



300 Old Baptist Rd #2
North Kingstown, RI 02852

February 26, 2024

To:
Rhode Island Public Utility Commission
Luly Massaro

RE: Comments on proposed changes to Connected Solutions and System Reliability Procurement Investment Proposal filing

We are submitting these comments in response to the proposed changes to the “Connected Solutions” program in Rhode Island, as outlined in Docket 24-06.

The Connected Solutions program has played a key role in residential customers' decision to add energy storage to their home. Residential scale battery technology is an evolving market. As new technologies become available to homeowners, cost remains a burden in implementation. In our experience, only 20% of customers are installing solar and batteries at the same time. This means that 80% of solar customers are *not* installing energy storage with their solar projects. Some customers are considering energy storage after having solar for a few years. It is our opinion that the Connected Solutions incentive of \$400/kW discharged/ season should not be reduced if RI Energy hopes to attract new participation.

It is important to note existing energy storage incentives available to residential customers in Rhode Island. The claim that existing state incentives for energy storage help to justify a reduction in Connected Solutions incentive is misguided. Though the RI Renewable Energy Fund (REF) does have an energy storage incentive, this is available only when installing energy storage paired with a *new* solar installation. It is structured as an incentive adder, not as a stand alone incentive. Homeowners with existing solar cannot receive the energy storage incentive. Additionally, homeowners with a roof “Total Solar Resource Factor” below 80% are ineligible from participating in the REF grant program. Residential customers pursuing the Re-Growth (REG) Program are also not eligible to receive any incentive from the REF. REG and Net Metering no-grant projects are the majority of installations in RI, making the Connected Solutions Program, effectively the only state level incentive available to the majority of battery installations.

Comparing RI energy storage system incentives with that of other states is also ill advised. The energy storage incentives in Massachusetts differ from those in RI. It appears that Massachusetts residents can participate in the MA SMART Program with energy storage and receive an incentive directly from the state. Connected Solutions discharge events count towards this SMART incentive: (<https://www.eversource.com/content/residential/save-money-energy/energy-efficiency-programs/demand-response/battery-storage-demand-response>). In this scenario, it is easy to see why a reduction in the Connected Solutions incentive in MA may not have deterred new homeowner’s willingness to participate. Rhode Island does not have any comparable incentive.

The proposed decrease of 50% is too much from one incentive value to the next. The sharp reduction in incentive may substantially reduce participation. And with a 3-year program, it would take three years of low participation before there'd be an opportunity to increase the incentive to increase participation. The REG program has a history that proves this theory.

A decrease of 15% is more appropriate from one program incentive to the next. A gentler decreasing glide path of the incentive will provide a sense of fairness and instill confidence in the program.

RI has the legislated goal of reaching 100% renewables by 2030. The Connected Solutions program could contribute a meaningful amount of carbon and cost reductions to that goal if the incentive is kept reasonably high enough to continue to attract participants. Also, the PUC has plans to adopt Time-Of-Use rates by the end of 2026, which is within this program block. This will create enormous competition with battery owners who will likely program their batteries to self-consume during CS events, further eroding participation.

Sincerely,

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