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Facilitation Δ Mediation Δ Training
Specializing in Energy & Environmental Issues

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Date: August 15, 2005

To: Rhode Island Public Utilities Commission
From: Dr. Jonathan Raab, Raab Associates, Ltd.

Re: RI Renewable Energy Standard (RI RES) Negotiated Rulemaking Group,
Docket 3659

As the mediator for the negotiated rulemaking committee named the RI RES Negotiated Rulemaking Group (Group), it is my pleasure to submit the Group's final report. This document is the result of extensive negotiations and hard work by the Group members, who have met eight times since March. I have attached to this cover letter a list of the Group members and their participation in the meetings.

The Group's Report is comprised of this cover letter, a draft set of regulations to implement Rhode Island's Renewable Energy Standard Statute contained in R.I G.L. sec 39-26-1 et. seq ("the Act"), and several Attachments. The Attachments include:

- Attachment A: Model Compliance Forms that the Group recommends referencing in the Rules, but not including, to provide the Commission with the flexibility to update them from time to time.
- Attachment B: Technical Corrections that the members believe should be considered for inclusion in potential clean-up legislation, preferably sponsored by the Commission, and supported by the Group.
- Attachment C: A letter to the Group discussing Cape Wind's dissenting position on long-term contracting.
- Attachment D1: A memo to the Group from TEC-RI and SilentSherpa ECPS on the applicability of the procurement and contracting standards to the Rhode Island Economic Development Corporation.
- Attachment D2: A response to the TEC-RI and SilentSherpa ECPS memos from the Rhode Island Economic Development Corporation.

As you will see, the Group reached a consensus on all but four issues that are discussed in highlighted “Notes to the Commission” in the body of the draft regulations and listed below:

- In Section 3.22 Definitions: On the test for incremental resources from an existing renewable energy resource.
- In Section 6 Certification: On the selection of two alternative certification standards for customer-sited and off-grid generation facilities, one of which appears to necessitate changes to the GIS (generation information system) through NEPOOL
- In Section 8 Contracting Standards and Procurement Plans: On the issue of whether Narragansett Electric Company should be required to consider signing long-term contracts.
- In Section 8 Contracting Standards and Procurement Plans: On the issue of whether these regulations for procurement and contracting should apply to the Rhode Island Economic Development Corporation in its administration of the Rhode Island Renewable Energy Fund.

Finally, the Group agrees that the following language should be included in the Order accompanying the regulations, but need not go in the body of the regulations: “In the event a cap and trade or similar air emissions program is newly created in which tradable emission rights are created and (are or could be) allocated to eligible renewable energy resources, RI Department of Environmental Management (DEM) or the Commission may request that the Commission and DEM hold a joint technical conference on the program, to ensure that the combined approaches and regulations of the DEM, Commission and any regional program will produce the desired results consistent with promulgated Rhode Island legislation and underlying policy.”

Please let me know if you have any questions regarding this Report and the Group looks forward to discussing these issues with the Commission at the Technical Session on August 31.

Negotiated Rulemaking Group Membership and Attendance

Organization	Name	3/15/05	4/4/05	4/25/05	5/13/05	6/6/05	6/21/05	7/18/0	8/9/05
Rulemaking Group Members									
CSG	Pat Stanton	X							
CSG	Ashley Mason		X	X	X	X	X	X	X
CSG	Nubia Perez					X		X	
Cape Wind	Dennis Duffy	X	X	X	X	X	X		
Cape Wind	Chris Sherman							X	X
DPUC	Dave Stearns	X	X	X	X	X	X		X
FPL Energy	Craig Eaton		X	X			X	X	X
Narragansett Electric	John Warshaw	X	X	X	X	X	X	X	X
Narragansett Electric	Laura Olton				X	X	X pm		X
Narragansett Electric	Tom Robinson					X		X pm	
PP & L	Erich Stephens	X	X	X	X	X	X	X	X
PSNH	Gerald Eaton	X	X	X	X	X	X	X	X
Ridgewood Power	Bill Short	X	X	X	X	X	X	X	X
RI Atty. General, DPUC	Bill Lueker		X	X				X	
RI EDC	Andrew Dzykewicz	X		X	X	X	X	X	X
SEA for RI SEO	Bob Grace	X	X	X	X	X	X	X	X
SilentSherpa ECPS	James Grasso		X		X	X pm	X pm		
Spin Blade Energy	Chris Burnett		X	X		X	X	X	
Synapse/Div.of PUC	Tim Woolf	X							
TEC-RI	John Farley	X	X	X	X	X		X pm	X
UPC Wind	Peter A. Gish	X	X						
UPC Wind	Elizabeth Weir	X		X	X	X		X	X
Mediator/PUC /Other:		X	X	X	X	X	X	X	X
Raab Associates	Jonathan Raab								
RI PUC	Doug Hartley	X	X	X	X	X	X	X	X
US DOE NE Regional Office	Albert Benson		X	X		X			X

Final Report of the
Rhode Island Renewable
Energy Standards
Negotiated Rulemaking Group

Submitted to the RI PUC
August 15, 2005

Purpose/Scope: This document addresses regulations for implementation of the RES only. RES-related issues included in the Act (S 2082 SUBSTITUTE A) and relevant to this docket, but assumed to be addressed outside the development of RES Regulations applicable to Obligated Entities, include:

- *Establishment and administration of a renewable energy development fund (42-64-13.2 Renewable Energy Development Fund.).*
- *Specifics details and mechanics of the collaboration required by the Act between the Commission, the State Energy Office, and the Renewable Energy Development Fund in maximizing the combined impact and efficiency of the SBC and the renewable energy standard. (39-26-8. Interaction with other policies)*
- *The annual report due from the Commission to the governor and the legislature by February 15 of 2006 and each year thereafter;*
- *None of the details of 39-26-7, Renewable Energy Development Fund, have been reflected in this document.*

In addition, regulations pertaining to requirements of General Law 39-26-9, energy source disclosure requirements, have been promulgated separately in April 2005.

Rhode Island Renewable Energy Standard (RES) Regulations

Section:

- 1.0: Authority
- 2.0: Purpose of Regulations
- 3.0: Definitions
- 4.0: Renewable Energy Standard
- 5.0: Eligibility
- 6.0: Certification
- 7.0: Demonstration of Compliance
- 8.0: Contracting Standards and Procurement Plans
- 9.0: Sanction for Non-Compliance

1.0: Authority

These regulations are promulgated pursuant to Title 39 of the General Laws c.26.

2.0: Purpose of Regulations

The purpose of this chapter is to implement Rhode Island's Renewable Energy Standard law Section 39-26-1 et seq. of the General laws of Rhode Island as enacted June 29, 2004.

3.0: Definitions

Except as otherwise expressly provided, terms with initial capitalization used in these regulations and not defined herein shall have the meaning as defined in the NEPOOL Rules

- 3.1 Alternative Compliance Payment: means a payment to the Renewable Energy Development Fund of fifty dollars (\$50.00) per megawatt-hour of renewable energy obligation, in 2003 dollars, adjusted annually by the annual change in the U.S. Bureau of Labor Statistics Consumer Price Index, which may be made in lieu of standard means of compliance with these regulations.
- 3.2 Commission: means the Rhode Island Public Utilities Commission.
- 3.3 Compliance Year: means a calendar year beginning January 1 and ending December 31, for which an Obligated Entity must demonstrate that it has met the requirements of these regulations.
- 3.4 Customer-sited Generation Facility: means a generation unit that is interconnected on the End-use Customer's side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the End-use Customer.
- 3.5 Electrical Energy Product: means an electrical energy offering, including but not limited to last resort and standard offer service, or any successor service, that can be distinguished by its Generation Attributes or other characteristics, and that is offered for sale by an Obligated Entity to End-use Customers.
- 3.6 Eligible Biomass Fuel: means fuel sources including brush, stumps, lumber ends and trimmings, wood pallets, bark, wood chips, shavings, slash, yard trimmings, site clearing waste, wood packaging, and other clean wood that is not mixed with other unsorted solid

wastes; agricultural waste, food and vegetative material; energy crops; landfill methane or biogas; provided that such gas is collected and conveyed directly to the Generation Unit without use of facilities used as common carriers of natural gas; or neat bio-diesel and other neat liquid fuels that are derived from such fuel sources.

Generators using wood sources other than those listed above may make application, as part of the required fuel source plan described in Section 6.9, for the Commission to approve a particular wood source as “clean wood”. The burden will be on the applicant to demonstrate that the wood source is at least as clean as those listed in the legislation. Wood sources containing resins, glues, laminates, paints, preservatives, or other treatments that would combust or off-gas, or mixed with any other material that would burn, melt, or create other residue aside from wood ash, will not be approved as clean wood.

