

# McElroy & Donaldson

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December 8, 2023

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


**Re: PUC 23-43-EL / Block Island Utility District's Annual  
Recalculation of Last Resort and Transmission Charges**

Dear Luly,

As you know, our office represents Block Island Utility District ("BIUD").

Enclosed for filing, please find BIUD's responses to 12 of the 20 data requests issued by the Commission on November 29, 2023, including 1-1, 1-2, 1-3, 1-5, 1-6, 1-7, 1-8, 1-11, 1-12, 1-14, 1-15, and 1-20. Responses to the remaining data requests will be submitted on or before December 11, 2023.

If you need any further information, please do not hesitate to contact me.

Very truly yours,  
  
Leah J. Donaldson

Cc: Service list for PUC Docket 22-44-EL (via electronic mail)

**Docket No. 23-43-EL Block Island Utility District – Annual Recalculation Tariff Filing  
Service List as of 11/27/2023**

<b>Name/Address</b>	<b>Email</b>	<b>Phone</b>
<b>Block Island Utility District (BIUD)</b> Michael McElroy, Esq. Leah Donaldson, Esq. McElroy & Donaldson 3 Cedar Meadows Drive Smithfield, RI 02917	<a href="mailto:leah@mcelroydonaldson.com">leah@mcelroydonaldson.com</a> ;	401-351-4100
	<a href="mailto:Michael@McElroyDonaldson.com">Michael@McElroyDonaldson.com</a> ;	
David Bebyn, Consultant for BIUD	<a href="mailto:dbebyn@beconsulting.biz">dbebyn@beconsulting.biz</a> ;	
Craig Kieny	<a href="mailto:ckieny@isoanalysis.com">ckieny@isoanalysis.com</a> ;	
Christina Beaudry	<a href="mailto:cbeaudry@ene.org">cbeaudry@ene.org</a> ;	
Jeffery Wright, President Block Island Utility District Barbara MacMullan	<a href="mailto:jwright@blockislandutilitydistrict.com">jwright@blockislandutilitydistrict.com</a> ;	401-466-5851
	<a href="mailto:bamacmullan@gmail.com">bamacmullan@gmail.com</a> ;	
<b>Division of Public Utilities (Division)</b> Mark A. Simpkins, Esq.	<a href="mailto:Mark.A.Simpkins@dpuc.ri.gov">Mark.A.Simpkins@dpuc.ri.gov</a> ;	401-780-2146
	<a href="mailto:Margaret.L.Hogan@dpuc.ri.gov">Margaret.L.Hogan@dpuc.ri.gov</a> ;	
	<a href="mailto:Christy.Hetherington@dpuc.ri.gov">Christy.Hetherington@dpuc.ri.gov</a> ;	
	<a href="mailto:Machaela.Seaton@dpuc.ri.gov">Machaela.Seaton@dpuc.ri.gov</a> ;	
	<a href="mailto:Ellen.golde@dpuc.ri.gov">Ellen.golde@dpuc.ri.gov</a> ;	
John Bell, Chief Accountant	<a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov</a> ;	
	<a href="mailto:Al.contente@dpuc.ri.gov">Al.contente@dpuc.ri.gov</a> ;	
	<a href="mailto:Pat.smith@dpuc.ri.gov">Pat.smith@dpuc.ri.gov</a> ;	
<b>File an original &amp; nine (9) copies w/:</b> Luly E. Massaro, Commission Clerk Cynthia Wilson Frias, Counsel <b>Public Utilities Commission</b> 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Christopher.Caramello@puc.ri.gov">Christopher.Caramello@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
	<a href="mailto:Emma.Rodvien@puc.ri.gov">Emma.Rodvien@puc.ri.gov</a> ;	
	<a href="mailto:Kristen.L.Masse@puc.ri.gov">Kristen.L.Masse@puc.ri.gov</a> ;	
<b>Interested Persons</b>		
<b>Town of New Shoreham</b> Maryann Crowford	<a href="mailto:mcrawford@new-shoreham.com">mcrawford@new-shoreham.com</a> ;	
	<a href="mailto:MMcGinnes@new-shoreham.com">MMcGinnes@new-shoreham.com</a> ;	

<p>Millicent McGinness, Town Clerk  Town of New Shoreham  James Callaghan, Esq.  Nick Solitro, Esq.  Robert Craven, Esq.</p>	<p><a href="mailto:mcrawford@new-shoreham.com">mcrawford@new-shoreham.com</a>;  <a href="mailto:nsolitro@gmail.com">nsolitro@gmail.com</a>;  <a href="mailto:bob@robertecraven.com">bob@robertecraven.com</a>;</p>	
<p>Office of Energy Resources  Christopher Kearns  Albert Vitali, OER</p>	<p><a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a>;  <a href="mailto:Albert.Vitali@doa.ri.gov">Albert.Vitali@doa.ri.gov</a>;</p>	

