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May 1, 2024

**VIA ELECTRONIC MAIL**

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

**RE: Docket No. 23-50-EL - The Narragansett Electric Company d/b/a  
Rhode Island Energy Long-Term Contracts for Renewable Energy and  
Renewable Energy Certificates Pursuant to R.I. Gen. Laws § 39-26.1-1 et seq.  
Joint Reply Testimony**

Dear Ms. Massaro:

On behalf of Rhode Island Energy,<sup>1</sup> I have enclosed the Company's joint reply testimony of H. Dereck Gonsalves and Kenneth M. Campbell in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson".

Jennifer Brooks Hutchinson

Enclosures

cc: Docket No. 23-50-EL Service List

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<sup>1</sup> The Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company").

**THE NARRAGANSETT ELECTRIC COMPANY  
d/b/a RHODE ISLAND ENERGY  
RIPUC DOCKET NO. 23-50-EL  
PROPOSED REVISIONS TO RFP FOR LONG-TERM CONTRACTING STANDARD  
FOR RENEWABLE ENERGY AND RENEWABLE ENERGY CERTIFICATES  
PURSUANT TO R.I. GEN. LAWS § 39-26.1-3 ET SEQ.  
WITNESSES: GONSALVES AND CAMPBELL  
JOINT REPLY TESTIMONY**

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**JOINT REPLY TESTIMONY**

**OF**

**H. DERECK GONSALVES**

**AND**

**KENNETH CAMPBELL**

**May 1, 2024**

**THE NARRAGANSETT ELECTRIC COMPANY  
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1   **I.    Introduction**

2           **H. Dereck Gonsalves**

3   **Q.    Mr. Gonsalves, please state your name and business address.**

4    A.    My name is Howard Dereck Gonsalves. My business address is 280 Melrose Street,  
5           Providence, Rhode Island, 02907.

6

7   **Q.    By whom are you employed and in what position?**

8    A.    I am employed by PPL Services Corporation (“PPL Services”) as Senior Energy Request  
9           for Proposals (“RFP”) Specialist within the Regulatory Affairs Department. In this role, I  
10          am responsible for matters involving the Long-Term Contracting Standard for Renewable  
11          Energy (“LTCS”) on behalf of The Narragansett Electric Company d/b/a Rhode Island  
12          Energy (“Rhode Island Energy” or the “Company”). I also support other functions in the  
13          clean energy procurement group, such as assisting the open enrollment process for the  
14          Renewable Energy Growth Program and supporting the offshore wind program for Rhode  
15          Island Energy.

16

17   **Q.    Please describe your educational background and professional experience.**

18    A.    I have over 20 years of experience in the Energy sector in Trading Controls. I began my  
19          career in the Energy sector in 2000 for Mirant Energy Trading, LLC in Atlanta, Georgia  
20          as a Confirmations Analyst, and was later promoted in 2001 as Team Lead of

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1 Confirmation for Gas, Oil and Emissions commodities. In March of 2011, I was a Senior  
2 Confirmations Analyst for BP Energy Company in Houston, Texas, where I worked to  
3 transition one of their subsidiaries from Boise, Idaho to the Houston Office, and  
4 implemented the Dodd-Frank protocols for all its commodities. In 2017, I began work  
5 for Talen Energy in Houston, Texas as a Risk Manager of Trading Controls to transition  
6 the Risk Management portfolio from Allentown, PA to the Woodlands in Texas. I later  
7 became the Manager of the Confirmations Department for Trading Controls at Talen  
8 Energy. In 2020, I became the Head of Trading Controls for Jera Americas Inc. in  
9 Houston, Texas where I onboarded Futures Clearing Merchants and managed the  
10 reconciliation process for curve validation, Trading Controls and Futures Clearing  
11 Merchants reconciliation. In June of 2023, I began working for PPL Services as a Senior  
12 Energy RFP Specialist, which is the position I currently hold.