- 3.7 Eligible Renewable Energy Resource: means resources as defined in Section 5.0 of these regulations.
- 3.8 End-use Customer: means a person or entity in Rhode Island that purchases electrical energy at retail from an Obligated Entity except that a Generating Unit, taking station service at wholesale from ISO or self-supplying from its other generating stations, shall not be considered an End use Customer.
- 3.9 Existing Renewable Energy Resources: means generation units using Eligible Renewable Energy Resources and first entering commercial operation before December 31, 1997.
- 3.10 FERC: means the Federal Energy Regulatory Commission, or its successor.
- 3.11 Generation Attributes: means the non-price characteristics of the electrical energy output of a generation unit including, but not limited to, the unit’s location, fuel type, actual emissions, vintage and policy eligibility. The Commission may modify this list as appropriate.
- 3.12 Generation Unit: means a facility that converts a fuel or an energy resource into electrical energy.
- 3.13 Historical Generation Baseline: means, for all Eligible Renewable Energy Resources including Intermittent Resources, the average annual electrical production from the Eligible Renewable Energy Resource, stated in megawatt-hours (MWhs), for the three calendar years 1995 through 1997, or for the first 36 months after the Commercial Operation Date if that date is after December 31, 1994 (the Baseline Period); provided however, that the Historical Generation Baseline shall be measured regardless of whether or not the average annual electrical production during the Baseline Period meets the eligibility requirements of Section 5 of these regulations.
- 3.14 Intermittent Resource: means a Generation Unit utilizing wind, solar, or Small Hydro energy resources.
- 3.15 ISO: means ISO New England Inc., authorized by the FERC to exercise for the New England Control Area the functions required pursuant to FERC’s Order No. 2000 and the FERC’s corresponding regulations, and any successor organization..
- 3.16 Load Asset: means the term as used in the New England Markets.
- 3.17 NEPOOL GIS: means the Generation Information System operated by NEPOOL, its designee or successor entity, which includes a generation information database and

certificate system, and that accounts for certain of the Generation Attributes of electrical energy consumed within, imported into or exported from NEPOOL.

- 3.18 NEPOOL GIS Certificate: means an electronic record produced by the NEPOOL GIS that identifies certain of the Generation Attributes of each megawatt-hour of electrical energy accounted for in the NEPOOL GIS.
- 3.19 NEPOOL: means the New England Power Pool or its successor.
- 3.20 NEPOOL Rules: means all rules adopted by NEPOOL or the ISO, as such rules may be amended, modified, supplemented or superseded and restated from time to time, including but not limited to, the NEPOOL Agreement, the ISO Tariff, the ISO New England Operating Documents, the Transmission Operating Agreement, the Participants Agreement, the NEPOOL Manuals, and the NEPOOL Operating Procedures, as amended, superseded or restated from time to time.
- 3.21 New England Markets: means the Markets or programs for the purchase of energy, capacity, ancillary services, demand response services or other related products or services (including Financial Transmission Rights) that are delivered through or useful to the operation of the New England Transmission System and that are administered by the ISO pursuant to rules, rates, or agreements on file from time to time with the FERC.
- 3.22 New Renewable Energy Resources: means:
- (i) at a new site, the entire output of a Generation Unit which uses Eligible Renewable Energy Resources and first entered commercial operation after December 31, 1997; or
 - (ii) at the site of an Existing Renewable Energy Resource , the entire output of a Generation Unit which uses Eligible Renewable Energy Resources and first entered commercial operation after December 31, 1997, provided that the Existing Renewable Energy Resource has been retired and replaced with such new Generation Unit; or
 - (iii) the entire output of a Repowered Generation Unit which uses Eligible Renewable Energy Resources and such Repowered Generation Unit first entered commercial operation after December 31, 1997 at the site of an existing Generation Unit; or
 - (iv) for a multi-fuel facility, pursuant to Section 5.5.1(vi), the renewable energy fraction of output from a Generation Unit in which an Eligible Biomass Fuel is first co-fired with fossil fuels after December 31, 1997; or

[Note to Commission: The Group agrees on language in the following two paragraphs, with the exception of the highlighted language. The SEO, PP&L, CSG, Narragansett Electric, and TEC-RI believe that the language without the highlighted text accurately reflects the statute; Cape Wind, Ridgewood and FP&L believe the highlighted insertion more accurately reflects the statute.]

- (v) for an Existing Renewable Energy Resource other than an Intermittent Resource, the incremental output in any Compliance Year over 110% of the Historical Generation Baseline, provided that such Existing Renewable Energy Resource using Eligible Renewable Energy Resources was certified by the Commission pursuant to Section 6 to have demonstrably completed capital investments after December 31, 1997 attributable to the efficiency improvements or additions of capacity that are both sufficient to and were

intended to increase annual electricity output in excess of ten percent (10%). The determination of incremental production for purposes of this paragraph shall not be based on any operational changes at such facility not directly associated with the efficiency improvements or additions of capacity; or

(vi) for an Existing Renewable Energy Resource that is an Intermittent Resource, provided that such Existing Renewable Energy Resource using Eligible Renewable Energy Resources was certified by the Commission pursuant to Section 6 to have demonstrably completed capital investments after December 31, 1997 attributable to the efficiency improvements or additions of capacity that are both sufficient **in the Compliance year** to and were intended to increase annual electricity output in excess of ten percent (10%), the incremental production in any Compliance Year shall be equal to the percentage of average annual production at the Generation Unit attributable to the efficiency improvements or additions of capacity placed in service after December 31, 1997 as determined by the Commission using the information consistent with that used to determine the Historical Generation Baseline for such facility. Such percentage shall be certified by the Commission. The determination of incremental production for purposes of this paragraph shall not be based on any operational changes at such facility not directly associated with the efficiency improvements or additions of capacity.

3.23 Nonregulated Power Producers: shall be as defined in R.I.G.L. sec. 39-1-2(19) of the General Laws of the State of Rhode Island.

3.24 Obligated Entity: means (i) a person or entity that sells electrical energy to End-use Customers in Rhode Island, including, but not limited to: Nonregulated Power Producers and electric utility distribution companies, as defined in section 39-1-2, supplying standard offer service, last resort service, or any successor service to End-use Customers; including Narragansett Electric, but not to include Block Island Power Company or Pascoag Utility District; or (ii) to the extent not otherwise required to register and act as a NPP, any customer buying electricity supply directly from wholesale markets. In no event shall the ISO or NEPOOL be considered an Obligated Entity.

3.25 Off-grid Generation Facility: means a Generation Unit that is not connected to a utility transmission or distribution system.

3.26 Prime Mover: means

- (i) for a landfill gas facility, the entire internal combustion engine or combustion turbine;
- (ii) for a biomass facility, the entire boiler.
- (iii) for a wind facility, the entire wind turbine, including the generator, gearbox (if any), nacelle, and turbine;
- (iv) for a small hydro-electric facility; the entire turbine and structures supporting the turbine;
- (v) for a geothermal facility, the entire steam turbine, including the turbine rotors, shaft, stationary blades, and gear assemblies;
- (vi) for a digester gas facility, the entire digester unit and internal combustion engine or combustion turbine as applicable;
- (vii) for a solar thermal facility, the entire steam turbine.

- 3.27 Real Time Load Obligation: means the energy obligation as defined and determined by the ISO in the New England Markets.
- 3.28 Repowered Generation Unit: means
- (i) an existing Generation Unit that completely replace its Prime Mover with a new one pursuant to Section 3.25; and
 - (ii) the then existing Generation Unit must demonstrate to the satisfaction of the Commission either (a) a material increase in its efficiency or (b) a material decrease in its air emissions such as obtaining a new Title V air permit based upon BACT (best alternative control technology) for that generation technology; and
 - (iii) the completed repowered Generation Unit must demonstrate that 80% of its resulting tax basis of the entire Generation Unit’s plant and equipment (but not its property and intangible assets) is derived from capital expenditures made after December 31, 1997.
- 3.29 Reserved Certificate: means a NEPOOL GIS certificate sold independent of a transaction involving electrical energy, pursuant to Rule 3.4 or a successor rule of the operating rules of the NEPOOL GIS.
- 3.30 Reserved Certificate Account: means a specially designated account established by an Obligated Entity, pursuant to Rule 3.4 or a successor rule of the operating rules of the NEPOOL GIS, for transfer and retirement of Reserved Certificates from the NEPOOL GIS.
- 3.31 Small Hydro Facility: means a facility employing one or more hydroelectric turbine generators and with an aggregate capacity not exceeding thirty (30) megawatts. For purposes of this definition, “facility” shall be defined in a manner consistent with Title 18 of the Code of Federal Regulations Section 292.204(a)(2)(i) and (ii) as of the date of enactment of the Rhode Island’s Renewable Energy Standard Legislation (June 29th, 2004); provided, however, that the size of the facility is limited to no greater than thirty (30) megawatts, rather than eighty (80) megawatts. For a Small Hydro Facility to be eligible as a New Renewable Energy Resource it must in no case involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less.

4.0: Renewable Energy Standard

- 4.1 Starting in Compliance Year 2007, all Obligated Entities shall obtain, from eligible renewable energy resources, a target percentage of at least three percent (3%) of electricity sold by an Obligated Entity at retail to Rhode Island End-use Customers, inclusive of losses. For the purposes of this section, electricity sold by an Obligated Entity at retail to Rhode Island End-use Customers shall equal the sum of the Real Time Load Obligations for each Load Asset in the New England Markets that represents the electricity sold by an Obligated Entity at retail to Rhode Island End-use Customers. In each subsequent Compliance Year through Compliance Year 2019, the target percentage shall increase according to the table below, except as provided in Section 4.4.
- 4.2 For each Obligated Entity and in each Compliance Year, the amount of retail electricity sales used to meet this obligation that is derived from Existing Renewable Energy Resources shall not exceed two percent (2%) of total retail electricity sales.

Compliance Year	Total Target Percentage	Percentage from New Renewable Energy Resources	Percentage from <i>either</i> New or Existing Renewable Energy Resources
2007	3.0%	1.0%	2.0%
2008	3.5%	1.5%	2.0%
2009	4.0%	2.0%	2.0%
2010	4.5%	2.5%	2.0%
2011 ^[1]	5.5%	3.5%	2.0%
2012 ^[1]	6.5%	4.5%	2.0%
2013 ^[1]	7.5%	5.5%	2.0%
2014 ^[1]	8.5%	6.5%	2.0%
2015 ^[1]	10.0%	8.0%	2.0%
2016 ^[1]	11.5%	9.5%	2.0%
2017 ^[1]	13.0%	11.0%	2.0%
2018 ^[1]	14.5%	12.5%	2.0%
2019 ^[1]	16.0%	14.0%	2.0%
2020 and thereafter ^[2]	16.0%	14.0%	2.0%

[1] Increases in 2011 and thereafter subject to Commission determination pursuant to Section 4.4.

