

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

In re: THE NARRAGANSETT ELECTRIC CO :
D/B/A RHODE ISLAND ENERGY & RI :
DISTRIBUTED GENERATION BOARD : DOCKET NO. 24-50-REG
2025 RENEWABLE ENERGY GROWTH :
PROGRAM :

**OFFICE OF ENERGY RESOURCES AND/OR DISTRIBUTED GENERATION
BOARD’S RESPONSES TO DIVISION OF PUBLIC UTILITIES AND CARRIERS’
FIRST SET OF DATA REQUESTS**

Issued: December 19, 2024

Due: January 8, 2025

DIV 1-1. Referencing Sustainable Energy Advantage, LLC’s (“SEA”) testimony concerning Financing Cost Methodology (pages 20 – 21), was data collected from UMass Five or other lenders on the typical loan to value / loan to cost ratios for the small-scale projects that they provide financing to (in other words, the amount of the solar loan relative to the cost of the installation)?

a. If so, what did that data suggest about the amount of debt financing typically available to these projects?

SEA did not collect information from UMass Five beyond the information provided on the [UMass Five MySolar Loan site](#) (as accessed December 20, 2024) regarding its solar loan financing offers.

b. Is the amount of financing available tied primarily to the cost of the project and the homeowners/ property owners credit quality or to the expected revenues/ bill credits created by the project?

The maximum available loan amount for any given project is \$100,000 but is limited by borrower credit quality. The terms on which UMass Five provides MySolar Loan debt capital are shown in several footnotes on the [UMass Five MySolar Loan site](#) (as accessed December 20, 2024).

c. Is the solar equipment pledged as collateral for these loans?

Though SEA has not accessed any specific MySolar Loan borrower agreements (or associated fine print), the second footnote on the [UMass Five MySolar Loan site](#) (accessed December 20, 2024) indicates that a lien is placed upon the solar equipment, which strongly suggests that the solar equipment is pledged as collateral for the loan.

DIV 1-2. Please confirm that the increase in the proposed Small-Scale Solar I and II prices from the prices presented at the October 16, 2024, stakeholder meeting to the final recommended values in the testimony (Reference SEA Table 3) are primarily due to the change in the approach to estimating the financing costs (e.g. the amount borrowed and the cost of such borrowing). If other factors contributed to this, please provide a breakdown of what else contributed to the increase.

SEA can confirm that most of the increase in the prices is driven by changes in financing costs described in the testimony. In addition, SEA increased the premium to account for cost increases associated with the enactment of Chapter 209 – An Act Relating to Businesses and Professions – Electricians by \$10/kWDC (for a total premium of \$30/kWDC). The way SEA incorporated these impacts is described in Section III(A) of the Direct Testimony of Tobin Armstrong and Jim Kennerly.

DIV 1-3. Please clarify whether the reference to SEA Tables 16&17 on page 57 of the testimony was in fact intended to reference SEA Tables 14&15. If not, where are SEA Tables 16&17 in the testimony?

The reference has been corrected in the amended testimony filed on December 20, 2024.

DIV 1-4. Referencing SEA testimony page 26 lines 21 and 22: “Yes. Any site that qualifies as a brownfield requiring remediation, subject to the expert determination of the Department of Environmental Management (“DEM”), could qualify for the adder.”

a. Has DEM developed more specific guidelines to further define a “brownfield requiring remediation”?

SEA is unaware of guidelines specific to the proposed incentive-payment adder developed by DEM. SEA understands, and DEM has confirmed, that DEM will use its existing verification framework and list of sites requiring remediation in making such determinations.

b. Will the project sponsor for a proposed adder site be required to demonstrate that site remediation will only occur because of the development of the renewable energy project?

OER has not proposed such requirements.

c. Would a site that has recently submitted plans for remediation, but has not yet commenced the remediation plan work, be eligible for the RE Growth adder?

OER has not proposed any requirements that would exclude a site that has recently submitted plans for remediation, but has not yet commenced the

remediation plan work, from being eligible for the proposed incentive-payment adder.

- d. Will the project sponsor be required to demonstrate that an approved remediation plan has been developed and approved and that sufficient funding is secured/ available to complete such remediation?

No. It is SEA's assumption that developers may not have finalized cost estimates relating to remediation costs, or a supporting remediation plan, at the time of bid. As such, SEA believes that such a requirement may provide undue burden to program applicants.

- e. What steps will be taken to ensure that the site remediation actually occurs and what consequences will the project sponsor/owner face for not completing the proposed remediation?

After consulting with DEM, DEM confirmed that it would issue compliance letters when remediation is complete and all requirements have been met.

Regarding consequences for failure to remediate, a project not completing necessary remediation would not be eligible for the adder. Because the proposed incentive-payment adder is a per-kWh value, incentives will only be delivered if the project reaches commercial operation, which would necessitate that the remediation of the site is successfully accomplished. In addition, DEM has its own enforcement process that it could pursue if development occurs on a site that has not completed the necessary remediation.

DIV 1-5. Referencing testimony page 55, lines 11 through 14: "Lastly, given that the calculated benefit relates to changes in property values, which can be realized years into the future depending on when such properties are sold, SEA discounted the benefit stream by 10 years using a discount rate of 3%."

- a. Please provide more details on what specific figures from the study were used and how these were discounted to arrive at the \$/MW value applied in the BCA?

Please see "DIV 1-5 - Brownfield Value Calculation.xlsx" for the specific values and calculations utilized to derive the \$/MW value applied in the BCA.

- b. Was this a single value discounted by 10 years or a stream of values?

A single value was discounted, as shown in "DIV 1-5 - Brownfield Value Calculation.xlsx."