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Pawtucket, RI 02861

December 31, 2012

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

**VIA ELECTRONIC MAIL**

**Re: Docket # 4288 RI, Office of Energy Resources' Report and Recommendations Regarding 2013 Distributed Generation Classes, Ceiling Prices and Targets**

Dear Ms. Massaro:

I am writing on behalf of TEC-RI to provide comments regarding the above filing made by the OER. I respectfully request that these comments be provided to the Commissioners for their review and be made part of the record of that docket.

The Distributed Generation Standard Contracts Act (DG-SCA) was passed in 2011 to put a process in place that will result in the development and installation of 40 MW of cost effective small scale renewable energy by 2014. TEC-RI considers the above 2013 Report and Recommendations submitted by the OER to be a substantial improvement over the first plan submitted by the office in 2011. It responds to concerns about ratepayer cost impacts first raised by TEC-RI in its comments submitted to the PUC in 2011 and again in comments by TEC-RI made in OER sponsored public meetings held over the past few months. TEC-RI believes that the 2013 Report is much more in tune with the intentions of the state law which created the program and cost concerns that TEC-RI has been expressing over the past two years. TEC-RI points out that paragraph 39-26.2-4(c) of the Act calls for the consideration of price impacts on customers and provides for the delaying of goals in order to help accomplish this. The OER has used this flexibility provided by the law to help control cost impacts on ratepayers by increasing the proportion of lower cost options in its targets, adding new lower cost technologies that weren't addressed in the 2011 plan, by deferring goals to accommodate lower cost technologies that take time to develop and by reducing ceiling prices to reflect pricing trends.

Specifically, TEC-RI supports the following new aspects of the 2013 plan.

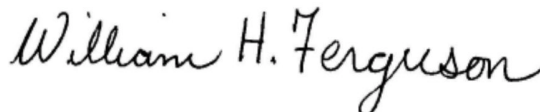
1. The inclusion of smaller scale wind projects that are more appropriately sized for available sites in Rhode Island.
2. The inclusion of anaerobic digestion.
3. The targeting of hydropower for 2014.
4. The reduction of ceiling prices for solar energy projects.
5. The conservative approach used by OER in formulating ceiling prices.
6. The willingness to defer goals to accommodate new and lower cost technologies.

All of these measures make the program less expensive to ratepayers and we think will provide more jobs to Rhode Island based vendors and contractors.

In closing, we appreciate the OER's recognition of the value and importance of considering ratepayer cost impacts by developing a more economical program. We appreciate their willingness to use the flexibility provided in the law to reduce the program costs and increase the mix of renewable energy technologies. This progress in reducing the cost of renewable energy under this program is good for ratepayers, good for job development, and will help create a more sustainable program. We urge the Commission to approve the 2013 Report.

If you wish to contact me I can be reached at (401) 585-5396 or [bferguson2010@cox.net](mailto:bferguson2010@cox.net).

Sincerely,

A handwritten signature in black ink that reads "William H. Ferguson". The signature is written in a cursive, slightly slanted style.

William H. Ferguson, CEM, LEED AP  
Executive Director, TEC-RI