[2] Duration of continuation subject to Commission determination pursuant to Section 4.5.

- 4.3 If an Obligated Entity represents to a customer that the Obligated Entity is selling to the customer a portfolio of supply sources that includes more than amount of Eligible Renewable Energy Resources requested under these regulation, the Eligible Renewable Energy Resources necessary to supply more than the minimum required under these regulations of that customer’s load may not be applied to meet the aggregate requirements of the Renewable Energy Standard.
- 4.4 On or before January 1, 2010, the commission shall open a docket to determine the adequacy, or potential adequacy, of renewable energy supplies to meet the increase in the percentage requirement of energy from renewable energy resources to go into effect in

2011. On or before January 1, 2014, the Commission shall open a docket to determine the adequacy, or potential adequacy, of renewable energy supplies to meet the increase in the percentage requirement of energy from renewable energy resources to go into effect in 2015. Adequacy may be evaluated in terms of actual number of NEPOOL GIS Certificates available and/or net cost of NEPOOL GIS Certificates. In making such determination of NEPOOL GIS Certificate availability, the Commission will consider the history of NEPOOL GIS Certificate availability relative to NEPOOL GIS Certificate requirements and Alternative Compliance Payments for Rhode Island and other New England state requirements. The Commission will also consider future NEPOOL GIS Certificate availability based on the status of projects under development in the region and other states' future NEPOOL GIS Certificate requirements; renewable and NEPOOL GIS Certificate trends across the region, trends in renewable technology costs, the benefits to Rhode Island and the region; and such other information brought to the attention of the Commission during the investigation. In the event that the Commission determines an inadequacy or potential inadequacy of supplies for scheduled percentage increases, the Commission shall delay the implementation of the scheduled percentage increase and all subsequent increases for a period of one year or recommend to the general assembly a revised schedule of percentage increases, if any, to achieve the purposes of this chapter.

- 4.5 In 2020 and each year thereafter the minimum Renewable Energy Standard established in 2019 or in such year that the ultimate target is reached shall be maintained indefinitely unless the Commission shall determine that such maintenance is no longer necessary for either amortization of investments in New Renewable Energy Resources or for maintaining targets and objectives for renewable energy, but in no event shall the ultimate Renewable Energy Standard be maintained for less than 10 years.

5.0: Eligibility

5.1 Eligible Renewable Energy Resources are either:

- (i) Generation Units in the NEPOOL control area using:
 - (a) direct solar radiation;
 - (b) the wind;
 - (c) movement of or the latent heat of the ocean;
 - (d) the heat of the earth;
 - (e) Small Hydro Facilities;
 - (f) biomass facilities using Eligible Biomass Fuels and maintaining compliance with current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible, or
 - (g) fuel cells using the renewable resources referenced in this section.
- (ii) Generation Units located in a control area adjacent to NEPOOL, provided the associated Generation Attributes shall be applied to the Renewable Energy Standard only to the extent that the energy produced by the Generation Unit is actually delivered into NEPOOL for consumption by New England customers.

The delivery of such energy from the Generation Unit into NEPOOL must be generated by:

- (a) a unit-specific bilateral contract for the sale and delivery of such energy into NEPOOL; and
- (b) confirmation from ISO that the renewable energy was actually settled in the NEPOOL system; and
- (c) (1) confirmation through the North American Reliability Council tagging system that the import of the energy into NEPOOL actually occurred; or
(2) any such other requirements as the Commission deems appropriate.

(iii) Furthermore, any party using Generation Attributes from a Generation Unit located in a control area adjacent to NEPOOL must provide documentation satisfactory to the Commission that the Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island such as a report from a neighboring Generation Attribute accounting system or an affidavit.

5.2 Waste-to-energy technologies or processes of any sort or manner, whether thermal or non-thermal, whether aerobic or non-aerobic, shall in no instance be considered an eligible fuel or resource. Waste-to-energy technologies or processes include, but are not limited to, oxidation of waste, anaerobic treatments, and thermal treatments such as pyrolysis, gasification or plasma processes or treatment of inorganic and/or organic wastes with or without the recovery of the combustion heat generated. Eligible Biomass Fuels removed from the waste stream are eligible only if used after being fully separated from other waste. Gas resulting from the anaerobic digestion of sewage or manure is considered to be a type of biogas, and therefore an Eligible Biomass Fuel that has been fully separated from the waste stream. Landfill gas, which is an Eligible Biomass Fuel, means only that gas recovered from inside a landfill and resulting from the natural decomposition of waste, and that would otherwise be vented or flared as part of the landfill's normal operation if not used as a fuel source.

5.3 NEPOOL GIS certificates associated with energy production from Off-grid Generation and Customer-Sited Generation Facilities certified by the Commission as Eligible Renewable Energy Resources may also be used to demonstrate compliance, provided that the facilities are physically located in Rhode Island.

5.4 Initial title to tradable emission credits under existing programs from all Eligible Renewable Energy generation facilities shall accrue to the owner of such a Generation Unit, unless such title has been explicitly deemed transferred pursuant to contract or regulatory order.

6.0: Certification

6.1 The Commission will certify Eligible Renewable Energy Resources by issuing statements of qualification within ninety (90) days of application.

- (i) Applicants for certification of Renewable Energy Resources and those requesting a Declaratory Judgment under Section 6.2 of these rules must use the standardized

application form for certification developed by the Commission for such purpose entitled **Renewable Energy Resources Eligibility Form** posted on the Commission's web site. If a facility has been certified in another state, then the applicant must attach that state's order to its certification application. Applicants proposing the use of a biomass fuel must include with the application a biomass fuel source plan, as described in Section 6.9. All filings must be in conformance with the Commission's Rules of Practice and Procedure in particular Rule 1.5.

- (ii) The Commission Clerk will keep a list of interested parties who wish to be notified when an application for certification is filed or a Declaratory Judgment is requested under Section 6.2 of these rules. Such list will include the Division of Public Utilities and Carriers. In addition to filing with the Commission applicants are required to send, either electronically or in paper copy, a copy of the completed application form to the interested parties including any attachments. The Commission Clerk shall post all completed Renewable Energy Resources Eligibility forms including all attachments to the Commission web site.
- (iii) Any party in interest may comment on such filings to the Commission in writing within 30 days. Following the 30 day comment period, the Commission will consider an application for certification or request for Declaratory Judgment in an open meeting. The Commission may approve the application or request at that time, or set the matter for hearing following not less than 10 day notice.

6.2 The Commission shall provide prospective reviews for applicants seeking a preliminary determination as to whether a facility would be eligible prior to the formal certification process described in Section 6.1 as follows:

- (i) Such applicants for prospective review should file a Request for Declaratory Judgment under Rule 1.10(c) of the Commission's Rules of Practice and Procedure.
- (ii) Once a request for Declaratory Judgment is received by the Commission under this section, the Commission will proceed under Section 6.1 (i) through (iii). The Commission will act upon a request for Declaratory Judgment filed under this section within 120 days.

6.3 The Commission shall verify the on-going eligibility of renewable energy generators and the production of energy from such generators, as follows:

- (i) Renewable Energy Resources of the type that combust fuel to generate electricity including but not limited to biomass facilities and dual fuel facilities must file quarterly reports due 60 days after the end of each quarter on the fuel stream used during the quarter. Such reports shall include the amounts, energy content, and other details of all fuels used and energy generated, sufficient to allow the Commission to determine the resource's eligibility under the act and, in the case of plants that co-fire an Eligible Biomass Fuel with a fossil fuel, to allow the commission to determine or verify what amount of the Renewable Energy Resource's generation during that quarter is certified as being eligible. Generation Units that fail to supply such reports shall be immediately de-certified.
- (ii) Any other verification as required by the Commission in its certification order.
- (iii) The Commission or persons acting at its behest may conduct audits or site visits to assist in verification at any time at the Commission's discretion.

- 6.4 To the extent consistent with the requirements of these regulations, the Commission will rely upon the NEPOOL GIS for verification of production of energy from generators certified as eligible
- 6.5 Generators once certified must notify the Commission in the event of a change in a generator's eligibility status. When and if in the Commission's opinion after due consideration, there is a material change in the characteristics of a Generation Unit or its fuel stream that could alter its eligibility the Generation Unit must be recertified. Recertification of a Generation Unit will be conducted in the same manner as the certification process outlined above. Applicants for recertification of a plant must clearly state on the Renewable Resources Eligibility Form that they are applying for recertification.
- 6.6 Suspension or Revocation: The Commission may suspend or revoke the certification of Generation Units, certified in accordance with Section 6.1, that are found after notice and an opportunity for hearing to provide false information, or that fail to notify the Commission in the event of a change in eligibility status or otherwise comply with its rules. Other sanctions are detailed in Section 9 of these rules.
- (i) A Commission order suspending certification will include a fixed period of time during which the generator shall not be eligible to provide NEPOOL GIS Certificates under these rules.
 - (ii) A Commission order revoking certification of a generator under these rules may include a specific time period which must elapse before the generator may apply for recertification.
 - (iii) Time periods listed in Section 6.6 (i) and (ii) as well as other sanctions levied by the Commission should reflect the seriousness and number of instances of non-compliance by the generator.
- 6.7 With the exception of contracts for generation supply entered into prior to 2002, initial title to NEPOOL GIS certificates from Off-grid and Customer-Sited Generation Facilities and from all other Eligible Renewable Energy Resources shall accrue to the owner of such a generation facility, unless such title has been explicitly deemed transferred pursuant to contract or regulatory order.
- 6.8 Customer –Sited and Off-Grid Generation Facilities

[Note to Commission: The Group was split on Option A and Option B. Narragansett Electric, SEO, CSG, UPC, the Division, TEC-RI and PP&L prefer Option A. Option A would likely require RI PUC to request a change in the GIS to NEPOOL. If PUC decides not to make a request or the request is not granted, and in any case in the interim prior to Option A's adoption, Option B below would be in force. However, this Group agrees that Option A is preferred over Option B but apparently is not possible to implement at this time without a GIS rule change. They encourage the Commission to pursue the necessary changes to the GIS to enable Option A. FP&L, Cape Wind, Ridgewood Power, and PSNH prefer Option B because it will not require changes at NEPOOL.]

