



# Ridgewood Renewable Power

**Stephen D. Galowitz**  
Managing Director

June 22, 2010

Ms. Luly Massaro  
Division Clerk  
Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Purchase Power Agreement Between Narragansett Electric Company d/b/a  
National Grid and Rhode Island LFG Genco, LLC, Filed June 7, 2010.  
DPUC Docket D-10-36

Dear Ms. Massaro:

This letter responds to the request of Ms. Marcy Coleman, Legal Counsel to the Office of Energy Resources dated June 16, 2010, a copy of which is attached hereto, in connection with the above matter.

- Documents demonstrating how the purchase power agreement will stabilize long term energy prices: Please see Section V.B. of Stephen Galowitz's submission to the DPUC dated June 15, 2010 ("RILG 6-15 Letter") and the power purchase agreement.
- Documents showing the number and type of jobs that will be created by building and operating the new facility as compared with the existing facility: Please see Section VI. B. of RILG 6-15 Letter and Exhibit C thereto and pages 1 to 5 of Tab 31 of the Document Index filed on June 15, 2010 ("Document Index").
- Documents regarding the proposed use of federal tax credits for the new facility and how the use of federal tax credits provide an economic benefit to Rhode Island: To clarify, the project is not anticipated to benefit from the use of federal tax credits. Rather, the development will take advantage of two distinct federal grant programs.

The first grant is a highly competitive and discretionary DOE job stimulus grant in the amount of \$15 Million secured with the support of the Rhode Island delegation in Washington DC. This grant program is structured as a reimbursement program that offsets a pro rata portion of the qualified expenditures for the project. For details about the grant and a copy of the grant application please see Tabs 24 to 31 of the Document Index. One of the primary factors considered in the awarding of this grant was the jobs created by the project. The second grant is an as-of-right program that permits certain qualified renewable energy projects that start construction prior to the end of calendar year 2010 to elect to receive a

grant equal to 30% of the tax basis in the project in lieu of receiving production tax credits or investment tax credits. This program was established by Congress in recognition of the fact that, as a result of the financial meltdown, the market for tax credits had become thin or non-existent. Without this grant program it would be very difficult to find a third party who was capable and interested in monetizing the tax credits. The grant money is payable after commercial operation of the facility. Without this grant no party would be willing to finance this project and it would not be built. Accordingly all of the economic benefits to Rhode Island as outlined in Section VI. B. and C. of the RILG 6-15 Letter are predicated on the receipt of this grant money.

- Application and Project Approval by the Energy Facility Siting Board: The proceeding is commenced not by an application but by a notice of Intent to Construct Power Line a copy of which is attached. There case is Docket No. SB-2009 -1 and the Final Decision and Order of the Energy Facility Siting Board can be found at Tab 18 of the Document Index.
- Any agreements between the Town of Johnston and Rhode Island Resource Recovery Corporation or LFG Genco concerning this project, including any permits or approvals obtained for this project: The requested documents are at Tabs 19 through 23 of the Document Index.
- Documents showing an estimate of the renewable energy that is expected to be produced by this new facility: Please see page 9 of the power purchase agreement.
- Documents evidencing federal and state tax credits that may be claimed for the construction and operation of this facility: Although the project would be eligible for either Federal production tax credits or investment tax credits, as discussed above, these credits are difficult or impossible to monetize in this economic climate. Accordingly, these credits are not anticipated to be claimed and the grant-in-lieu of the credits will be elected instead. There are no state tax credits that are anticipated to be claimed for the construction or operation of this facility.

Please do not hesitate to contact me if you have any questions or if I can be of further assistance.

Sincerely,



Stephen Galowitz  
Managing Director, Ridgewood Renewable Power  
On Behalf of Rhode Island LFG Genco, LLC

CC: Ms. Marcy Coleman, Esq.  
Service List