with on-site DG facilities enrolled in the REG Program to retain the renewable attributes of the renewable energy they are generating. This program compensates the customer at a lower rate. The compensation rate is the Performance Base Incentive that they would have gotten under the standard REG program minus the REC price. National Grid will then retire these RECs in a voluntary non-compliance account.

The changes to the Solar Wise program include a provision to allow the Distributed Generation Board to review changes to the program and a requirement that participants in the Solar Wise program must have at least 6 months of usage history.

The changes unrelated to the REG amendments make sense to me. Giving customers who install on-site renewable generation a means to retain the renewable attributes of their generation allows them to meet personal goals related to green power usage. Similarly, it makes sense that gauging energy efficiency savings would be easier with some history of energy use.

SUGGESTION FOR PROGRAM TRACKING

At the January 11, 2017 Technical Session, there was a lot of discussion about scenarios that might test the Community Remote Distributed Generation and/or the Shared Solar program. I recommend that National Grid review the transcript of the Technical Session and develop a list of these potential situations and report back to the Commission if any of them occur throughout the year. Also based upon the discussion at the Technical Session I recommend that the National Grid track the amount of energy from the Shared Solar and Community Solar programs that exceed the maximum amounts that can be credited to the participants in the solar projects. The volume of energy and the value that National Grid has gained from the uncredited energy should be included in a semi-annual or annual report.