Option A

(i) Customer-sited and off-grid generation facilities may be certified as an eligible resource if their NEPOOL GIS Certificates are created by way of an aggregation of generation units using the same generation technology, and so long as the aggregation is certified by the Commission. Such units that are interconnected on the End-use Customer's side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the End-use Customer, or not connected to a utility transmission or distribution system, will be eligible only if the generation unit is physically located in the state of Rhode Island.

An aggregation may consist of as few as one generation units, and the aggregation may be owned and/or operated by the same entities that own the generation units in the aggregation. In applying for certification by the Commission, the owner of the aggregation shall submit proposed procedures under which their particular aggregation will operate ("Aggregation Agreement", see Section 6.8 (iii)). The Commission may then certify the aggregation as an eligible Generation Unit, stipulating that the aggregation follow the procedures specified in the Aggregation Agreement. For the purposes of these Renewable Energy Standard regulations, an aggregation so certified will be considered a single "generator." Once certified by the Commission, individual generation units may enter or leave the aggregation without requiring approval of the Commission, so long as additions or subtractions from the aggregation comply with the Aggregation Agreement. Any changes to or deviations from the Aggregation Agreement will be considered a change in generator status, and will require recertification by the Commission.

- (ii) NEPOOL GIS Certificates created by an aggregation shall be monitored, verified, and entered in to the GIS system by a party ("Verifier") independent of the generators in the aggregation, the owner of the aggregation, the operator of the aggregation, and any other party that might create a conflict of interest in assuring accurate NEPOOL GIS Certificate creation. . ***[Note to Commission: Ridgewood and FP&L believe that the only Verifier should be the electric utility. All the other Group members disagree.]***
- (iii) In making application for certification of an aggregation as an eligible generator, the owner of the aggregation shall provide the Commission a proposed Aggregator Agreement, which shall contain the following information:
- (a) Name and contact information of the aggregator owner, to which these regulations and stipulations of certification shall apply, and who shall be the owner of any NEPOOL GIS Certificates so certified.
 - (b) Name, contact information, and qualifications of the Verifier. Qualifications shall include any information the applicant believes will assist the commission in determining that the Verifier will accurately and efficiently carry out its duties. After receipt of the application, the Commission may require additional evidence of qualifications.
 - (c) A declaration of any and all business or financial relations between aggregator owner and Verifier, which the Commission will use to evaluate the independence of the Verifier. Reasons for ruling that a Verifier is not

- sufficiently independent include but are not limited to: i) If one entity owns, directly or indirectly, or if a natural person so owns, 10% or more of the voting stock or other equity interest in the other entity; ii) If 10% or more of the voting stock or other equity interests in both entities are owned, directly or indirectly, by the same entity or a natural person; or iii) If one entity is a natural person, and such entity or a member of such entity's immediate family is an officer, director, partner, employee or representative of the other entity. Further, the Aggregator Agreement shall include a statement indicating under what circumstances the Verifier would not be considered sufficiently independent of the individual generators, and that generators not meeting this independence test would not be allowed to participate in the aggregation;
- (d) Type of technology that will be included in the aggregation, and statement that the aggregation will include only individual units that meet all the requirements of these regulations, for example physical location, vintage, etc.
 - (e) Proposed operating procedures for the aggregation, by which the Verifier shall ensure that individual units in the aggregation comply with all eligibility requirements and that the NEPOOL GIS Certificates created accurately represent generation. At a minimum, these procedures will: i) require a determination that the unit exists and is in compliance with these Renewable Energy Standard regulations and the Aggregation Agreement as approved by the Commission; ii) require a meter reading procedure that allows the Verifier to read meters on the generation units; meter readings may be manual or remote and via the aggregator's own system or via an independent system, but in all cases shall comply with NEPOOL GIS Operating rules regarding metering and; iii) confirmation that Verifier will be entering NEPOOL GIS Certificates in to the NEPOOL GIS system, as described in paragraph (g) and; v) a procedure for the Verifier to report to the commission on the results of their verification process.
 - (f) Description of how the Verifier will be compensated for their services by the aggregator. In no instances will an aggregation be certified in which the Verifier is compensated in a manner linked to the number of NEPOOL GIS Certificates created by the aggregation.
 - (g) Quarterly the Verifier shall directly enter in to the NEPOOL GIS system NEPOOL GIS Certificates created by the aggregation. NEPOOL GIS Certificates so entered will be done through an interface designated for this purpose by the NEPOOL GIS, and to which the aggregation owner shall not have access. Output of less than one MWh by any single generation unit within the aggregation may be applied to the entire aggregation's generation, and generation of the aggregation less than one full MWh may be applied to the subsequent quarter in accordance with NEPOOL GIS Operating rules.
- (iv) In the event the Aggregation Agreement is not followed, the Commission may impose penalties, up to and including decertifying the aggregation as an eligible generator.

Option B

- (i) Customer-sited and off-grid generation facilities may be certified as an eligible resource if their NEPOOL GIS Certificates are created by way of an aggregation of generation units using the same generation technology, and so long as the aggregation is certified by the Commission. Such units that are interconnected on the End-use Customer's side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the End-use Customer, or not connected to a utility transmission or distribution system, will be eligible only if the generation unit is physically located in the state of Rhode Island.

An aggregation may consist of as few as one generation units, and the aggregation may be owned and/or operated by the same entities that own the generation units in the aggregation. In applying for certification by the Commission, the owner of the aggregation shall submit proposed procedures under which their particular aggregation will operate ("Aggregation Agreement", see Section 6.8(iii)). The Commission may then certify the aggregation as an eligible generator, stipulating that the aggregation follow the procedures specified in the Aggregation Agreement. For the purposes of these Renewable Energy Standard regulations, an aggregation so certified will be considered a single "generator." Once certified by the Commission, individual generation units may enter or leave the aggregation without requiring approval of the Commission, so long as additions or subtractions from the aggregation comply with the Aggregation Agreement. Any changes to or deviations from the Aggregation Agreement will be considered a change in generator status, and will require recertification by the Commission.

- (ii) NEPOOL GIS Certificates created by an aggregation shall be monitored and verified by a party ("Verifier") independent of the generators in the aggregation, the owner of the aggregation, the operator of the aggregation, and any other party that might create a conflict of interest in assuring accurate NEPOOL GIS Certificate creation. *[Note to Commission: Ridgewood and FP&L believe that the only Verifier should be the electric utility. All the other Group members disagree.]*
- (iii) In making application for certification of an aggregation as an eligible generator, the owner of the aggregation shall provide the Commission a proposed Aggregator Agreement, which shall contain the following information:
- (a) Name and contact information of the aggregator owner, to which these regulations and stipulations of certification shall apply, and who shall be the owner of any NEPOOL GIS Certificates so certified.
 - (b) Name, contact information, and qualifications of the Verifier. Qualifications shall include any information the applicant believes will assist the commission in determining that the Verifier will accurately and efficiently carry out its duties. After receipt of the application, the Commission may require additional evidence of qualifications.

- (c) A declaration of any and all business or financial relations between aggregator owner and Verifier, which the Commission will use to evaluate the independence of the Verifier. Reasons for ruling that a Verifier is not sufficiently independent include but are not limited to: i) If one entity owns, directly or indirectly, or if a natural person so owns, 10% or more of the voting stock or other equity interest in the other entity; ii) If 10% or more of the voting stock or other equity interests in both entities are owned, directly or indirectly, by the same entity or a natural person; or iii) If one entity is a natural person, and such entity or a member of such entity's immediate family is an officer, director, partner, employee or representative of the other entity. Further, the Aggregator Agreement shall include a statement indicating under what circumstances the Verifier would not be considered sufficiently independent of the individual generators, and that generators not meeting this independence test would not be allowed to participate in the aggregation;
- (d) Type of technology that will be included in the aggregation, and statement that the aggregation will include only individual units that meet all the requirements of these regulations, for example physical location, vintage, etc.
- (e) Proposed operating procedures for the aggregation, by which the Verifier shall ensure that individual units in the aggregation comply with all eligibility requirements and that the NEPOOL GIS Certificates created accurately represent generation. At a minimum, these procedures will: i) require a determination that the unit exists and is in compliance with these Renewable Energy Standard regulations and the Aggregation Agreement as approved by the Commission; ii) require a meter reading procedure that allows the Verifier to verify these readings; meter readings may be manual or remote and via the aggregators own system or via an independent system, but in all cases shall comply with NEPOOL GIS rules regarding metering;; iii) specify how generation data will be entered into NEPOOL GIS to create NEPOOL GIS Certificates, iv) a procedure to independently verify that the Certificates created for the aggregation are consistent with the meter readings and; v) a procedure for the Verifier to report to the commission on the results of their verification process. vi) require that verification and meter readings be done on a quarterly basis, except for units of two hundred KW or less, which may be done on an annual basis; vii) procedures for correcting discrepancies in NEPOOL GIS Certificate generation identified by the Verifier.
- (f) Description of how the Verifier will be compensated for their services by the aggregator. In no instances will an aggregation be certified in which the Verifier is compensated in a manner linked to the number of NEPOOL GIS Certificates created by the aggregation.
- (iv) In the event the Aggregation Agreement is not followed, the Commission may impose penalties, up to and including decertifying the aggregation as an eligible generator.

