

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

IN RE: BLOCK ISLAND UTILITY DISTRICT :
STANDARD OFFER AND TRANSMISSION : **DOCKET NO. 4690**
CHARGES AND RECONCILIATION

**COMMISSION’S FIRST SET OF DATA REQUESTS
DIRECTED TO BLOCK ISLAND UTILITY DISTRICT (BIUD)**
(Issued April 27, 2020)
(please respond by May 4, 2020)

- 2020-1. On page 4 of Mr. Bebyn’s testimony, he states that the cost of: “Energy Purchased from BIUD from its new rooftop solar project is projected to be \$15,132 for the 12-month period. This project was the result of private donation which has a restriction that the benefits of the project be used for system capital improvements. The purchase is based upon the prior year’s Standard Offer and Transmission cost rate.”
- a. Did BIUD apply for a waiver from the exemption of owning generation and selling the output to its customers for this unit? If not, why not?
(Order No. 22565 (Oct. 7, 2016) stated: In its restructuring plan, the Block Island Power Company will be exempted from the Utility Restructuring Act, R.I. Gen. Laws § 39-1-27(d), prohibition against selling electricity within its service territory for the purpose of providing emergency generation.)
 - b. Does this installation violate the net metering cap? If so, how has that been addressed? If not, why not?
 - c. Please confirm that BIUD is charging customers for the energy sales from the solar project and putting the revenues from those sales into a capital fund that is also funded by base rates. Please identify the account.
 - d. Please explain why this expense is not included in the rate case as a reduction of BIUD’s O&M expenses related to electricity usage.
 - e. How will the \$15,132 expense be calculated going forward and reconciled?
 - f. Who will own the renewable energy certificates?
 - g. Where were the renewable energy certificates accounted for in the schedules?

RESPONSE:

- a. BIUD has not yet applied for such a waiver, but plans to do so if the contract is approved by the Commission.
- b. No. We do not consider this to be a net metering project. The facility and all generation will be owned by BIUD. All energy will be metered in the same way as our diesel back-up generation is metered, and it will be accounted for as generation and not a load reducer as net metering is.
- c. BIUD will charge its customers for the energy this facility produces and will apply the revenues from those sales into a restricted account identified as “Solar Restricted Account” to be used by BIUD for three specific purposes: 1) to create a decommissioning fund for the Solar PV Equipment, 2) for maintenance of the solar PV equipment, and 3) for BIUD capital projects

SOLAR INITIATIVE PROJECT AGREEMENT

This Solar Initiative Project Agreement ("Agreement") is made and entered into by and between HBC Affordable Apartments, Inc ("HBCAA") and the Block Island Utility District d/b/a The Block Island Power Company ("BIUD") (each a "Party," and collectively the "Parties").

WHEREAS, HBCAA is a not for profit corporation operating on Block Island which has a business address of P.O. Box 484, Block Island, RI 02807.

WHEREAS, BIUD is a not for profit quasi-municipal corporation which operates as a member-owned public utility engaged in the business of providing safe, reliable and affordable utility products and services to customers on Block Island and has a business address of 100 Ocean Avenue, P.O. Box 518, Block Island, RI 02807.

WHEREAS, HBCAA intends to fund the purchase and installation of solar photovoltaic panels on Block Island in order to increase the use of clean, local solar energy on Block Island and reduce reliance on fossil fuels.

WHEREAS, BIUD supports the use of clean, local solar energy on Block Island and wishes to install solar photovoltaic panels and related equipment on BIUD property.

WHEREAS, the Parties desire to set forth in this Agreement the terms and conditions upon which HBCAA intends to fully fund the purchase and installation of solar photovoltaic panels and related equipment on BIUD property.

WHEREAS, the Parties desire that ownership of the solar photovoltaic panels and all related equipment shall be granted to BIUD at no cost to BIUD.

NOW THEREFORE, for valuable consideration and intending to be legally bound hereby, the Parties agree as follows:

1. HBCAA and BIUD shall jointly select the solar photovoltaic panels and related equipment (“Solar PV Equipment”) to be installed on BIUD property.
2. HBCAA shall purchase the Solar PV Equipment.
3. HBCAA and BIUD shall jointly select a qualified solar installation company to install the Solar PV Equipment.
4. HBCAA and BIUD shall jointly negotiate and execute an agreement with the solar installation company to set forth all terms related to the installation of the Solar PV Equipment, including but not limited to site access, insurance coverage, and other matters.
5. All costs directly related to the installation of the Solar PV Equipment on BIUD property shall be paid by HBCAA.
6. During installation, the Solar PV Equipment shall remain the personal property of HBCAA.
7. The Commercial Operation Date (“COD”) for the BIUD Solar Initiative Project shall be the date on which the Solar PV Equipment is mechanically complete, operational, and capable of delivering solar generation as certified by an engineer employed by the solar installation company at the expense of HBCAA. This certification shall be recorded in the land evidence records of the Town of New Shoreham.
8. Effective as of the COD, ownership of the Solar PV Equipment shall automatically transfer from HBCAA to BIUD.
9. Thereafter, BIUD shall own all Solar PV Equipment, all generation produced by the Solar PV Equipment, and all renewable energy certificates (“RECs”) associated with all renewable energy produced by the Solar PV Equipment.