13  
14 **Q. Please describe your role relating to the Company's submission of the proposed**  
15 **revisions to the RFP for Long-Term Contracting Standard For Renewable Energy**  
16 **and Renewable Energy Certificates (the "LTCS RFP" or "RFP").**

17 A. I was responsible for the development of the LTCS RFP for this solicitation. Specifically,  
18 I reviewed the previous LTCS RFP approved by the PUC on March 12, 2019 in

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1 Docket No. 4822, and coordinated with various subject matter experts to review and  
2 update the terms of the current RFP. These updates are designed to encourage increased  
3 competition and reduce risks.

4  
5 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**  
6 **(“PUC”), or in any other jurisdiction?**

7 A. No.

8  
9 **Kenneth Campbell**

10 **Q. Mr. Campbell, please state your full name and business address.**

11 A. My name is Kenneth M. Campbell. My business address is 827 Hausman Road,  
12 Allentown, PA 18104.

13  
14 **Q. Please describe by whom you are employed and in what capacity.**

15 A. I am employed as a Senior Energy RFP Specialist for PPL Services. My responsibilities  
16 include managing the open enrollment process for the Renewable Energy Growth  
17 Program and managing the offshore wind program for the Rhode Island Energy. In  
18 addition, I support the LTCS for the Company, as well as other support functions in the  
19 energy procurement group.

20

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1 **Q. Please describe your professional and educational background.**

2 A. I graduated from Rensselaer Polytechnic Institute in 2016 with a Bachelor of Science in  
3 Biology and a minor in Sustainability Studies. I began my career in December 2016 with  
4 Greener by Design, LLC, where I worked as a Junior Energy Consultant, and was later  
5 promoted to Energy Consultant in June 2017. In February 2019, I was promoted to the  
6 position of Project Manager in the Energy Division. In May 2020, I continued my career  
7 when I was hired by SodexoMAGIC, functioning as the North American Sustainability  
8 Lead for a major pharmaceutical company. In May 2022, I became a Certified Energy  
9 Manager from the Association of Energy Engineers. In November 2022, I continued my  
10 career when I was hired by PPL Services as a Senior Energy RFP Specialist, which is the  
11 position I currently hold.

12

13 **Q. Please describe your role relating to the Company's submission of the proposed**  
14 **revisions to the LTCS RFP.**

15 A. My role relating to the Company's submission of the proposed revisions to the LTCS RFP  
16 was to support the development of the RFP. Specifically, I reviewed the prior LTCS RFP  
17 that was approved by the PUC on March 12, 2019 in Docket No. 4822, and  
18 recommended revisions based on previous lessons learned, drawing on my experience  
19 consulting and on my experience with offshore wind, with the goal of increasing  
20 competition, reducing risk, and providing terms that could lead to better pricing.

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1   **Q.    Have you previously testified before the PUC or in any other jurisdiction?**

2    A.    Yes. I have testified on behalf of Rhode Island Energy regarding the 2024 Renewable  
3        Energy Growth Program, Docket No. 23-44-REG.

4

5    **II.    Purpose of Joint Reply Testimony**

6    **Q.    What is the purpose of your joint Reply Testimony?**

7    A.    The Company is filing this joint Reply Testimony to respond to the prefiled direct  
8        testimony of the Division of Public Utilities and Carriers (“Division”). On  
9        December 29, 2023, Rhode Island Energy filed the LTCS RFP with the PUC pursuant to  
10       the Long-Term Contracting Standard, R.I.G.L. Section 39-26.1 *et seq.* In compliance  
11       with the established procedural schedule, on April 15, 2024, the Division’s consultant,  
12       Dr. Ellen G. Cool, Vice President and Principal of Levitan & Associates, Inc. submitted  
13       prefiled direct testimony with respect to the Company’s proposed revisions to the LTCS  
14       RFP. In this joint Reply Testimony, the Company responds to Dr. Cool’s  
15       recommendation that the LTCS RFP allow Rhode Island Energy to increase the  
16       development period security for bidders who have a history of cancelling one or more  
17       contracts prior to commercial operation.