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: BLOCK ISLAND UTILITY DISTRICT                    :**  
**ANNUAL RECALCULATION – LAST RESORT                :**           **DOCKET NO. 23-43-EL**  
**SERVICE AND TRANSMISSION CHARGES                 :**

**BLOCK ISLAND UTILITY DISTRICT’S RESPONSES TO  
PUBLIC UTILITIES COMMISSION’S FIRST SET OF DATA REQUESTS  
DIRECTED TO BLOCK ISLAND UTILITY DISTRICT  
(Issued November 29, 2023)**

1-1. Please provide the number of customers by rate class as of November 30, 2023, or the most recent available date.

***Response:***

As of the October billing period, BIUD serves a total of 1,970 customers, distributed across the rate classes as follows:

- a. Residential: 1,627
- b. Commercial: 183
- c. General Service Demand: 160

Prepared by: Jeffery Wright

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*(Issued November 29, 2023)*

1-2. Please explain what the Block Island Solar Initiative is.

***Response:***

According to the Solar Initiative’s website (<https://www.thesolarinitiativebi.org>), the Solar Initiative (“TSI”) is a group of Block Islanders brought together by a generous donor to (1) make a real difference in the long-term sustainability of Block Island, (2) lessen dependence on fossil fuels while encouraging the adoption of renewable energy technologies, and (3) educate people on living more sustainably. TSI offers various subsidies towards the purchase and installation of renewable and high-efficiency technologies, including heat pump hot water heaters, electric lawn equipment, EV chargers, and roof-mounted photovoltaic systems.

TSI donations to BIUD to date include:

- BIUD’s roof-mounted solar installation valued at more than \$330,000 when installed, and
- BIUD’s 2023 Terex All-EV Bucket Truck worth more than \$620,000.

Elsewhere on Block Island, TSI has donated:

- Block Island School’s EV school bus and bi-directional charger,
- Subsidies toward more than 140 heat pump installations for BIUD members, and
- Subsidies toward over 20 roof-mounted solar arrays on BIUD members' homes.

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- 1-3. Please explain what BIUD Solar is. Please describe which renewable facilities within the Utility District are part of BIUD Solar and which are not. Please explain if BIUD Solar is registered to generate Rhode Island-eligible GIS Certificates. Reference is made to PUC Docket No. 5055 and the withdrawn solar aggregation therein.  
[\(<https://ripuc.ri.gov/eventsactions/docket/5055page.html>\)](https://ripuc.ri.gov/eventsactions/docket/5055page.html)

***Response:***

BIUD Solar is a solar generation facility located on the roof tops of BIUD buildings. The DC nameplate rating is 94.1 kW and the AC Inverter Nameplate Rating is 81 kW. The annual designed output is 102 MWH. Actual output has met this output design estimate.

The facility is not yet registered to generate RI-eligible GIS Certificates. As noted above, BIUD withdrew its application in PUC Docket 5055 in 2021 due to challenges in verifying meter readings. Since then, BIUD has successfully addressed the issue with meter readings and will refile an eligibility application with the PUC.

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- 1-5. Does BIUD understand that in order to produce RECs from the BIUD Solar facility, it will need to be certified as a Renewable Energy Resource and register in the NEPOOL-GIS? If BIUD disagrees, please provide the basis for BIUD’s different understanding.

***Response:***

BIUD agrees. BIUD Solar will apply as a Renewable Energy Resource in RI and register in the NEPOOL-GIS.

Prepared by: Jeffery M. Wright and Craig Kieny

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1-6. Please indicate if BIUD Solar, Gravel Pit Solar, and Cabot/Turner Falls are registered in NEPOOL-GIS and provide the applicable identification numbers.

***Response:***

Cabot/Turner Falls are registered in NEPOOL-GIS.

- Cabot’s ID is MSS14801.
- Turner Falls’s ID is MSS14808.

Gravel Pit Solar is not yet registered in NEPOOL-GIS. BIUD’s contract with the developer states, in relevant part:

Section 4.3(b). Prior to the delivery of any Energy hereunder, either (i) Seller shall be registered in the GIS as the initial owner of all Renewable Energy Certificates and each quarter shall transfer the Renewable Energy Certificates to Buyer’s GIS account, or (ii) at Buyer’s request, Seller and Buyer shall effect an irrevocable Forward Certificate Transfer (as defined in the GIS Operating Rules) of the Renewable Energy Certificates to be delivered hereunder to Buyer in the GIS for the Term.

BIUD Solar is not yet registered in NEPOOL-GIS. See responses to 1-3 and 1-5.

