

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: THE OFFICE OF ENERGY RESOURCES' : DOCKET NO.: 25-13-REG**  
**BUDGET REQUEST FOR DEVELOPMENT OF :**   
**2026 RENEWABLE ENERGY GROWTH :**   
**PROGRAM CEILING PRICES :**

**ORDER**

This matter is before the Public Utilities Commission (Commission) upon the Office of Energy Resources' (OER) budget request to perform program and ceiling price development for the 2026 Renewable Energy Growth (RE Growth) program year, filed on April 30, 2025.<sup>1</sup>

**I. Background and OER's Filing**

The RE Growth program is a tariff-based, renewable energy distributed-generation financing program intended to continue development of renewable energy distributed generation in the load zone of the electric distribution company at reasonable cost. The program finances these projects by way of a performance-based incentive, which is designed to achieve specified megawatt targets through competitive processes. The RE Growth program is implemented by the electric distribution company and guided by the Distributed Generation Board (DG Board) in consultation with OER, subject to the Commission's review and supervision.<sup>2</sup> OER, in consultation with the DG Board, is authorized to hire the services of qualified consultants to perform ceiling price studies subject to the Commission's approval.<sup>3</sup>

On April 30, 2025, OER submitted the instant filing requesting approval to receive \$123,616 for program and ceiling price development for the 2026 RE Growth program year, which will be performed by Sustainable Energy Advantage, LLC (SEA). Included in OER's filing is a

---

<sup>1</sup> All filings submitted in this matter can be accessed on the Commission's website at <https://ripuc.ri.gov/Docket-25-13-REG> or at its offices at 89 Jefferson Boulevard, Warwick, RI during regular business hours.

<sup>2</sup> R.I. Gen. Laws § 39-26.6-2.

<sup>3</sup> R.I. Gen. Laws § 39-26.6-4(b).

memorandum prepared by SEA documenting the tasks that SEA is expected to perform and the anticipated costs of each such task and sub-task.<sup>4</sup> The first task is described as SEA's core contracted scope of work, which includes data collection, data analysis, ceiling price recommendations, and participating in the regulatory process before the Commission. The second task is the development of a megawatt allocation plan for the 2026 program year. The third and final task is described as due diligence regarding anticipated changes to federal clean energy tax provisions. A full description of each task and sub-task can be found in OER's filing, but for sake of brevity, this Order will discuss only those portions that require further discussion.

***A. Task 1.4 (Regulatory Support)***

Sub-task 1.4 in the filing describes SEA's participation in the Commission's regulatory process, including answering discovery requests, attending hearings, and providing written or oral testimony. Additionally, the proposal states that SEA will continue, upon request, to work closely with the Division of Public Utilities and Carriers (Division) and its consultants regarding approaches to refine and enhance proposed ceiling price categories and levels. SEA anticipates that the cost of this sub-task will be \$32,621.<sup>5</sup>

In Docket No. 25-09-REG, OER sought recovery for costs incurred during the 2025 program year. In that Docket, OER stated that its regulatory support costs were in the amount of \$9,391 and sought recovery for the same.<sup>6</sup> During discovery in the instant matter, OER explained that the \$9,391 for which it sought recovery was the amount allocated out of the total not-to-exceed budget that was approved by the DG Board.<sup>7</sup> OER actually incurred about \$62,396 for regulatory

---

<sup>4</sup> See generally OER's Filing, Docket No. 25-13-REG, at 2-4 (Apr. 30, 2025).

<sup>5</sup> *Id.* at 2-3.

<sup>6</sup> OER's Filing, Docket No. 25-09-REG, at 6-7 (Mar. 27, 2025).

