

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

IN RE: THE NARRAGANSETT ELECTRIC :

COMPANY d/b/a NATIONAL GRID :

NET METERING PROVISION :

RIPUC NO. 2207 :

DOCKET NO. 4790

THE COALITION FOR COMMUNITY SOLAR ACCESS (CCSA)'S
RESPONSE TO
COMMISSION'S FIRST SET OF DATA REQUESTS
June 21, 2018

1-1. Please explain why the proposed tariff revisions filed with the Commission on April 27, 2018 (Revisions), are in the best interest of developers and ratepayers.

Reply: The best way to serve the best interest of developers and ratepayers would be to remove the cap or expand it significantly. That reform would enable much greater access to cheaper, clean and renewable energy for residential and low income customers while reducing the administrative burden of queue management policies. However, while we have a cap and allocated projects underway, this revision allows warranted flexibility for the development of complex projects that often face unanticipated delays even after making extensive investments, including good faith performance deposits.

The proposed tariff revisions filed with the Commission on April 27, 2018 (Revisions) were agreed to by the Coalition for Community Solar Access (CCSA), OER, DPUC, and National Grid ("Parties") after two months of deliberation. The parties seek to amend the community remote net metering provisions to allow extensions for the cap allocation deadlines due to project delays that are beyond the control of the developer. These revisions are very similar to the extensions allowed by the renewable energy growth tariff, and other community solar programs with limited cap availability including Maryland and nearby Massachusetts. Project developers are working with good faith efforts to meet regulatory deadlines outlined in the net metering tariff, yet sometimes due to issues beyond their control, even after putting down their good faith deposit, delays occur. The language jointly submitted by the Parties provides relief under very specific circumstances such as permitting, interconnection, and construction related delays associated with weather, materials, or labor.

Solar development in Rhode Island is still in its infancy, and delays in interconnection, permitting, and construction are not uncommon. Under the current program regulations, solar developers must go through an interconnection study, which requires site control and stamped solar designs, monetary considerations by means of "Performance Deposit Guarantees" all of

which require substantial investment and development efforts. It is not feasible or practicable for solar developers to resolve every development contingency before applying for cap allocations, nor will they even be able to predict some of them until they get farther into the process. Moreover, net metering customers should get a similar level of administrative flexibility allowed to customers participating in the renewable energy growth (REG) program, especially since community net metering projects are even more complex to develop than most REG projects. The proposed tariff revisions are in the best interest of developers because they allow for flexibility under specific circumstances outside of their control, while also limiting the reasoning for cap allocation deadline extensions. This deadline extension approach is not as lenient as the parallel provision in the renewable energy growth tariff which does not require a reason for a deadline extension, only that an additional performance deposit is paid to receive an additional year extension.

Since a project must have a minimum of an Impact Study for Renewable DG (ISR DG) in place to apply to the community remote net metering pilot program, there is naturally development progression which requires substantial amounts of investments for interconnection including distribution system upgrades. The proposed extension approach does not allow for any relief or delay of these payments and the interconnection process will still move forward as governed separately by The Narragansett Electric Company Standards for Connecting Distributed Generation. With the interconnection process now being limited to 18 months total (unless extended for good cause by agreement of the utility, per the statute), developers are still required to continue paying for any system improvements which require continued financial investment. This investment in distribution infrastructure is made under the premise that a project will move forward, and is another reason why it is unlikely that projects will get to the 2-year cap allocation deadline without the developer having confidence of project viability. Allowing for flexibility under the cap allocation deadline will decrease the likelihood of orphaned community remote net metered projects that have interconnection fully funded, but get kicked out of the pilot program queue at the 2-year mark when specific circumstances cause unexpected delays. This will benefit ratepayers in at least two ways. First, it will help ensure completion of community net metering projects that allow much better access to the benefits of renewable energy for residential and low income customers that otherwise may not have access. Indeed, the scale and complexity of these projects is driven in significant part by the breadth and significance of their customer impact (since scale reduces the unit cost of customer service) that justifies deadline flexibility. Second, flexibility reduces the administrative burden on National Grid by avoiding the need to replace mature community remote net metered projects that get kicked out of the queue, and decrease the likelihood of abandoned and partially funded distribution upgrades. Ratepayers are otherwise indifferent since this program fundamentally enables specified groups of specified interest to our general assembly (residential and low income customers) self supply their home-grown electricity at costs below the retail rate, with systemic and societal benefits to other customers.

1-2. Did CCSA solicit comments/feedback regarding the Revisions from developers who were not a party to this docket? If no, please explain how the interests of these developers were considered and addressed.

Reply: The (CCSA) is a national business-led trade organization comprised of over forty member companies that works to expand access to clean, local affordable energy nationwide through community solar. CCSA's mission is to empower energy consumers, including renters, homeowners, and households of all socio-economic levels, by increasing their access to affordable, reliable clean energy. CCSA, in partnership with a thriving network of non-profits, affiliate trade associations, and allied stakeholders, serves as the central voice for the community solar industry in developing vibrant and sustainable markets for community solar. CCSA members are active nationwide and have been actively engaged in Rhode Island's community solar programs.