18

19       In addition, as noted by Dr. Cool on page 7 of 10 of her prefiled direct testimony,

20       “following the conclusion of the offshore wind procurement currently being conducted by



1 Rhode Island, Massachusetts, and Connecticut, it is possible that a small portion of  
2 incremental capacity of a larger project may remain uncontracted and available to bid into  
3 this RFP.” Given the 2023 Rhode Island Offshore Wind RFP’s due date for submission of  
4 proposals was extended by approximately two months, Rhode Island Energy is proposing  
5 to modify the timetable set forth in the current LTCS RFP by approximately two months,  
6 to continue to facilitate the opportunity for offshore wind participation.

7  
8 **Q. How is your joint Reply Testimony organized?**

9 A. Section I and Section II of this joint testimony is the Introduction and Purpose of Joint  
10 Reply Testimony, respectively. Section III is the Company’s response to the Division’s  
11 prefiled direct testimony. Section IV is the Conclusion.

12  
13 **III. Rhode Island Energy Response to the Division’s Consultant**

14 **Q. How does Rhode Island Energy respond to the Division’s recommendation on pages  
15 9-10 of Dr. Cool’s prefiled direct testimony that the RFP allow the Company to  
16 increase the development period security for bidders who have a history of  
17 cancelling one or more contracts prior to commercial operation?**

18 A. The Company does not object to the Division’s recommendation; however, the Company  
19 would like to highlight additional considerations that the PUC should weigh when  
20 deciding whether to incorporate such a provision in the RFP.

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1 Section 2.2.3.7 (Security Requirements) contains the requirements for posting the  
2 development period security. The development period security is set at \$30,000  
3 multiplied by the contract maximum amount, as defined in the contract, and referred to in  
4 per megawatt (“MW”) terms. The selected bidder must pay 50 percent of this amount  
5 upon execution of the power purchase agreement (“PPA”), and the remaining 50 percent  
6 upon PUC approval of the PPA. In setting the amount of the development period  
7 security, the Company must balance the financial incentive for developers to move  
8 forward with the project, against the risk that the amount of the development period  
9 security will deter developers from bidding into the RFP or providing a higher price for  
10 the project. As Dr. Cool points out in her testimony, the Company increased the  
11 development period security from \$20,000/MW in the prior LTCS RFP, approved by the  
12 PUC on March 12, 2019, in Docket No. 4822, to \$30,000/MW in the proposed LTCS  
13 RFP. The Company increased the amount of the development period security in this RFP  
14 in response to some of the same concerns identified by Dr. Cool.

15  
16 The Company is not opposed to further increasing the development period security for  
17 bidders who have a history of canceling one or more contracts prior to commercial  
18 operations, but consideration should be given to other qualitative factors to ensure a  
19 competitive procurement, such as bidder history, circumstances outside the control of the

1 bidder that resulted in the prior cancellation of contracts (e.g., permitting or  
2 interconnection challenges), and project viability.

3  
4 **Q. You mentioned there are other considerations when deciding whether to increase the**  
5 **amount of the development period security. Please elaborate.**

6 A. In the initial decision to increase the development period security from \$20,000/MW to  
7 \$30,000/MW for this LTCS RFP, the Company considered the development period  
8 security in regional RFPs for projects of a similar type and size, current market  
9 conditions, the competition with other similar RFPs, and not wanting to stagnate overall  
10 competition for this RFP.

11  
12 Given that there are multiple reasons why a bidder could terminate a project, some being  
13 out of their control, the Company recommends consideration of qualitative elements as  
14 part of the development period security risk analysis. As an example, if a bidder  
15 cancelled a project due to interconnection cost increases beyond their reasonable control,  
16 the Company would use its discretion, along with thorough documentation of the  
17 decision, to determine whether to impose an increase on those developers' development  
18 period security.

