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August 31, 2022

**VIA EMAIL AND FIRST CLASS MAIL**

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

Re: Ecogy Energy, Inc., Docket 22-14-REG

Dear Ms. Massaro:

Enclosed for docketing in this matter, please find five copies of Ecogy Energy, Inc.'s Responses to Rhode Island Energy's Data Requests, with exhibits.

Thank you for your assistance.

Yours very truly,

  
Robert K. Taylor

RKT/tlc  
Enclosures

cc: Service List (*via email*)

4328261.1/31696-2

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

In Re:  
ECOY ENERGY, INC.

Docket No. 22-14-REG

**ECOY ENERGY, INC.’S RESPONSES TO  
THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a RHODE ISLAND ENERGY’S FIRST SET OF DATA REQUESTS**

Ecogy Energy, Inc. (“Ecogy”) responds to The Narragansett Electric Company d/b/a Rhode Island Energy’s (“RI Energy”) First Set of Data Requests as follows:

**Preliminary Statement**

Ecogy’s Responses to RI Energy’s data requests are made without in any way waiving any objections to the relevance, materiality, or admissibility as evidence of any matter set forth in the Responses to the eligibility requirements for the Renewable Energy Growth Program as set forth in the applicable Renewable Energy Growth Program Tariff (“Tariff”) and Enrollment Rules (“Rules”).

**Responses**

**RI ENERGY 1-1**

Please identify which of the Ecogy Rhode Island Projects<sup>1</sup> that bid into the 2022 First Open Enrollment are not “financially viable” to continue with the existing certificates of eligibility and obligations from the 2020 – 2021 open enrollment period.

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<sup>1</sup> Ecogy Energy RI I LLC; Ecogy Energy RI V LLC; Ecogy Energy RI VII LLC; Ecogy Energy RI XIV LLC; Ecogy Energy RI XX LLC; and Ecogy Energy RI XXIII LLC.

**RESPONSE 1-1**

All six Ecogy Rhode Island Projects that are the subject of this petition (“Ecogy Rhode Island Projects”) are not financially viable with their existing certificates of eligibility.

**RI ENERGY 1-2**

With respect to each Project identified in Ecogy’s response to RIE 1-1, please provide any pro formas or similar documents demonstrating that such projects are not “financially viable” and an explanation in support of Ecogy’s position that the Projects are not “financially viable.”

**RESPONSE 1-2**

Ecogy objects to Request 1-2 on the grounds that it is not relevant to the issue presented in this proceeding: whether termination of an existing Certificate of Eligibility (“COE”) is a bid requirement under the Tariff and Rules.

Without waiving this objection, Ecogy states that it addressed the dramatic upward pressure on project costs in its February 22, 2022 written comments and exhibits submitted to the Rhode Island Public Utilities Commission (“RIPUC”) in Docket 5202, the 2022 Renewable Energy Growth (“REG”) Program Tariff and Rule Changes docket. *See **Exhibit 1-2(A)***. As Ecogy stated in those comments, there were “multiple projects that simply cannot be built with the prices that were offered in the REG program in 2020 and 2021, requiring a re-bid to make the projects economical.” Ecogy provided documented price increases, showing a 24% increase in module prices from September 2021 to February 2022, a 35% increase in racking prices from August 2021 to September 2021 (1 month), and price increases for the total build costs of two projects in Rumford and Exeter, Rhode Island. Ecogy’s project in Rumford saw total build costs increase 21.7% from April 2021 to February 2022 and the Exeter project saw total build costs

increase 33.1% from April 2021 to February 2022. Prices for equipment and labor have only continued to increase since February 2022 – leaving the projects to not be financially viable at the previous ceiling prices awarded through their existing certificates of eligibility.

During the public hearing in Docket 5202 held on February 24, 2022, Michael W. Brennan on behalf of the Division of Public Utilities stated that Ecogy’s evidence of such inflationary cost pressures was “compelling, and it certainly adds to the record that inflationary pressures are real, at least at this point they are persistent. They’re likely to persist going forward in 2022.” Ultimately, Mr. Brennan recommended that the Commission consider the DG Board’s original proposal for the ceiling prices of the medium solar class category from 21.65 cents/kWh to 24.45 cents/kWh – substantiating and agreeing with the proposed ceiling price increase due to unprecedented cost increases across the industry.