<sup>7</sup> OER's Response to PUC 2-1 (June 18, 2025).

support during the 2025 program year.<sup>8</sup> Despite the overspend, OER elected not to seek approval of a revised budget from the DG Board, and instead covered the additional costs.<sup>9</sup>

***B. Task 2 (2026 Program Year Megawatt Allocation Plan Development)***

The filing describes Task 2 as SEA's assistance in developing and justifying the annual megawatt allocation plan through (1) developing an estimate of total capacity expected to be able to bid into annual Open Enrollments during the 2026 program year as a result of expected outcomes in the distribution interconnection and Affected System Operator (ASO) processes (and pro-rating that capacity based on what level of capacity offering would preserve competitive dynamics in the Open Enrollments); and (2) undertaking a benefit-cost analysis (BCA) of the resulting plan from the Rhode Island Test perspective (including estimates with and without economic development benefits, per guidance from the Commission), as well as other perspectives, including the cost to ratepayers of the electric distribution company. The filing states that over the past two program development cycles, completing the above-referenced activities has also required SEA to develop PowerPoint presentations and provide incremental regulatory support, including additional testimony and discovery responses. SEA anticipates that the cost of this task will be \$26,338.<sup>10</sup>

In Docket No. 24-50-REG, Tobin Armstrong and Jim Kennerly provided pre-filed direct testimony regarding development of the megawatt allocation plan for the 2025 program year.<sup>11</sup> They stated that with respect to Large Solar II and III projects, the electric distribution company provided SEA with project specific determinations regarding their ability and likeness to qualify for the 2025 PY which were adopted in SEA's analysis.<sup>12</sup> Additionally, SEA developed

---

<sup>8</sup> Of the total expenses, \$19,756.01 were billed towards regulatory support for ceiling price development. The balance, in the amount of \$42,640.25, was billed towards regulatory support for the proposed landfill/brownfield adder. See OER's Supplemental Response to PUC 1-1 (June 13, 2025).

<sup>9</sup> OER's Response to PUC 2-1.

<sup>10</sup> OER's Filing, Docket No. 25-13-REG, at 3.

<sup>11</sup> See Armstrong & Kennerly Test., Docket No. 24-50-REG, at 38-44 (Nov. 22, 2024).

<sup>12</sup> *Id.* at 39:12-14.

assumptions regarding the percentage of Large Solar I projects at each state of the interconnection process that would qualify for the 2025 program year in coordination with the electric distribution company.<sup>13</sup> These assumptions were combined with project-specific information provided by the electric distribution company regarding a project's inclusion in ASO studies.<sup>14</sup>

In Docket No. 25-09-REG, OER's filing did not expressly mention a megawatt allocation plan as part of SEA's scope of work during the 2025 program year, nor did its filing specifically request cost recovery for a megawatt allocation plan.<sup>15</sup> In response to discovery in the instant matter, OER explained that SEA billed at least \$27,023 for the development of a megawatt allocation plan for the 2025 program year, \$22,698 of which was covered at OER's expense.<sup>16</sup> The remaining \$4,325 was divided amongst other tasks identified in OER's filing and recovered.<sup>17</sup> OER also confirmed that the information upon which SEA would rely to estimate total capacity expected to be able to bid into annual Open Enrollments during the 2026 program year would be provided by the electric distribution company.<sup>18</sup>

***C. Task 3 (Due Diligence Regarding Anticipated Changes to Federal Clean Energy Tax Provisions)***

Finally, Task 3 in the filing pertains to SEA making changes in its Cost of Renewable Energy Spreadsheet Tool (CREST) model if tax and financing assumptions, upon which SEA relies on to make ceiling price recommendations, are impacted by new federal legislation or tax provisions.<sup>19</sup> The filing states that SEA will (1) undertake a detailed, incremental review of the impact of the legislation on overall assumptions for tax equity, sponsor equity, interest rates on

---

<sup>13</sup> *Id.* at 39:17-19.

<sup>14</sup> *Id.* at 39:21-24.

<sup>15</sup> See OER's Filing, Docket No. 25-09-REG.

<sup>16</sup> OER's Response to PUC 1-2.

<sup>17</sup> *Id.*

<sup>18</sup> OER's Response to PUC 1-3.

<sup>19</sup> OER's Filing, Docket No. 25-13-REG, at 3.

term debt, credit values, depreciation and debt/equity structuring; (2) adjust financing assumptions in the CREST model for each renewable energy class; (3) develop PowerPoint slides to share with the DG Board and other stakeholders; (4) hold discussions with 4-6 market participants regarding financing assumptions following stakeholder sessions; and (5) add to direct and rebuttal testimony related to the above-referenced efforts.