10. BIUD is a regulated public utility and this Agreement is therefore subject to the review and approval of the Rhode Island Public Utilities Commission (“RIPUC”).

11. Operation of the Solar PV Equipment by BIUD shall be subject to the following conditions, if approved by the RIPUC: (a) the Solar PV Equipment shall be separately metered, (b) generation produced by the Solar PV Equipment shall be valued at the prior year’s Net Metering Rate as approved by the RIPUC in BIUD’s Annual Standard Offer and Transmission Reconciliation Filing, (c) any value attributable to generation produced by the Solar PV Equipment shall be paid into a restricted account (“Solar Restricted Fund”), and (d) monies in the Solar Restricted Fund shall be used as directed by the BIUD Board of Commissioners (i) to create a decommissioning fund for the Solar PV Equipment, (ii) for maintenance of the Solar PV Equipment, and (iii) for BIUD capital projects related to BIUD’s distribution system. Operation of the Solar PV Equipment shall not be subject to the above conditions unless and until the RIPUC approves them.

12. HBCAA and BIUD shall coordinate and cooperate with each other when making public announcements regarding the BIUD Solar Initiative Project.

13. This Agreement may be amended, modified, or supplemented only by written instrument executed by all Parties.

14. This Agreement shall automatically apply and be binding upon the successors and assigns of the parties. No transaction resulting in a succession or assignment shall release any Party from its duties and obligations under this Agreement.

15. All questions or disputes arising out of or under this Agreement shall be governed by the laws of the State of Rhode Island.

16. If any provision of this Agreement is deemed invalid or unenforceable, the balance of this Agreement shall remain in full force and effect.

17. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their authorized representatives as of _____, 2020.

Block Island Utility District d/b/a The Block Island Power Company

Signature: _____

Name: _____

Title: _____

HBC Affordable Apartments, Inc:

Signature: _____

Name: _____

Title: _____

Standard Offer & Transmission Cost
Rate Calculation
Block Island Power Company

Sch. DGB-1
12 month Recalc for
Rates Effective June 1, 2020

Standard Offer

Total Energy Costs	491,162	See Attachment-1
Total Capacity/Other Costs	624,984	See Attachment-1
Total Other Costs	45,542	See Attachment-2
Less Over Collections		
April 2019 Reconciliation estimates to actual variance	(18,042)	See Attachment-5
April 2020 Reconciliation	(7,744)	See Schedule DGB-4
Subtotal	1,187,475	
Subtotal to recover (No Gross Receipts Tax)	1,187,475	
Estimated Sales (MWH) to Customers	12,985	See Schedule DGB-2
Cost per MWH	\$ 91.45	
Cost per KWH	\$ 0.0914	

Transmission Charges

Transmission costs	982,238	See Attachment-1
Less Over Collections		
April 2019 Reconciliation estimates to actual variance	(6,167)	See Attachment-5
April 2020 Reconciliation	(5,544)	See Schedule DGB-4
Subtotal	993,948	
Subtotal to recover (No Gross Receipts Tax)	993,948	
Estimated Sales (MWH) to Customers	12,985	See Schedule DGB-2
Cost per MWH	\$ 76.54	
Cost per KWH	\$ 0.0765	
<u>Total</u>		
Cost per MWH	\$ 167.99	
Cost per KWH	\$ 0.1680	