19

1   **Q.    If the PUC were to adopt the Division’s recommendation, does the Company have**  
2       **proposed language with which to modify the proposed RFP?**

3    A.    Yes. The Company proposes to revise Section 2.2.3.7 (Security Requirements) to include  
4       the following language in bold italics as follows:

5           Bidders will be required to post Development Period Security and  
6           Operating Period Security. The required level of Development  
7           Period Security is \$30,000 multiplied by the Contract Maximum  
8           Amount (as defined in the Draft Contracts, Appendix D); *provided,*  
9           *however, that Rhode Island Energy may increase the required*  
10          *level of Development Period Security to \$40,000 multiplied by the*  
11          *Contract Maximum Amount for any Bidder, if Rhode Island*  
12          *Energy determines that such Bidder and/or its affiliates have a*  
13          *history of failing to achieve commercial operations for similar*  
14          *projects, and/or power purchase agreements that terminate or*  
15          *expire prior to commercial operation of the applicable project, and*  
16          *such failure(s) or termination(s) have not resulted from factors*  
17          *outside of the control of such Bidder and/or its affiliates.* Fifty  
18          percent (50%) of the Development Period Security must be provided  
19          upon execution of the PPA. The remaining fifty percent (50%) of  
20          the Development Period Security must be provided upon PUC  
21          approval of the PPA. Any posted Development Period Security will  
22          be promptly returned if the PUC does not approve the PPA. Once a  
23          project achieves Commercial Operation, the amount of required  
24          security (Operating Period Security) will be \$10,000 multiplied by  
25          the Contract Maximum Amount (as defined in the Draft Contracts,  
26          Appendix D).

28          Such provision provides transparency of the security requirements to enable bidders to  
29          make a financially informed decision when bidding into the RFP, while allowing  
30          discretion to Rhode Island Energy to weigh the appropriate factors, as discussed above,  
31          when establishing the amount of the development period security in the PPA.

1 **Q. Dr. Cool notes on page 7 of her prefiled direct testimony that “following the**  
2 **conclusion of the offshore wind procurement currently being conducted by Rhode**  
3 **Island, Massachusetts, and Connecticut, it is possible that a small portion of**  
4 **incremental capacity of a larger project may remain uncontracted and available**  
5 **to bid into this RFP. In this instance offshore wind energy may be competitively**  
6 **procured at good value for customers.” Are there any other revisions the Company**  
7 **proposes to the RFP given the current offshore wind procurement?**

8 A. Yes. As mentioned above, the 2023 Rhode Island Offshore Wind RFP’s due date for  
9 submission of proposals was extended by approximately two months. Accordingly,  
10 Rhode Island Energy recommends modification of the timetable in the proposed RFP by  
11 a similar amount of time- approximately two months-as shown in the table below. There  
12 are two reasons for this modified timetable. First, this shift in timing facilitates the  
13 opportunity that a small portion of incremental capacity of a larger offshore wind project  
14 could still bid into this LTCS RFP, thus maximizing competition. In addition, modifying  
15 the timetable will allow Rhode Island Energy to know the results from the 2023 Rhode  
16 Island Offshore Wind RFP before making a conditional selection in the LTCS RFP, which  
17 may influence the total capacity of projects the Company decides to award.

18

1

**Proposed Modified Timetable of Solicitation**

Event	Anticipated Dates
Issue RFP	Monday, October 7, 2024
Bidders' Conference	Wednesday, October 23, 2024
Submit Notice of Intent to Bid	Friday, October 25, 2024
Deadline for Submission of Questions	Friday, November 1, 2024
Due Date for Submission of Proposals	November 20, 2024 by 12:00 p.m. (noon) EPT
Review of Bids with the Rhode Island Office of Energy Resources ("OER") and the Rhode Island Division of Public Utilities and Carriers ("Division")	Monday, November 25, 2024
Conditional selection of Bidder(s) for negotiation	Wednesday, May 21, 2025
Negotiate and Execute Contracts	Wednesday, August 20, 2025
Submit Contracts for PUC Approval	Wednesday, October 15, 2025

2

3

4 **IV. Conclusion**

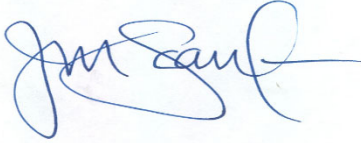
5 **Q. Does this conclude your testimony?**

6 **A. Yes, it does.**

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



\_\_\_\_\_  
Joanne M. Scanlon

May 1, 2024  
Date

**No. 23-50-EL- Rhode Island Energy's – Long-Term Contracts for Renewable Energy and Renewable Energy Certificates  
Service List 5/1/2024**

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