The Cost of Renewable Energy Spreadsheet Tool (“CREST”) also shows that the Ecogy Rhode Island Projects are currently not financially viable. CREST contains economic, cash-flow models designed to assess project economics, design cost-based incentives, and evaluate the impact of state and federal support structures on renewable energy. The CREST tool is provided to REG Program stakeholders by Sustainable Energy Advantages (“SEA”), the consulting team engaged extensively with the Division of Public Utilities and Carriers (“DPUC”) throughout the stakeholder process. The CREST models are proven, agreed to, and explicitly reviewed and commented by public, academic and private stakeholders.

Ecogy has prepared CREST models for each project in question. See **Exhibit 1-2(B)**. Ecogy used all of the same assumptions that were used by SEA for their analysis for the 2022 year’s ceiling prices, except that Ecogy’s actual site lease payments agreed to in its lease agreements for this portfolio and its current estimated build cost were incorporated. The

resulting CREST COE prices for the Ecogy Rhode Island Projects ranged between 26.65 cents/kWh and 30.85 cents/kWh. This far exceeds the existing COE prices for Ecogy’s Rhode Island Projects, and shows that they are no longer financially viable.

LLC Name	2022 CP	Existing COE	CREST COE
Ecogy Energy RI V LLC	24.45	20.93	27.35
Ecogy Energy RI XX LLC	24.45	20.41	29.65
Ecogy Energy RI XXIII LLC	24.45	19.79	30.85
Ecogy Energy RI XIV LLC	24.45	20.81	27.85
Ecogy Energy RI I LLC	24.45	20.94	28.15
Ecogy Energy RI VII LLC	22.40	18.73	26.45

Even if awarded a higher COE price in the 2022 First Open Enrollment, Ecogy will still not be at a COE price that aligns with the CREST model as meeting the rate of return thresholds that the program models to. This mismatch is not only affecting Ecogy, but is also undermining the goals and intent of the REG Program as a whole. We note that the outcome of the REG program 2022 First Open Enrollment was recently released and the bids accepted fell significantly short of the annual enrollment target. For instance, in the medium scale solar class (the category for five of the Ecogy Rhode Island Projects), only 1.455MW of the available 5MW was claimed in the 1st enrollment. In small wind, none of the 3MW target was claimed but Ecogy’s 1 MW project was rejected. This is in stark contrast to the results for the 2021 First Open Enrollment where 4.925MW of the available 5MW for medium scale solar was claimed.

This is not coincidence. It is an indication of the unviability of these projects within the current ceiling prices.

**RI ENERGY 1-3**

With respect to each Project identified in Ecogy's response to RIE 1-1, please identify whether Ecogy is willing to proceed with such Project under any existing Certificate of Eligibility.

**RESPONSE 1-3**

Ecogy has already made significant financial and staff time investments in planning, designing, and obtaining interconnection agreements for Ecogy's Rhode Island Projects, and it has entered into lease agreements and other binding contracts relating to each of them. For the Ecogy Energy RI VII LLC wind project, Ecogy has tendered a non-refundable deposit of \$49,975. Ecogy has not made a final determination of whether or not it would attempt to complete some or all of the projects under their existing COEs if Ecogy is disqualified from rebidding for those projects in the current year. Ecogy will make that determination on a case by case basis based on factors including its contractual obligations to third parties, the magnitude of its projected financial losses if the terms of the existing COEs were to apply, and Ecogy's reputation and relationships in the renewable energy industry.

**RI ENERGY 1-4**

With respect to each Project identified in Ecogy's response to RIE 1-1, please explain why Ecogy is unwilling to terminate its existing Certificate of Eligibility if such project is not "financially viable".