- (v) If the NEPOOL GIS operating rules are amended to require independent third-party verification of Non-NEPOOL generation, the Commission may re-examine the rules set forth herein to determine if any adjustments are required.

6.9 Eligible Biomass Fuel Generation Units

- (i) At the time of application for certification, Generation Units proposing to use an Eligible Biomass Fuel are required to submit a fuel source plan, which shall specify:
 - (a) The type of Eligible Biomass Fuel to be used at the Generation Unit.
 - (b) If the proposed fuel is clean wood, any further substantiation the applicant may wish to supply as to why the fuel source should be considered a clean wood.
 - (c) In the case of co-firing with a fossil fuel, a description of how such co-firing will occur and how the relative amounts of eligible biomass fuel and fossil fuel will be measured, and how the eligible portion of generation output will be calculated. Such calculations shall be based on the energy content of the proposed fuels used.
 - (d) A description of what measures the applicant will take to ensure that only the Eligible Biomass Fuel are used, examples of which may include: standard operating protocols or procedures that will be implemented at the generation unit, contracts with fuel suppliers, testing or sampling regimes.
 - (e) The fuel source plan will be required to specify the fuels stored or brought to the generation unit will only be either Eligible Biomass Fuels or fossil fuels used for co-firing. Biomass Fuels not deemed eligible will not be allowed at the premises of certified generation units.
 - (f) If the proposed fuel includes recycled wood waste, documentation that such fuel meets the definition of Eligible Biomass Fuel and also meets material separation, storage, or handling standards acceptable to the Commission and furthermore consistent with these regulations.
- (ii) In determining if an Eligible Biomass Generation Unit shall be certified, the commission will consider if the fuel source plan can reasonably be expected to ensure that only Eligible Biomass Fuels will be used, and in the case of co-firing ensure that only that proportion of generation attributable to an Eligible Biomass Fuel be eligible. Certification will not be granted to those generation units with fuel source plans the Commission deems inadequate for these purposes.
- (iii) Should the Commission have reason to believe that a generation unit is using a non-eligible biomass fuel, or claiming eligibility for a portion of generation in excess of that attributable to the eligible biomass fuel, the Commission will schedule within 30 days a hearing to determine if the generation unit is in compliance with its certification, and provide written notice to the applicant of the hearing date and reasons for the hearing. Should the applicant fail to appear at the hearing, the generation unit will be immediately de-certified.
- (iv) Should the Commission determine that a generation unit is in fact non-compliant, it will take the following actions depending on the commission's determination of why such non-compliance occurred:

- (a) If the applicant, or generation unit owners or operators, willfully attempted to circumvent, disregard, or disobey either these regulations, the application for certification, or the fuel source plan, the generation unit shall be immediately decertified and the case referred to the Attorney General's office and subject to the sanctions provided in Section 9.0.
- (b) If the Commission determines that the fuel source plan was in fact being followed, but the plan was inadequate to ensure compliance, the applicant may submit a revised fuel source plan within 30 days of receiving such a ruling from the Commission. Should the Commission approve the revised plan, certification of the generation unit will continue uninterrupted without prejudice or penalty. Should the applicant fail to have a revised fuel source plan approved by the Commission within 60 days of the Commission's determination that a revised plan is required, the generation unit shall be de-certified.
- (c) If the Commission determines that the fuel source plan was not being followed, but not for reasons of willful misconduct on the part of the applicant or the generation unit owner or operator, the applicant shall provide a written explanation of why or how the failure to comply occurred, and describing what measures will be taken to prevent such compliance failure from happening again. If the same generation unit is later again found to be out compliance, and the commission finds the measures proposed for preventing such non-compliance in a previous instance were in fact not followed, the generation unit will be immediately de-certified. If the measures were found to have been followed but proved inadequate to ensure compliance, or the reason for non-compliance did not relate to the measures previously implemented, the applicant may again provide written explanation and description of corrective measures to prevent future non-compliance. However, if a generation unit is found to not be following its fuel source plan in three instances in any ten year period, it shall be immediately de-certified and subject to the sanctions provided in Section 9.0.

[Note to Commission: The Group agrees that certification forms need to be developed by the Commission and should include the following: The application for certification and for a Declaratory Judgment must include the statement that the applicant understands and by his/her signature agrees that the penalties are a condition of doing business in Rhode Island. Further, the application form should include at least the following three check-off boxes:

- 1. For Biomass Facilities, "We have obtained a valid air permit to operate our facility".***
- 2. For Hydro Facility: "there have not been any new impoundments or diversion of water with an average salinity of twenty (20) parts per thousand or less associated with this facility"***
- 3. This application is a recertification.]***

7.0: Demonstration of Compliance

- 7.1 NEPOOL GIS Certificates applied towards Rhode Island Renewable Energy Standard compliance may not be used towards compliance with state renewable energy obligations relating to an Obligated Entity's load in other states.
- 7.2 Compliance with the Renewable Energy Standard may be demonstrated through procurement of NEPOOL GIS Certificates relating to generating units certified by the Commission as using eligible renewable energy sources, as evidenced by reports issued by the NEPOOL GIS Administrator. Procurement of NEPOOL GIS Certificates from Off-grid and Customer-Sited Generation Facilities, if located in Rhode Island and verified by the Commission as Eligible Renewable Energy Resources, may also be used to demonstrate compliance.
- 7.3 In lieu of providing NEPOOL GIS Certificates, an Obligated Entity may also discharge all or any portion of its compliance obligations by making an Alternative Compliance Payments to the Renewable Energy Development Fund (REDF). Obligated Entities shall include with its Annual Compliance Filing copies of any receipt(s) for Alternative Compliance Payments made to the Renewable Energy Development Fund during the compliance year. If the Renewable Energy Development Fund uses Alternative Compliance Payment to create NEPOOL GIS Certificates it must do so in a way that avoids double counting. Where an Obligated Entity enters into a prospective agreement with the Rhode Island Economic Development Corporation ("EDC") to accept Alternative Compliance Payments pursuant to Rhode Island General Laws section 39-26-7(b) and the EDC thereby purchases NEPOOL GIS Certificates, such NEPOOL GIS Certificates shall be credited against the Renewable Energy Standard for the Obligated Entity in the year of the certificate.
- 7.4 The following flexibility mechanisms are allowed for the purposes of easing compliance burdens, facilitating bringing New Renewable Energy Resources on-line, and avoiding and/or mitigating conflicts with state level source disclosure requirements and green marketing claims throughout the region:
 - (i) Obligated Entities may demonstrate compliance over a full Compliance Year, rather than any fraction thereof;
 - (ii) Obligated Entities may bank excess compliance for up to two (2) subsequent Compliance Years, capped at thirty percent (30%) of the current year's obligation;
 - (iii) Renewable energy generated during calendar year 2006 to be banked by an Obligated Entity as early compliance, usable towards meeting an Obligated Entity's Compliance Year 2007 requirement only. Generation used for early compliance must result in the retirement of NEPOOL GIS Certificate in a Reserved Certificate Account designated for such purposes.
- 7.5 Compliance Procedures. Annual compliance filings to the Commission shall be made by all Obligated Entities within thirty (30) calendar days after NEPOOL GIS reports are available for the fourth (4th) quarter of each Compliance Year. Obligated Entities shall utilize such forms as provided by the Commission for the annual compliance filing. Obligated Entities shall provide, in the annual compliance filing, such NEPOOL GIS or other reports to demonstrate compliance to the satisfaction of the Commission. Obligated Entities shall arrange with the ISO Meter Reader to provide to the Commission final,

reconciled values of the Real Time Load Obligations for each Load Asset in the New England Markets that represents the electricity sold by an Obligated Entity at retail to Rhode Island End-use Customers. All electric utility distribution companies shall cooperate with the Commission in providing data necessary to assess the magnitude of obligation and verify the compliance of all Obligated Entities.

- 7.6 Standard Compliance. Each Obligated Entity shall be deemed to be in compliance with these regulations if the information provided in the Compliance Filing submitted pursuant to these regulations is true and accurate and demonstrates compliance with Renewable Energy Standard targets applicable to the applicable Compliance Year.
- 7.7 Early Compliance. An Obligated Entity seeking to use NEPOOL GIS Certificates associated with production during calendar year 2006 for compliance in Compliance Year 2007, shall be subject to the following limitations.
- (i) The Obligated Entity shall demonstrate to the satisfaction of the Commission that such NEPOOL GIS Certificates were retired in a Reserved Certificate Account designated for such purposes in accordance with Section 7.4 (iii).
 - (ii) The Obligated Entity must file an Early Compliance Filing pursuant to Section 7.11 of these regulations.
 - (iii) The Obligated Entity shall demonstrate to the satisfaction of the Commission that such Generation Attributes have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sale, or used to satisfy obligations in jurisdictions other than Rhode Island.
- 7.8 Banked Compliance: For meeting the required percentage from New Renewable Energy Resources in any Compliance Year, an Obligated Entity may use NEPOOL GIS Certificates associated with production during one Compliance Year for compliance in either or both of the two subsequent Compliance Years, subject to the limitations set forth herein and provided that the Obligated Entity is in compliance with the Renewable Energy Standard for all previous Compliance Years. In addition, the Obligated Entity shall demonstrate to the satisfaction of the Commission that:
- (i) Banked NEPOOL GIS Certificates were in excess of the New Renewable NEPOOL GIS Certificates needed for compliance in the Compliance Year in which they were generated, that such excess NEPOOL GIS Certificates have not previously been used for compliance with the Renewable Energy Standard, and were not otherwise sold pursuant to Section 4.3;
 - (ii) Banked NEPOOL GIS Certificates do not exceed thirty percent of the Attributes needed by the Obligated Entity for compliance in the year they were generated;
 - (iii) Banked NEPOOL GIS Certificates were produced by the generation of electrical energy sold to Rhode Island End-use Customers during the Compliance Year in which they were generated; and have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sale, or used to satisfy obligations in jurisdictions other than Rhode Island Obligated Entities

shall make such demonstration by retiring banked NEPOOL GIS Certificates in the Compliance year they were generated in.