Yes, CCSA did solicit comments and feedback regarding the Revisions from other developers not party to this docket. CCSA publicized this initiative to all of its members and worked closely with some members active in Rhode Island. In addition, CCSA leverages its experience working in other markets across the country including nearby Massachusetts where similar tariff provisions allow for day-for-day extensions for permitting and interconnection related delays. There is consensus support for this proposal from developers, including ones not part of this docket, in that it allows for flexibility for circumstances outside of their control while still allowing mature projects to move forward in the development process.

1-3. Please explain how the Revisions ensure fair access to capacity under the 30 MW cap if the deadlines are extended indefinitely pending resolution of litigation proceedings?

Reply: The revision which allows for indefinite cap deadline extension in the event of litigation proceedings is intended to provide relief in very specific and rare occurrences. When such litigation arises, developers have typically already made very material investments in their projects, including the following capital investments:

- Costs associated with site control
- Engineering costs associated with preparing interconnection applications
- Interconnection study fees up to \$12,500
- Program Guarantee Deposits up to \$75,000
- Payments for system improvement related to interconnection
- Site surveys and field studies including but not limited to
 - topographic aerial mapping,
 - field delineation of wetlands and natural resources
 - archeological surveys
 - phase I environmental studies
 - civil engineering drawings and stormwater management calculations
 - property boundary surveys
- Permitting application fees
- Costs related to power marketing, particularly for developers that pursue projects intended to sign up residential customers
- Performance deposit of of \$25/MWH or \$75,000, whichever is less

- Legal and consultant fees

Having already put forward such significant capital, the developer proceeds in good faith with confidence that the project will come to fruition as demonstrated by continuing investment. A developer will not continue such significant outlays of capital and effort for a project that is unlikely to be completed. The indefinite extension pending litigation ensures that developers do not have to forfeit all such commitments for challenges beyond their control.

This language is consistent with other community solar programs, and allows fair access to developers by not unfairly penalizing them for circumstances outside of their control. Examples of other programs with similar provisions include:

- Massachusetts
 - <http://www.massaca.org/pdf/ReservationPeriod.pdf>
 - Please refer to page 2 under “Extension Reservation Period for Legal Challenges”
- Maryland
 - <https://msa.maryland.gov/megafile/msa/speccol/sc5300/sc5339/000113/021000/021855/unrestricted/20160105e.pdf>
 - Please refer to page 558, COMAR 20.62.03.04.C.3) for further detail.

1-4. Please comment on the following approaches to address the concern of fair access to capacity that is raised in Data Request 1-3, above:

a. A developer may receive only one extension for a Permit Delay at a time. If a developer is awarded capacity for a second project, the developer would not be eligible to receive an extension for a Permit Delay for a subsequent project.

Reply: CCSA does not recommend this approach as each project should be evaluated based on the merits of its individual circumstances, regardless of the status of other projects owned by the same developer. As outlined in question 1-3, substantial investments have been made to this point on a per project basis, so each project should be evaluated independently.

b. Limit the total capacity allocation any one developer may be awarded under the 30 MW cap.

Reply: CCSA advocates for allocating program capacity based on a first-come, first-served basis as long as there is a high bar for entry. This pilot program has a high bar to entry in the requirement of site control, costs associated with the interconnection process, and performance guarantee deposits. In addition, due to the cap allocation deadlines and the requirements governed by the interconnection tariff, projects are required to demonstrate continued advancement of development milestones. These requirements ensure that only viable, active projects are counted toward project capacity, and provide equal access for developers based on the merits of individual projects.

Given the small size of the pilot relative to the maximum size of an individual project, it would not be practical to implement a cap on the amount of capacity that can be allocated to one developer. To allow for development of a robust community solar market with multiple providers competing to serve customers, it will be necessary to remove the cap or expand the size of the program substantially. If there is sufficient available capacity, a per-developer cap should not be necessary. Please see our Policy Decision Matrix, page 4, for more information on CCSA's position.¹

c. Is there a better approach to ensure fair access to capacity?

Reply: For any program that has a limited total program capacity, particularly one like this, with such a small amount of available capacity, there will be winners and losers. The only way to provide more access to the program is to increase the available capacity. CCSA therefore recommends removal of the cap so that residential and low income customers can access the same benefits currently available to public entities and non-profits.

d. Since this is a limited capacity program, did the parties consider stricter requirements to be eligible to receive an award of capacity?

Reply: CCSA typically advocates for programs to require a high bar for entry to apply into the program, which this program has implemented through requirements that a minimum of an ISRDG be in place which requires site control, as well as payment of a "Performance Deposit Guarantee" of \$25/MWH or \$75,000 whichever is less. After capacity is allocated, system improvement payments must continue to be made ensuring that a developer has a vested interest and "skin in the game." These requirements ensure that only mature projects are accepted into the program and reduce the chance that speculative projects waste valuable time and space in the program queue. CCSA and the parties did not consider stricter requirements to be eligible to receive an award of capacity since the pilot program already requires a considerable amount of upfront investment to obtain program capacity in the form of site control, costs associated with the interconnection process, and performance guarantee deposits. Fundamentally, as long as an applicant and enrollee is proceeding in good faith having posted a bond and made investments indicating a real intent to complete the project, they should be allowed flexibility to resolve obstructions that they could not control or foresee.

¹ CCSA's Community Solar Policy Decision Matrix is available at <http://www.communitysolaraccess.org/wp-content/uploads/2017/12/Community-Solar-Policy-Decision-Matrix-2017.pdf>.