



STATE OF RHODE ISLAND  
**OFFICE OF  
ENERGY RESOURCES**

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April 29, 2026

Stephanie De La Rosa  
Commission Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, Rhode Island 02888

**RE: Docket No. 26-19-REG - The Office of Energy Resources (OER) - Renewable Energy Growth Program Budget Request for the 2027-2029 Program and Ceiling Price Development**

In accordance with R.I. Gen. Laws § 39-26.6-4(b), the Rhode Island Office of Energy Resources (“OER”), in consultation with the Rhode Island Distributed Generation Board (“DG Board”), is requesting approval from the Public Utilities Commission (“PUC”) for program and ceiling price development for the 2027-2029 Renewable Energy (“RE”) Growth Three Year Program. OER and the DG Board are respectfully requesting approval from the PUC to receive an amount not to exceed \$188,314 for SEA to develop the Three-Year Ceiling Prices and 2027-2028 MW Allocation. Please note that the DG Board formally approved the submission of this request at its meeting on April 27, 2026.

Please see attached memo with budget breakdown and associated tasks from the DG Board’s contracted consultant. If you have any questions, please do not hesitate to contact me.

Sincerely,

*David Augustyn*

David M. Augustyn, Esq.

Legal Counsel

Office of Energy Resources and on behalf of the Distributed Generation Board

cc: Christopher Kearns, Acting Commissioner, Office of Energy Resources

Shauna Beland, Office of Energy Resources

William Owen, Office of Energy Resources

Laura Bartsch, Chair, Distributed Generation Board

C: Docket # 26-19-REG Service List

Dated: April 29, 2026

OER-001



## Sustainable Energy Advantage, LLC

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### Memorandum

**To:** Rhode Island Office of Energy Resources (OER) and Distributed Generation Board (DG Board)

**From:** Sustainable Energy Advantage, LLC (SEA)

**Date:** April 27, 2026

**Re:** Anticipated Efforts and Costs for 2027-2029 Renewable Energy Growth (REG) Program Year (PY) Support Services

### Introduction/Background

The purpose of this memorandum is to describe the anticipated cost of SEA's planned activities on behalf of OER and the DG Board for the development of the 2027-2029 REG Program Year offerings. The potential tasks related to this scope of services include:

- Tasks 1-4: Core Contracted Scope of Work
- Task 5: 2027-2029 MW Allocation Plan Development

SEA notes that these tasks include the core scope of services included in the RFP under which SEA was selected by OER and the DG Board to provide services during the 2025-2029 PYs in summer 2024, as well as other services that may be required, but that exceed the core contracted services included in Task 1.

### Proposed Core and Supplemental Tasks

In this section, we describe the services associated with the tasks above, as well as estimates of their anticipated cost.

**Core Contracted Scope of Work:** Under the contract executed between the State and SEA for the 2025-2029 PY support services, SEA has agreed to conduct the activities described herein. However, for the 2027 PY, additional effort and resources will be required across each subtask to support the development of a proposed three-year plan, including the need to gather, assess, and apply information over a longer planning horizon than has historically been required.

- *Task 1: Data Collection:* Under this subtask, SEA proposes to continue to assemble, organize, and evaluate high-quality industry data in a way that enables stakeholders and the OER/DG Board to comment on its applicability to DG projects in Rhode Island. SEA also proposes to research, analyze, and compare the REG program and proposed ceiling prices to similar distributed generation renewable programs in the region. For the 2027 PY, additional effort will be required because SEA will need to gather and assess information sufficient to support a proposed three-year plan, rather than a single-year offering. This will require incremental desktop research to develop estimates of expected future capital expenditures ("CapEx"), including projected changes in equipment, balance-of-system, labor, and construction costs. It will also require desktop research to determine future initial operating expense ("OpEx") assumptions, including land lease, operations and maintenance ("O&M"), project management, administrative costs, insurance, property tax, inverter replacement reserves, asset management, and other ongoing operating costs.

In addition, given that most industry and financier sources we spoke to during the 2026 CP development process demurred on their own assumptions and view of the post-tax credit financing landscape, SEA will need to return to those stakeholders to gather and assess evolving financing assumptions, especially regarding how post-tax-credit or reduced-tax-credit projects may be financed over the three-year planning period. SEA's anticipated efforts will include, but are not limited to:

- Undertaking a detailed, incremental review of the impact of the legislation on overall assumptions for tax equity, sponsor equity, interest rates on term debt, credit values, depreciation and debt/equity structuring;

- Adjusting said financing assumptions in the CREST model for each renewable energy class;
- Incremental effort to develop PowerPoint slides related to the review to share with the DG Board and other stakeholders;
- Discussions with market participants regarding financing assumptions following stakeholder sessions

SEA has contracted with OER to perform these activities during the 2027 PY for a cost of **\$22,198**.