7.9 Alternative Compliance. An Obligated Entity shall receive Alternative Compliance Credits from the Commission, subject to the following:

- (i) The Alternative Compliance Payment rate shall be determined according to Section 3.1 of these regulations. For each Compliance Year, the Commission shall publish the Alternative Compliance Payment rate by January 31 of the Compliance Year.
- (ii) The quantity of credits, specified in MWhs, that can be applied to its obligations under these regulation shall be determined by calculating the ratio of the total of payments to the Renewable Energy Development Fund for the Compliance Year to the Alternative Compliance Payment rate for that Compliance Year.
- (iii) The Obligated Entity shall include with its Annual Compliance Filing copies of any Alternative Compliance Payment receipt(s) for payments made to the Renewable Energy Development Fund applicable to the Compliance Year.

7.10 Annual Compliance Filing. For each Obligated Entity, the filing shall document compliance with the provisions of these regulations to the satisfaction of the Commission and shall include, but not be limited to, the following:

- (i) Total Retail Electrical Energy Sales. Documentation of the total MWhs of electrical energy sold by the Obligated Entity to End-use Customers in the Compliance Year;
- (ii) Retail Electricity Sales by Product. Documentation of the total MWhs of each Obligated Entity sold to End-use Customers in the Compliance Year, verified by an independent third party satisfactory to the Commission. The Commission shall keep product information confidential to the extent permitted by law;
- (iii) NEPOOL GIS Certificates Allocated from the Compliance Year. Documentation of the total MWhs of each Electrical Energy Product sold to End-use Customers that was generated by New Renewable Energy Resources, and the total MWhs of each Electrical Energy Product sold to End-use Customers that was generated by Existing Renewable Energy Resources in the Compliance Year as follows:

- (a) For electrical energy transactions included in the ISO Market Settlement System, the Compliance Filings shall include documentation from the NEPOOL GIS Administrator of the Obligated Entity's ownership of NEPOOL GIS Certificates representing generation by New or Existing Renewable Energy Resources during the Compliance Year.
- (b) For electrical energy transactions not included in the ISO Market Settlement System, but for which the Obligated Entity has secured NEPOOL GIS Certificates, the Compliance Filings shall include documentation from the NEPOOL GIS Administrator of the Obligated Entity's ownership of generation certificates representing generation by New or Existing Renewable Energy Resources during the Compliance Year.
- (c) The identification of each Generation Unit from which New or Existing Renewable Generation Attributes were claimed by the Obligated Entity for its compliance in the Compliance Year;
- (d) The quantity of New or Existing Renewable NEPOOL GIS Certificates produced by each such Unit for each applicable month of the Compliance Year; and
- (e) Assurances satisfactory to the Commission that the New or Existing Renewable NEPOOL GIS Certificates have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.
- (iv) Attributes Allocated from Early Compliance. Allocation by Electrical Energy Product of any NEPOOL GIS Certificates claimed for Early Compliance pursuant to these regulations;
- (v) Attributes Allocated from Banked Compliance. Allocation by Electrical Energy Product of any NEPOOL GIS Certificates banked from one or both of the two previous years pursuant to these regulations that are used to demonstrate compliance in the current Compliance Year;
- (vi) Alternative Compliance Credits. Allocation by Electrical Energy Product of any Alternative Compliance Credits claimed pursuant to these regulations along with a copy of any Alternative Compliance Payment receipt(s) from the Renewable Energy Development Fund;
- (vii) Attributes Banked for Future Compliance. Identification of any NEPOOL GIS Certificates that the Obligated Entity anticipates claiming for purposes of Banked Compliance in subsequent years;

7.11 Early Compliance Filing. An Obligated Entity that anticipates claiming 2006 New Renewable NEPOOL GIS Certificates for purposes of compliance in 2007 under the Early Compliance provisions of Section 7.7 shall submit to the Commission an Early Compliance filing no later than July 1, 2007. Such Generation Attributes shall be reported in the Filing pursuant to the documentation requirements of these regulations.

8.0: Contracting Standards and Procurement Plans

[Note to the Commission: All the Group members agree to the approach for contracting and procurement described in this section, except for Cape Wind, FP&L, Spinblade Energy, RI EDC, TEC-RI and the Division.¹ These Group members believe that the purposes of the Act would better be served if electric distribution companies to the extent that they remain Obligated Entities were also required to consider procurement of renewable energy over longer periods of time that would more closely coincide with the typical project financing terms of new renewable facilities (see attached memo from Cape Wind describing its position, which is not necessarily supported in full by the other Group members supporting the language above). While the SEO and PP&L agree that the purposes of the Act would be better served if electric distribution companies were also required to consider procurement of renewable energy over longer periods of time, subject to appropriate conditions, they are prepared to accept the provisions described in this section.

Also, TEC-RI and SilentSherpa ECPS, as described in their June 13th memo already submitted by SilentSherpa in this docket, argue that the Renewable Energy Development Fund be subject to the standards for contracts and procurement plans for renewable energy resources set forth by the Rhode Island Public Utilities Commission pursuant to R.I G.L. Section 39-26-6 (a) (2) of the Act.² All the other Group members disagree, arguing that the Act assigns authority over how the Renewable Energy Development Fund should be used solely to the Economic Development Corporation. The entire Group with the exception of SilentSherpa ECPS, did agree, however, that the EDC should publish an annual report on the use of the alternative compliance payments (ACP), with reporting requirements delineated in the EDC's rules rather than the rules of the Commission.]

8.1 Standards for Contracts³:

Contracts for renewable energy certificate transactions by Obligated Entities to meet the Renewable Energy Standard shall contain provisions and terms to address the features and risks that are unique to the purchase of Eligible Renewable Energy Resources. Such terms may include the following:

- i. Definitions particular to renewable energy certificate transactions
- ii. Specialized financial instruments and warranties thereof
- iii. Purchase and sale of renewable energy certificates
- iv. Quantities
- v. Representations and warranties of the parties

¹ Albert H. Benson of US DOE who was an ex officio member of the Group indicated that he supports the Cape Wind et al. language.

² *SilentSherpa's correspondence has been subject to a July 21, 2005 written warning from Senior Legal Counsel Cynthia G. Wilson-Frias regarding ex parte communications.*

³ *Note to Commission These contracting standards apply directly to all Obligated Entities regulated by the PUC under these regulations, and can also serve as best practices guidelines that may be utilized by the RI EDC in administering the Renewable Energy Development Fund.*

- vi. Obligations of the parties
- vii. Relationship of the parties
- viii. Non-performance, and Remedies
- ix. Default
- x. Term, termination and waiver
- xi. Binding milestones, if any
- xii. Credit and Collateral, if any
- xiii. Additional agreements conforming to the nature of the transaction

8.2 Procurement Plans⁴

All obligated electric utility distribution companies must submit annual plans for procurement of NEPOOL GIS Certificates from Eligible Renewable Energy Resources for compliance with these regulations to the Commission (“Renewable Energy Procurement Plan”). Obligated electric distribution companies shall demonstrate to the Commission that, in preparation of the Renewable Energy Procurement Plan, such companies have:

- i. Determined their needs, including the demand for renewable energy certificates from Eligible Renewable Energy Resources under the range of anticipated future conditions
- ii. Developed a schedule of planned purchases of NEPOOL GIS Certificates from Eligible Renewable Energy Resources to supply the identified needs
- iii. Developed key criteria to evaluate the providers and product options
- iv. Identified the major risk factors and how mitigated
- v. Develop a process to implement the filed Renewable Energy Procurement Plan
- vi. Provided the means of monitoring the procurement over time to make sure it performs as planned, to hold counter parties accountable, and to identify areas where improvement is needed.

- 8.3 The Renewable Energy Procurement Plan shall contain the electric utility distribution company’s procedure for procuring its target percentage of Eligible Renewable Energy Resources for each Electrical Energy Product offered to End-use Customers. The Renewable Energy Procurement Plan shall provide for, at a minimum, separate Annual Request for Proposals (each, an “Annual RFP”) to meet its requirement for purchases of NEPOOL GIS Certificates from Eligible Renewable Energy Resources from

⁴ *Note to Commission: These procurement standards apply directly to electric utility companies obligated by these regulations and can also serve as best practices guidelines that may be utilized by other Obligated Entities in fulfilling their obligations under these regulations, and by the RI EDC in administering the Renewable Energy Development Fund.*

existing and new renewable energy sources and the conditions under which it may contract with Eligible Renewable Energy Resources between Annual RFPs. The Renewable Energy Procurement Plan shall be filed with the Commission annually. All the components of the Renewable Energy Procurement Plan shall be subject to Commission review and approval. Once a Renewable Energy Procurement Plan is approved by the Commission, the electric utility distribution company shall be authorized to acquire NEPOOL GIS Certificates from Eligible Renewable Energy Resources consistent with the approved plan and recover its costs incurred from procuring NEPOOL GIS Certificates from Eligible Renewable Energy Resources pursuant to the approved Renewable Energy Procurement Plan. The Commission may periodically review the Renewable Energy Procurement Plan to determine whether it should be prospectively modified due to changed market or other conditions.