SEA expects that any federal legislation that may change clean energy tax provisions would be enacted by no later than August of 2025, which SEA states would allow sufficient time prior to a DG Board meeting in October of 2025, where votes will be made on recommended ceiling prices, classes, and megawatt allocation prior to filing same with the Commission. SEA anticipates that the cost of these incremental efforts under Task 3 will be \$19,778.<sup>20</sup>

In response to the Commission's Data Requests, OER clarified that Task 3 was budgeted assuming a refresh of financing and tax related inputs only. SEA will not be refreshing all inputs when re-running the CREST model and cannot refresh all inputs without increasing the overall cost of the contract. OER stated that it did not wish to change the capital and operating cost values assumed as part of the three-year program plan, because OER believes that maintaining these assumed inputs is important for maintaining clear thresholds for revisions to ceiling prices approved through a multi-year program plan.<sup>21</sup>

Previously, in Docket No. 23-44-REG, the DG Board proposed a price adjustment mechanism in response to concerns about the uncertainty in predicting future market conditions and project costs raised by the Division and the electric distribution company.<sup>22</sup> SEA witnesses explained that the proposed price adjustment mechanism would be used to update ceiling prices

---

<sup>20</sup> *Id.*

<sup>21</sup> OER's Response to PUC 1-4.

<sup>22</sup> R.I.P.U.C. Order No. 25141, at 6 (Aug. 29, 2024).

for the 2025 and 2026 program years if one or more minimum thresholds were met; one of those thresholds was “any changes in state or federal law, regulation or policy that have a direct, material, and mandatory impact on program design, cost, performance, and financing inputs for eligible projects, or upon any other factor that would change the expected rate of return for such projects.”<sup>23</sup> In response to discovery in that docket, SEA clarified that the proposed price adjustment mechanism would recalculate ceiling prices by adjusting only one relevant input to the CREST model, as opposed to updating all of the model inputs with the most up-to-date information.<sup>24</sup>

The Commission rejected the price adjustment mechanism that was proposed in Docket No. 23-44-REG because it was inconsistent with regulatory rate-setting principles. The Commission noted that triggering a price adjustment and re-running the CREST model using only the triggering event instead of all inputs would be akin to single-issue ratemaking, a disfavored approach to ratemaking. The Commission viewed the ceiling price setting process as akin to setting a revenue requirement, and did not approve the proposed adjustment mechanism that only looked to one input to adjust a previously approved revenue requirement without reviewing the totality of costs.<sup>25</sup>

## **II. Division’s Position**

The Division submitted that SEA should be appropriately compensated for its work on OER and the DG Board’s behalf, and accordingly did not object to OER’s request.<sup>26</sup>

## **III. Open Meeting and Commission’s Findings**

At an Open Meeting held on June 23, 2025, the Commission reviewed the filings and approved OER’s budget request. The Commission notes that its decision to approve the requested

---

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.* at 12.

<sup>26</sup> Division’s Position Memorandum, at 2 (June 16, 2025).

funding for Task 3 does not constitute a departure from its decision in Docket No. 23-44-REG, which rejected the proposed ceiling price adjustment mechanism. Although SEA may monitor for new federal legislation or tax provisions that may affect financing assumptions, any request to adjust ceiling prices prior to the end of the three-year plan must consider the totality of updated cost inputs and satisfy an evidentiary burden of showing that the established prices will not result in the statutorily required “reasonable rate of return.”

Accordingly, it is hereby:

(25444) ORDERED:

1. The Office of Energy Resources and the Distributed Generation Board’s budget request in the amount of \$123,616 for the Renewable Energy Growth program and ceiling price development for program year 2026 is approved.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING  
DECISION ON JUNE 23, 2025. WRITTEN ORDER ISSUED JULY 7, 2025.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner

---

\*Karen M. Bradbury, Commissioner

\*Commissioner Bradbury did not take part in discussion or voting.

**NOTICE OF RIGHT OF APPEAL:** Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.