Prepared by: Craig Kieny



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- 1-7. Please confirm or correct the following:
- a. BIUD Solar is expected to generate 111 eligible New RECs for use by BIUD with an expected value of \$39.50 per REC;
  - b. Gravel Pit Solar is expected to generate 123 eligible New RECs for use by BIUD with an expected value of \$39.50 per REC;
  - c. Cabot/Turner Falls is expected to generation 686 eligible Existing RECs for use by BIUD with an expected value of \$4.50 per REC.

***Response:***

- (a) Confirmed.
- (b) Confirmed.
- (c) Confirmed.

Prepared by: Craig Kieny

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1-8. Referencing PUC 1-6, please provide the expected value of these RECs, and whether this value was included in Mr. Kieny’s testimony on Page 9, Lines 24 to 26 that the projected cost to meet the 100% renewable threshold is \$161,134.

***Response:***

The values of the RECs referenced in PUC 1-6 were not included in projected costs referenced on Page 9 of Mr. Kieny’s testimony because Mr. Kieny was modeling the incremental cost to BIUD.

The expected values are as follows:

- The expected value of BIUD Solar RECs and Gravel Pit Solar RECs is a total of \$9,243.00, which is based on \$39.50/REC \* 234 RECs (111 from BIUD Solar and 123 from Gravel Pit Solar).
- At the time the testimony was prepared, the value of the Cabot/Turner Falls RECs was \$3,807.00, which is based on \$4.50/REC \* 686 RECs.

If one were to assume that BIUD would sell RECs from these facilities instead of retiring them, the effective cost to BIUD would effectively increase by \$12,330 for a total of \$173,464.

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1-11. Does BIUD anticipate an annual consideration of its voluntary renewable standard? If not, please explain how BIUD anticipates it will meet the RES in years during which there are shortfalls in the supply of New RECs.

***Response:***

BIUD will reassess its commitment to voluntarily meeting the RES annually during the process of preparation of its LRS reconciliation filing. Considerations will include REC availability, costs, and the Solar Initiative’s commitment to financing the bridge to 100%.

Prepared by: Jeffery Wright

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1-12. The PUC is familiar with administrative procedures necessary for Obligated Entities to comply annually with the RES, including identifying how much load was served, exclusive retirement of RECs, banking of RECs for future periods, and payment of Alternative Compliance Payments for shortfalls. Please provide BIUD’s analogous processes as applicable to the voluntary renewable standard.

***Response:***

In general, BIUD’s intent is to mimic the rules and administrative procedures required of Obligated Entities to comply with the RES to the extent possible.

Specifically, BIUD intends to:

- Retire RECs equal to BIUD’s real time load obligation in its settlement with ISO-NE, plus all RECs provided by BIUD Solar.
- Establish an account with NEPOOL GIS and retire RECs in its account to ensure exclusive retirement of such RECs.
- Bank any extra New RECs for future use.

Prepared by: Jeffery Wright and Craig Kieny

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- 1-14. Referencing the question quoted on page 4, lines 11-14 of Mr. Wright’s testimony,
- a. Was there any explanation that the rate increase would come as a result of adding the purchase of renewable energy certificates (RECs) to offset the fossil-based contracts for power?
  - b. Were members educated on the fact that BIUD would still be purchasing its power from the Shell contract even after purchasing RECs?
  - c. If the answer to 1-3.a or 1-3.b is yes, please provide copies of the materials, including any minutes from meetings.

***Response:***

- (a) Yes. It was discussed at the annual meeting held on August 26, 2023 with more than 70 participants attending. It was also discussed in-depth at the Board meeting on November 2, 2023.
- (b) Yes. I explained our strategy of using existing PPAs and REC procurement to supplement our existing contracts.
- (c) See response to 1-19.

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- 1-15. The table of results from the question referenced in PUC 1-14 appears to be presented as “How Strongly Support State of Rhode Island’s goal of 100% Renewable Energy Generated by 2032 [sic]” (Wright Test. at 4, graph)?
- a. Is one of the purposes of BIUD’s REC purchase plan to support the State of Rhode Island’s 100% RES goal by 2033?
  - b. How was this graph used to support the Board’s decision to approve the voluntary REC purchase plan?

***Response:***

(a) Yes. To comply with the RES using BIUD rate funds without funding from the Solar Initiative.

(b) The results of the NRECA Market Research Membership Survey was one factor considered by the Board when it considered whether to approve the plan to voluntarily meet RES annual targets. Survey questions regarding renewables and supporting RI’s RES were developed by the Board prior to releasing the survey. Survey results were discussed extensively by the Board, including a detailed presentation by the NRECA staff that managed the survey.

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1-20. Why is the use of the diesel generators excluded from BIUD’s plan to voluntarily purchase sufficient RECs to match its usage up to 100%?

***Response:***

It is not. BIUD will calculate its REC procurements necessary to meet the RI-RES based on total kWh deliveries plus internal generation.

Prepared by: Jeffery Wright