- 8.4 The Commission shall authorize rate recovery by electric utility distribution companies of all prudently-incurred costs arising from the implementation of these regulations and its approval of a Renewable Energy Procurement Plan, including, without limitation, the purchases of NEPOOL GIS Certificates from Eligible Renewable Energy Resources, the payment of Alternative Compliance Payments, and required payments to support the NEPOOL GIS; except for those costs arising from sanctions for non-compliance.

8.5 Procurement During Standard Offer Period

During the period in which Standard Offer service is provided to customers, the Annual RFP shall request bids for NEPOOL GIS Certificates from Eligible Renewable Energy Resources for the following Periods: (I) the subsequent Standard Offer calendar year (and to satisfy any outstanding Standard Offer renewable obligations in the current calendar year), (II) the remaining Standard Offer period, and (III) the years 2010 and beyond. For the period 2010 and beyond the Annual RFP will request proposals for GIS Certificates that may also include bundled energy. Such bids will be solicited for periods individually as well as for long term offers spanning Periods I, II and III.

- (i) The electric distribution company shall share the bids received under the Annual RFP for Periods II and III above, initially with the State Energy Office (“SEO”) in its role as administrator of the Rhode Island Renewable Energy Fund and the Economic Development Corporation (“EDC”) as administrator of the Renewable Energy Development Fund and the Division of Public Utilities and Carriers (the “Division”). The SEO (and/or EDC) at their discretion and after executing a confidentiality agreement, may collaborate with the electric distribution company throughout the remainder of the procurement process, and implement complementary programs.
- (ii) The electric distribution company may purchase NEPOOL GIS Certificates from Eligible Renewable Energy Resources for Periods I and II above from the bids provided in the annual RFPs if such bids meet the established criteria of the Renewable Energy Procurement Plan. The electric distribution company may purchase NEPOOL GIS Certificates from Eligible Renewable Energy Resources for Periods I and II above from the bids provided in the Annual RFPs if such bids do not meet the established criteria of the Renewable Energy Procurement Plan provided such purchase is reviewed and approved by the Commission. The

electric distribution company shall file the results of its Annual Procurement Plan with the Commission.

- (iii) The electric distribution company will also request expressions of interest to purchase NEPOOL GIS Certificates from Eligible Renewable Energy Resources from any qualified interested party that executes a non-disclosure agreement with the electric distribution company (“Participating Purchaser”). A Participating Purchaser may purchase the remaining Eligible Renewable Energy Resources for Periods II or III above from the bids provided in response to the Annual RFPs. The electric distribution company shall share the bids with any Participating Purchaser, and shall delineate the process by which it will initiate negotiations between the bidders of Eligible Renewable Energy Resources and Participating Purchasers whereby the Eligible Renewable Energy Resources may be procured for Periods II and III, above. Both the electric distribution company and the Participating Purchaser shall have the right to decline to enter into a purchase commitment for any period or portion thereof.

9.0: Sanctions for Non-Compliance

- 9.1 Obligated Entities that fail to comply with the Commission’s rules related to the Renewable Energy Standard would first receive a warning letter with a stated date of compliance. If such Obligated Entity then failed to comply by date indicated in the warning letter its license would be suspended and it would not be allowed to enroll new customers. If problem is still not corrected by dates in the suspension notice, its license would be revoked. Outstanding payments (e.g., to the Alternative Compliance Payment) would include interest.
- 9.2 No sanction or penalty shall relieve or diminish an Obligated Entity from liability for fulfilling any shortfall in its compliance obligation, provided, however, that no sanction shall be imposed if compliance is achieved through Alternative Compliance Payments.
- 9.3 Financial penalties resulting from sanctions from Obligated Entities shall not be recoverable in rates of electric distribution companies as defined in Rhode Island General Laws section 39-1-2(12).
- 9.4 Generators that fail to abide by the Commission’s rules or who are found by the Commission after notice and opportunity for hearing to have reported falsely to the Commission are subject to the following sanctions:
 - (i) Immediate revocation or suspension of the Generator’s certification.
 - (ii) The Commission may order the Generator to make payments to the Renewable Economic Development Corporation in the amount of the Alternative Compliance Payment multiplied by the number of NEPOOL GIS Certificates involved in the false reporting.
 - (iii) The Commission may also order generators that have reported falsely to secure substitute NEPOOL GIS Certificates in the number involved in the false reporting and retire them)

- (iv) NEPOOL GIS Certificates purchased by Obligated Entities later found to be tainted will not be deemed ineligible for compliance purposes unless it can be demonstrated that the Obligated Entity was aware of the problem.
- (v) Once a generator has paid the penalties and brought the facility into compliance it can be recertified by the Commission. Recertification will be effected by the same process as outlined in Section 6 of these rules.
- (vi) Additionally, generators and obligated entities reporting falsely to the Commission are subject to laws against perjury.⁵

Attachment A:
Model Compliance Forms for 2006-2008

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888
RENEWABLE ENERGY STANDARD
RES 2006 EARLY COMPLIANCE FILING
FOR Calendar Year 2006
BY Obligated Entities
Pursuant to the Renewable Energy Standard Regulations

INSTRUCTIONS FOR *TABLE ONE*

General Instructions

Table One is being provided electronically as a MS Excel spreadsheet, as well as a table in the MS Word and PDF versions of the 2006 *Filing*. In your signed, hard copy version of the Filing, you may provide a printout of whatever electronic spreadsheet you use to complete the Table One. In addition, you **must** send the electronic spreadsheet version of Table One to the RI PUC by e-mail.

In Table One, enter the numbers and/or names for each NEPOOL GIS sub-account for Electrical Energy Products offered for sale in Rhode Island in Calendar Year 2006 (column B), and the total quantity of electricity sold under each product (column C). In column D enter the quantity of New and Existing Renewable Energy Resource Certificates that you have acquired and now own for the purpose of Rhode Island RES Early Compliance in Calendar Year 2006.

Each NEPOOL-GIS sub-account must be entered on a separate line in the table, and information must be entered separately on each line in columns B through D.

Note that the RI RES Generation Attributes reported in the *Early Compliance Filing* may not be sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island. Also note that RI RES Generation Attributes reported specifically for RES compliance in an *Early Compliance Filing* cannot also be used to satisfy marketing claims for a Green Power Product in any Compliance Year in RI or in any other state.

Instructions on the Table One Columns and on Documentation of Information

Column C: Total Electricity Sold in Calendar Year 2006 for each Electrical Electricity Product

Documentation of this information is provided by the quarterly NEPOOL GIS reports required in the instructions for Column D, below.

The RES regulations in Section 7.5 also provide that Obligated Entities must arrange with the ISO Meter Reader to provide to the Commission final, reconciled values of the Real-Time Load Obligations for each Load Asset in the New England Markets that represents the electricity sold by an Obligated Entity at retail to Rhode Island end-use customers.

Column D: Early Compliance Attributes from Calendar Year 2006

The RES regulations, in Section 7.7, provide that “An Obligated Entity seeking to use NEPOOL GIS certificates associated with production during the calendar year 2006 for compliance in Compliance Year shall be subject to the following limitations. The Obligated Entity shall demonstrate to the satisfaction of the Commission that such NEPOOL GIS certificates were retired in a Reserved Certificate Account designated for such purposes in accordance with Section 7.4.iii.”

For the quantity of Early Compliance Certificates listed in column D for each Electrical Energy Product in Table One, provide documentation as Attachment 1 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Reserved Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New or Existing Renewable Energy Resource Certificates) for each of the four quarters of 2006 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a.** Submit a printout of the HTML (web) version of each of those reports; and
- b.** Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to Luly Massaro at Lmassaro@puc.state.RI.us.

**Rhode Island Public Utilities Commission
RENEWABLE ENERGY STANDARD
RES 2006 EARLY COMPLIANCE FILING
FOR COMPLIANCE YEAR 2006
BY Obligated Entities**

SECTION 1 Identification and Contact Information

1.1 Name of Obligated Entity:

Legal Name: _____

Any Other Name(s) Used in the Retail Electricity Market in Rhode Island:

1.2 Name of Contact Person:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

1.3 Name of Authorized Representative:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

SECTION 4: Certification

Sign and date both Certifications on this page.

In addition, provide documentation, in accordance with the instructions below – attaching, if applicable, Appendix A or Appendix B – that demonstrates the authority of the Authorized Representative named in Section 1.3 to certify and submit this *Early Compliance Filing*.

Corporations

If the Obligated Entity is a corporation, the Authorized Representative shall attach **either**:

(a) A board of directors vote granting authority to the Authorized Representative to execute the *Early Compliance Filing*, **or**

(b) A certification from the Corporation stating that the Authorized Representative is authorized to execute the *Early Compliance Filing*, or is otherwise authorized to legally bind the corporation in like matters.

Individuals

If the Obligated Entity is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Obligated Entity, duly notarized, that certifies that the Authorized Representative has authority to execute the *Early Compliance Filing*.

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.)

If the Obligated Entity is not an individual or a corporation, the Authorized Representative shall provide APPENDIX B or other executed resolution indicating that the person named in section 1.3 has authority to execute the *Early Compliance Filing*.

I hereby certify, under pains and penalties of perjury, that the RI Renewable Energy Resource Attribute Certificates reported in this *Early Compliance Filing* have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.

Signature of Authorized Representative

Date

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and that, based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted in this *Early Compliance Filing*. The *Early Compliance Filing* includes the *Early Compliance Filing* form and all required Appendices and Attachments.

