

BCR

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RECEIVED
2010 MAY 24 AM 9:20
PUBLIC UTILITIES COMMISSION

May 19, 2010

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities & Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Re: Complaint: Portsmouth Windmill

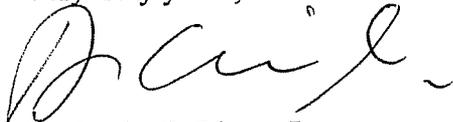
Dear Ms. Massaro:

The Town of Portsmouth appears to me, unless I'm missing some authorizing document, to be selling the output of its windmill in violation of R.I.G.L. 39§26.2.

Section 2 defines "net metering" as authorizing the sale back to the utility of the net difference between the customer's usage and their own production. As appears from the letter Portsmouth wrote to Nicholas Ratti on April 1st (copy attached), and my e-mail exchanges with the writer of that letter (copy attached), the Portsmouth deal calls for the sale back of 100% of the customer's production.

I would appreciate your looking into this on behalf of all Rhode Island citizens who are affected to make sure it is not in violation of the law.

Very truly yours,



Benjamin C. Riggs, Jr.

Attachments (2)



Town of Portsmouth

2200 East Main Road / Portsmouth, Rhode Island 02871
www.portsmouthri.com

GARY R. CROSBY
Assistant Town Planner
Zoning Enforcement Officer

Office: (401) 643-0332
Fax: (401) 683-6804
email: gcrosby@portsmouthri.com

Nicolas Ratti, Jr.
28 Hydraulion Avenue
Bristol, Rhode Island 02809

April 1, 2010

Dear Sir:

With regard to the following statement made by you in a letter to the Block Island Town Council dated March 8, 2010, I fear you are woefully misinformed and in desperate need of correction.

"Portsmouth boasts that its windmill saves money, but its claim is based on a fictitious, unjustified rate of 15.4 cents per kWh. At the real-world, PUC-set residential rate of 9.2 cents, it loses money."

Portsmouth's wind turbine is not a "behind-the-meter" facility. Every kWh that the turbine generates goes directly onto the grid. In theory, you used some of that electricity when you made your coffee this morning. We do not "save" money by using power from the turbine that we would otherwise have to purchase from NGrid. We make money by selling power to NGrid. The distinction is important.

Our wind turbine generates two revenue streams for the Town. First, we are paid by check by NGrid for every kWh we generate at the PUC-set, legislatively-mandated, "real-world" rate of \$0.11388 per kWh. This is NGrid's standard rate for industrial-scale facilities. Second, we have a 10-year contract with Energy Consumers Alliance of New England (ECANE), dba Rhode Island People's Power and Light, wherein they purchase Renewable Energy Certificates (RECs) from us at the rate of \$0.04 per kWh for every kWh we produce. Both ECANE and NGrid read the same meter and pay us directly for our production.

For the production year just ending (April, 2009 – March, 2010) our wind turbine generated 3,712,800 kWh of electricity. At the combined rate of \$0.15388 per kWh, that amounts to \$571,325 revenue to the Town. Our expenses for the same period, including debt service, operations & maintenance and contributions to two reserve funds amount to approximately \$314,250, leaving a net annual income to the Town of \$257,075. Mr. Ratti, this is not a "boast," this is fact. As an aside, a quick calculation reveals that we would still make money, albeit not very much, at your fictitious rate of "9.2 cents."

You would do well to get your facts straight before entering into the public discussion over renewable energy financing.

Gary Crosby
Portsmouth Wind Turbine Coordinator

Cc: Block Island Town Council

Subject: Re: Wind Turbine
From: Ben Riggs <rmcriggs@earthlink.net>
Date: Wed, 14 Apr 2010 17:26:23 -0400
To: "Gary R. Crosby" <gcrosby@portsmouthri.com>
BCC: "pmank@verizon.net" <pmank@verizon.net>

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To explain it simply, I understand NGRID normally pays about 6 cents/KWH for power, and resells it to us at about 9.2 cents, a rate that includes their overhead of doing business. (Fair enough.) Portsmouth sells its power for a combined rate of 15.388 cents. (This includes 11.388 directly from NGRID, and the rest from ECANE, correct?) Unless I'm missing something, the difference between what NGRID can buy power for and what it is forced to buy it for from you is a little over 9 cents. The residents of RI are picking up the tab for the difference through increased NGRID bills and whatever vehicle is used to finance ECANE.

My point is, Portsmouth is making out just fine; the rest of us are getting screwed by having to subsidize this. I don't expect you to have the same opinion, but are we on the same page now?

Ben Riggs

Gary R. Crosby wrote:

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Mr. Riggs -
In my letter to Mr. Ratti, I made no such claim "that the device saved Portsmouth \$257,075 last year." I simply tried to explain to him that the \$257K was our net income after expenses in operating the wind turbine. Apparently I did not explain it thoroughly enough, at least to your satisfaction.

To put it simply, the Town of Portsmouth is in the power generation business. Every kilowatt we produce goes straight to NGrid. In exactly the same way NGrid buys power from the coal-fired Brayton Point power plant, or a hydroelectric facility in Vermont, or any of the multiple power generation sources that they do business with, they buy power from us and distributes it to you and me, their rate paying customers. It is a very simple arrangement. We produce power, they buy it from us. Period. The rate that they purchase this power from us is set by the the Public Utilities Commission. We own and operate a machine that produces a revenue stream, has operation and maintenance expenses and has capital costs that the Town must retire. It is a matter of income and expenses, nothing more. I fail to understand how you can characterize this arrangement as NGrid ratepayers "subsidizing" the Town of Portsmouth.
Gary

From: Ben Riggs [mailto:rmcriggs@earthlink.net]
Sent: Tuesday, April 13, 2010 05:12 PM
To: Gary R. Crosby
Subject: Wind Turbine

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Dear Mr. Crosby:

I have reviewed your letter of April 1st to Nicholas Ratti, Jr. in which you rebut his statement claiming that the Portsmouth Wind Turbine does not actually save money. If I read it right, you claim the device saved Portsmouth \$257,075 last year.

Perhaps I'm missing something, but where exactly did this money really come from? Unless it was the Fairy Godmother, it looks like it came from the rest of us National Grid ratepayers, who have unknowingly been subsidizing your town. Is that correct? If so, that's not a "savings" in any sense of the word.

Ben Riggs