- *Task 2: Data Analysis:* Under this subtask, SEA plans to conduct Ceiling Price analysis using the CREST models and make the model, along with all modeling inputs, available to OER, the DG Board, the PUC, and stakeholders. SEA will continue using a bottom-up approach to estimate costs and other technology-specific inputs. Individual assumptions will be informed by stakeholder input and supplementary research, and Ceiling Price results will be benchmarked against publicly available LCOE calculations. SEA will also present recommended Ceiling Prices at several public meetings for comment and discussion. SEA will incorporate information obtained through public meetings and comments into the evaluation and modeling process. Since 2027 is a three-year plan development year, this subtask will require more time for analysis and additional engagement with Rhode Island Energy and the Division of Public Utilities and Carriers (“DPUC”) regarding the appropriate inputs, assumptions, and analytical approach applicable to a three-year plan. SEA has contracted with OER to perform these activities during the 2027 PY for a cost of **\$62,568**.
- *Task 3: Ceiling Price Recommendations:* Under this subtask, SEA will develop Ceiling Price recommendations based on the data collection performed in Task 1 and the modeling and analysis completed in Task 2. SEA will run the CREST models to produce tariff prices necessary to realize a risk-appropriate return to investors and will use those results, together with its knowledge of New England and federal market and policy dynamics, to formulate proposed Ceiling Prices for OER and the DG Board’s consideration. For the 2027 PY, this subtask will also require additional effort because the recommendations will need to support the proposed three-year plan. SEA will also devote time to presenting and explaining the proposed recommendations to the DG Board, including the basis for the recommendations and key underlying assumptions. SEA has contracted with OER to perform these activities during the 2027 PY for a cost of **\$12,242**.
- *Task 4: Regulatory Process:* Under this subtask, SEA will participate in the PUC process, respond to questions (posed by the PUC or other parties), attend hearings, and provide written and/or oral testimony as requested or required. In addition, SEA will continue, upon request, to work closely with the Division of Public Utilities and Carriers (DPUC) and its consultants regarding approaches to refine and enhance the proposed Ceiling Price categories and levels. For the 2027 PY, additional resources may be necessary under this subtask because the regulatory process will need to address the expanded evidentiary and explanatory record associated with proposing a three-year plan, including explaining and defending multi-year assumptions regarding costs, financing, and project viability. SEA has contracted with OER to perform these activities during the 2027 PY for a cost of **\$51,333**.

Per the agreement between the State and SEA, the total cost of the core contracted scope of work ahead of the 2026 PY (assumed to include SEA’s traditional approach data gathering, modeling of ceiling prices, stakeholder engagement, recommendations development and regulatory support, but excluding changes to the non-Small Solar prices) is **\$148,300**.<sup>1</sup>

**Task 5: 2027-2029 PY Megawatt (MW) Allocation Plan Development:** Following the passage of the solar siting, net metering and Renewable Energy Growth amendments in 2023, and for the three most recent program year development cycles, OER has requested that SEA assist OER with the development and justification of the annual MW Allocation Plan through:

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<sup>1</sup> These values represent a substantial reduction in costs relative to the 2024-2026 PY plan development process, given that many such expenses were one-time in nature, in order to account for the development of tools needed to develop future single- and multi-year plans.

- Developing an estimate of total capacity expected to be able to bid into annual Open Enrollments during the 2026 PY as a result of expected outcomes in the distribution interconnection and Affected System Operator (ASO) processes;
- Considering what level of capacity offering would preserve competitive dynamics in the Open Enrollments; and
- 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 Rhode Island Public Utilities Commission (PUC)), as well as other perspectives, including the cost to ratepayers of Rhode Island Energy.
  - SEA has included sufficient budgetary headroom to allow for an update of the BCA inputs leveraging 2027 Avoided Energy Supply Costs in New England (AESC) study inputs, if they are made available in time to incorporate into SEA’s analysis.

Completing the above activities over the past two program development cycles has also required developing PowerPoint slides to describe the findings of the analysis to OER and the Board, as well as providing incremental regulatory support in the form of added sections to direct and rebuttal testimony describing our findings, as well as answering incremental data request questions from the PUC and other intervenors.<sup>2</sup> SEA’s estimate of anticipated costs associated with the MW Allocation Plan design effort is **\$40,014**.

### Range of Anticipated Costs by Task

The table below illustrates the anticipated costs by task associated with the various options described in this memorandum, as well as notes that describe the activities included herein.

<b>Task Name/Description</b>	<b><i>Anticipated Cost</i></b>
Task 1-4: Core Contracted Scope	\$148,300
Task 5: Development of 2026 MW Allocation Plan	\$40,014
<b>2027 PY Support Grand Total</b>	<b>\$188,314</b>

### Conclusion

SEA looks forward to assisting OER and the DG Board with its desired scope of 2027-2029 PY three-year plan program support and looks forward to any opportunity to answer any questions OER and the Board may have regarding this potential support.

<sup>2</sup> SEA notes that despite SEA fulfilling this role over the past two program year development cycles, none of these activities were explicitly contemplated in the RFP in which OER procured SEA’s services for 2025-2029 PY program development in summer 2024, and thus are separately budgeted herein relative to the Task 1-4 core scope items.

CERTIFICATE OF SERVICE

I hereby certify that on April 29, 2026, I sent a true copy of this document by electronic mail to the parties in the Docket Service List as of April 29, 2026, and hand delivered an original and nine copies to the Public Utilities Commission.

cc. 26-19-REG Service List

Sincerely,



David M. Augustyn, Esq.

Legal Counsel

Office of Energy Resources and on behalf of the Distributed Generation Board