Forecast Purchase Power Costs
Block Island Power Company

Attachment 1

Docket No. 4690
Twelve month Recalculation for
Rates Effective June 1, 2020

Purchase Power Projections													Totals
	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	
Load (Energy Purchased)	1,090	1,447	2,415	2,560	1,539	1,025	891	886	955	770	856	831	15,264 *
MWH													-
Bilateral Purchase	981	1,302	2,173	2,304	1,385	923	802	797	859	693	771	748	13,738
NYPA Purchase	127	136	148	153	144	134	124	118	135	131	139	150	1,639
BIUD Solar (Project)	-	9	15	12	9	8	5	4	4	6	9	10	90
ISO Adjusted net Interchange	(18)	(0)	78	91	0	(39)	(40)	(34)	(43)	(61)	(62)	(76)	(203)
Total Net Purchases MWH	1,090	1,447	2,415	2,560	1,539	1,025	891	886	955	770	856	831	15,264
Energy Costs See Attachment-3													
Shell	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	34.85	
py BIUD SO rate		167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	167.25	
Bilateral Purchase	\$ 34,175	\$ 45,370	\$ 75,737	\$ 80,306	\$ 48,277	\$ 32,150	\$ 27,946	\$ 27,789	\$ 29,938	\$ 24,155	\$ 26,855	\$ 26,059	\$ 478,757
NYPA Purchase	\$ 622	\$ 668	\$ 730	\$ 753	\$ 711	\$ 661	\$ 610	\$ 581	\$ 664	\$ 646	\$ 682	\$ 736	\$ 8,065
BIUD Solar (Project)		\$ 1,547	\$ 2,439	\$ 1,956	\$ 1,565	\$ 1,263	\$ 861	\$ 694	\$ 635	\$ 1,047	\$ 1,458	\$ 1,668	\$ 15,132
ISO Net Position	\$ (392)	\$ (87)	\$ 1,862	\$ 1,923	\$ (85)	\$ (875)	\$ (1,285)	\$ (1,511)	\$ (2,401)	\$ (3,323)	\$ (2,436)	\$ (2,179)	\$ (10,791)
Total Energy Costs	\$ 34,406	\$ 47,498	\$ 80,768	\$ 84,938	\$ 50,467	\$ 33,198	\$ 28,132	\$ 27,553	\$ 28,836	\$ 22,525	\$ 26,559	\$ 26,284	\$ 491,162
Capacity/Other Costs													
ISO FCM Charges net of													
NYPA CAP credit	\$ 40,269	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 39,980	\$ 480,044
NYPA Fixed Costs	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 1,222	\$ 14,663
ISO Ancillary/Schedule													
Charges	\$ 3,759	\$ 4,990	\$ 8,331	\$ 8,833	\$ 5,310	\$ 3,536	\$ 3,074	\$ 3,057	\$ 3,458	\$ 2,790	\$ 3,102	\$ 3,010	\$ 53,249
ISO Annual Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ 500
Projected ENE Fees	\$ 5,979	\$ 6,693	\$ 8,629	\$ 8,921	\$ 6,878	\$ 5,850	\$ 5,582	\$ 5,572	\$ 5,809	\$ 5,440	\$ 5,612	\$ 5,562	\$ 76,528
Total Capacity/Other Costs	\$ 51,229	\$ 52,885	\$ 58,162	\$ 58,955	\$ 53,390	\$ 50,588	\$ 49,857	\$ 49,830	\$ 50,968	\$ 49,431	\$ 49,915	\$ 49,773	\$ 624,984
Transmission Costs													
ISO Transmission Charges	\$ 21,551	\$ 37,259	\$ 49,456	\$ 49,518	\$ 34,163	\$ 20,326	\$ 17,999	\$ 18,378	\$ 19,106	\$ 16,400	\$ 16,534	\$ 14,914	\$ 315,604
NYPA Transmission Costs	\$ 1,913	\$ 1,819	\$ 1,465	\$ 1,254	\$ 1,351	\$ 985	\$ 1,357	\$ 2,457	\$ 4,598	\$ 5,381	\$ 2,366	\$ 2,841	\$ 27,786
National Grid Connection													
DAF Charges	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 28,178	\$ 338,136
National Grid Cable													
Surcharges	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 4,647	\$ 55,764
National Grid Transformer													
Surcharges	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 1,691	\$ 20,290
National Grid Meter													
Surcharge	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 65	\$ 775
National Grid Rolled in													
Distribution	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 13,382	\$ 160,582
National Grid PTF, Non-PTF													
and Load Dispatch Charges	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 5,275	\$ 63,300
Total Transmission Costs	\$ 76,701	\$ 92,315	\$ 104,159	\$ 104,009	\$ 88,751	\$ 74,548	\$ 72,593	\$ 74,072	\$ 76,941	\$ 75,018	\$ 72,138	\$ 70,992	\$ 982,238
Total All-In Costs	\$ 162,336	\$ 192,698	\$ 243,088	\$ 247,903	\$ 192,608	\$ 158,333	\$ 150,582	\$ 151,455	\$ 156,745	\$ 146,975	\$ 148,612	\$ 147,048	\$ 2,098,384

* This line item represents the Purchased KWH.

The difference between this line item and the estimated kwh sales on DGB-2 represents the estimated KWH line losses.