**RESPONSE 1-4**

See Response 1-3. In addition, termination of the existing COE is not a bid requirement under the Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects. Ecogy’s intention is to terminate the existing COEs if and once a new COE is awarded. Previously, the utility company had adhered to this practice in Fall 2021 and explicitly stated in writing to Ecogy that doing so was the expected and proper process. *See Ecogy Petition, Exhibit A.*

Ecogy has also not terminated the existing COEs due to concerns over vindictive treatment by RI Energy. On June 28, 2022, Tom Kender, Lead Renewable Energy Trader (at RI Energy) informed Ecogy during a telephone call that “we [Ecogy] would not be viewed favorably should we decide to bring this to the PUC...” and that RI Energy would not consent to the termination of our existing COEs. *See **Exhibit 1-4**.*

**RI ENERGY 1-5**

Please identify which of the Ecogy Rhode Island Projects that bid into the 2022 First Open Enrollment will not meet their output deadlines stemming from their existing certificates of eligibility.

**RESPONSE 1-5**

Ecogy Energy RI XXIII LLC (Pawtucket), Ecogy Energy RI XIV LLC (Cranston), Ecogy Energy RI I LLC (Sandywoods), and Ecogy Energy RI VII LLC (Sandywoods Wind) will not meet their output deadlines stemming from their existing certificates of eligibility.

**RI ENERGY 1-6**

With respect to each Project identified in Ecogy's response to RIE [1-5], please provide documentation and an explanation in support of Ecogy's position that the Projects cannot meet the existing deadlines.

**RESPONSE 1-6**

Ecogy objects to Request 1-6 on the grounds that it is not relevant to the issue presented in this proceeding: whether termination of an existing COE is a bid requirement under the Tariff and Rules.

Without waiving this objection, Ecogy states that Ecogy Energy RI I LLC (Sandywoods Solar) and Ecogy Energy RI VII LLC (Sandywoods Wind) will not meet their output deadlines due to the continuing study of a new solar ordinance by the Town of Tiverton. Starting in March 2022, the Tiverton Solar Ordinance sub-committee was created, and twenty meetings occurred between March and August, 2022. Ecogy engaged and followed these meetings and offered its support to the sub-committee, but has been advised that a new solar ordinance is unlikely to be approved before early 2023.

As the draft ordinance is currently written, Ecogy would be unable to obtain Town approval and complete construction within the remaining time allowed under its existing COEs. The Ecogy Energy RI VII LLC project is linked to Ecogy Energy RI I LLC as they share an access road, civil work and landscaping – and are uniquely sited adjacent to each other – with the Town of Tiverton and the host asking for Ecogy to do construction simultaneously. The uncompleted Tiverton solar ordinance therefore affects the Ecogy VII wind project as well.

In addition, all of Ecogy's projects are struggling with long lead times on equipment, but in particular the Ecogy Energy RI VII LLC project cannot meet its current output deadline due to



the long lead times on equipment related to the turbine itself. The conflict in Ukraine has exacerbated demand for turbines mainly in Europe, which previously had 6-9 month lead times from official procurement to now at 12-16 months from purchase order, which means Ecogy will currently miss its output deadline currently even with an ability to extend by putting down an additional performance guarantee deposit.

Ecogy Energy RI XIV LLC (Cranston), and Ecogy Energy RI XXIII LLC (Pawtucket) will not meet their output deadlines due to RI Energy utility requirements post award of their existing COEs. The additional requirements were not specified in Ecogy's Interconnection Service Agreements for the projects. RI Energy is requiring meter consolidation of non-solar project equipment on-site which, for example, for Ecogy Energy RI XXIII was not relayed to Ecogy until August 18, 2021 whereas interconnection approval and a final cost estimate was issued five months prior on March 2, 2021. *See **Exhibit 1-6***. This requires more time to engineer (especially in light of not being notified about this requirement for nearly ¼ of Ecogy's total allotted time under its COE) as well as to get contractors to bid on this scope of work – while also imposing a significant additional cost on Ecogy (estimated to be \$50,000-\$120,000).

**Ecogy Energy LLC – Petition for Dispute Resolution – Docket No. 22-14-REG  
Service List Updated 8/12/2022**

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