Signature of Authorized Representative

Date

APPENDIX A
(Required when Retail Electricity Supplier Is an Individual)
Rhode Island Public Utilities Commission
EARLY COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

I, _____, the Obligated Entity named in Section 1.1 of the attached *RES 2006 Early Compliance Filing*, under the pains and penalties of perjury, hereby certify that _____, named in Section 1.3 of the attached *RPS 2006 Early Compliance Filing*, is authorized to execute this *RPS 2006 Early Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said individual verified his/her identity to me on this date: _____, 2006.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL

APPENDIX B
**(Required when Retail Electricity Supplier Is a Non-Corporate Entity
Other Than an Individual)**
Rhode Island Public Utility Commission
EARLY COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

RESOLUTION OF AUTHORIZATION

Resolved: that _____, named in Section 1.3 of the *RES 2006 Early Compliance Filing* as Authorized Representative, is authorized to execute the *RES 2006 Early Compliance Filing* on the behalf of _____, the Obligated Entity named in Section 1.1 of the *RES 2006 Early Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said person stated that he/she is authorized to execute this resolution, and that the individual verified his/her identity to me, on this date: _____, 2006.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL:

SECTION 2 Annual Sales and New and Existing Renewable Resource Certificates for Each Electrical Energy Product

TABLE ONE: Early Compliance for Calendar Year 2006

A	B	C	D
	Sub-Account and/or Product Name	Total Electricity Sold in Calendar Year 2006 for each Electrical Energy Product	Calendar Year 2006 Early Compliance Certificates
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
Subtotal			
Total			

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888
RENEWABLE ENERGY STANDARD
RES 2007 ANNUAL COMPLIANCE FILING
FOR COMPLIANCE YEAR 2007
BY Obligated Entities
Pursuant to the Renewable Energy Standard Regulations

INSTRUCTIONS FOR *TABLE ONE*

General Instructions

Table One is being provided electronically as a MS Excel spreadsheet, as well as a table in the MS Word and PDF versions of the 2007 *Filing*. In your signed, hard copy version of the Filing, you may provide a printout of whatever electronic spreadsheet you use to complete the Table One. In addition, you **must** send the electronic spreadsheet version of Table One to the RI PUC by e-mail.

Note that the spreadsheet version of Table One includes formulae in some columns, and that the spreadsheet is “protected” but without password. Please contact the RPS Program Manager if you require assistance.

In Table One, enter the numbers and/or names for each NEPOOL GIS sub-account for Electrical Energy Products offered for sale in Rhode Island in CY 2007 (column B), and the total quantity of electricity sold under each product (column C). In columns D through FG enter the quantity of New and Existing Renewable Energy Resource Certificates that you have acquired and now own for the purpose of Rhode Island RES Annual Compliance in CY 2007.

Each NEPOOL-GIS sub-account must be entered on a separate line in the table, and information must be entered separately on each line in columns B through FE (except as provided below). The reason for such separate entry is that documentation of the information will consist of quarterly NEPOOL-GIS reports that will separately identify those sub-accounts and show RES-qualified certificates settled in those sub-accounts. However, pursuant to the regulatory definition of Electrical Electricity Product, if two or more sub-accounts are identical in their Attributes, then a subtotal line may be entered below the lines for those sub-accounts in the table, and aggregated information may be entered on that subtotal line in columns F through HI (but not for columns C, D, an E and Fd E).

Enter the Attributes in the appropriate columns D through GF, in accordance with the compliance or documentation types identified at the column heads and detailed in the instructions. See below for detailed instructions on specific columns and on documentation of the information entered in columns D through GF. Instructions for columns H, I, J and K and L are in the respective column headings themselves. The electronic spreadsheet version of Table One includes formulae for columns HG through NL, and for the column totals.

Note that the RI RES Generation Attributes reported in the *Annual Compliance Filing* may not be sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.

Also note that RI RES Generation Attributes reported specifically for RES compliance in an *Annual Compliance Filing* cannot also be used to satisfy marketing claims for a Green Power Product in the same or any other Compliance Year, in RI or in any other state.

The total for each Electrical Energy Product (or Product subtotal, as defined above) in column H must equal or exceed the three percent (3.0%) figure for that Product (or Product subtotal) in column K. If that is not the case, then you are not in compliance with the RES regulations for CY 2007 and will be subject to Section 9.0 of the RES regulations. However, Alternative Compliance (see instructions for Column G, below) should enable all Obligated Entities to comply.

Instructions on the Table One Columns and on Documentation of Information

Column C: Total Electricity Sold in CY 2007 for each Electrical Electricity Product

Documentation of this information is provided by the quarterly NEPOOL GIS reports required in the instructions for Column D, below.

The RES regulations in Section 7.5 also provides that Obligated Entities must arrange with the ISO Meter Reader to provide to the Commission final, reconciled values of the Real-Time Load Obligations for each Load Asset in the New England Markets that represents the electricity sold by an Obligated Entity at retail to Rhode Island end-use customers.

Column D: CY 2007 NEPOOL GIS New Renewable Energy Resource Certificates

For the quantity of New Renewable Energy Resource Certificates listed in column D for each Electrical Energy Product in Table One, provide documentation as an Attachment 1 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Settled Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New Renewable Energy Resource Certificates) for each of the four quarters of 2007 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to XXXLuly Massaro, Commission Clerk whose e-mail address is lmassaro@puc.state.RI.us.

*If any of your certificates were **not** settled in sub-accounts, you must contact the RPS Program Manager for additional instructions on documentation.*

Column E: CY 2007 NEPOOL GIS New or Existing Renewable Energy Resource Certificates

For the quantity of New or Existing Renewable Energy Resource Certificates listed in column E for each Electrical Energy Product in Table One, provide documentation as an Attachment 2 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Settled Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New or Existing Renewable Energy Resource Certificates) for each of the four quarters of 2007 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to XXXLuly Massaro, Commission Clerk lmassaro@puc.state.RI.us.

*If any of your certificates were **not** settled in sub-accounts, you must contact the RPS Program Manager for additional instructions on documentation.*

Column F: Early Compliance Attributes from CY 2006

The RES regulations, in Section 7.76.2, provide that “An Obligated Entity seeking to use NEPOOL GIS certificates associated with production during the calendar year 2006 for compliance in Compliance Year shall be subject to the following limitations. The Obligated Entity

shall demonstrate to the satisfaction of the Commission that such NEPOOL GIS certificates were retired in a Reserved Certificate Account designated for such purposes in accordance with Section 7.4.iii3.”

For the quantity of Early Compliance Certificates listed in column F for each Electrical Energy Product in Table One, provide documentation as an Attachment 3 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Reserved Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New or Existing Renewable Energy Resource Certificates) for each of the four quarters of 20067 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to XXXLuly Massaro at Lmassaro@puc.state.RI.us.
If any of your certificates were not reserved, you must contact the RPS Program Manager for additional instructions on documentation.

Column G: CY 2007 Alternative Compliance Credits (from Alternative Compliance Payments)

- a. In order to determine if you do require Alternative Compliance Credits (“AC Credits”), do the following:

Fill out a copy of Table One without consideration of AC Credits (i.e., enter no numbers in Column G).

For each of your Products or Product subtotals, see if you are short of the One Three and a Half Percent (3.0%) RES obligation.

If you are short for any of them, then you *do* require AC Credits in order to comply with REPS for CY 2007.

Otherwise, you do *not* require AC Credits in order to comply.

- b. To determine how many AC Credits you need, if any, add up the amounts (in MWh) by which you are short.

If the total is not a whole number, round it up to the next whole number [The electronic spreadsheet version of Table One includes a formula to provide this result.].

(*Note* here that you cannot shift certificates between NEPOOL-GIS sub-accounts after the end of the trading period during which they were settled. However, some of the sub-accounts may be aggregated per the General Instruction on page iii, depending on how those sub-account products were defined. Also, although excess Attributes for a particular Product cannot be shifted to another Product, they can be “banked” for compliance in a future Compliance Year [see Column NF instructions].)

- c. To obtain AC Credits, you will need to make an Alternative Compliance Payment (ACP) to the Rhode Island Economic Development Fund (RI EDCCD).

The ACP should be made no later than XXX, in order for the RI EDC to have sufficient time to process the payment and email you an ACP Receipt by XX so you can include it with your Filing.

- d. To calculate the amount of your ACP, multiply the total of your unmet RES Attribute obligation (a whole

number, otherwise rounded up) by the ACP Rate for CY 2007: **\$50.00 per MWh**. [Note that the ACP Rate is revised for each Compliance Year.]

e. The ACP must be wired directly to the RI EDC. ACP wire instructions and ACP Notification forms can be obtained by contacting XXX at the RI EDC, by phone at XXX or by email at XXX.

f. The total number of AC Credits that you enter in Column G, which you will have calculated and included in your ACP Notification to the RI EDC, will also be listed on your ACP Receipt from the RI EDC.

g. Although you will not *officially* “receive” the AC Credits from the Commission until our acceptance of your ACP documentation, distribute the calculated AC Credits among the Products (and/or Product subtotals) in Column G of Table One.

h. If you avail yourself of the Alternative Compliance option, document your ACP by providing as Attachment 4 a copy of your ACP Receipt from the RI EDCMTC.

Column H: Total of Columns D through FG for Each Product [or Product Subtotal]

The column head is self-explanatory.

The electronic spreadsheet version of Table One will execute this calculation.

Column I: 1.0 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 1.0% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Column J: 2.0 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 2.0% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Column K: 3.0 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 3.0% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Columns L, M, and N: Calculation of Excess Attributes from 2007 and of Their Availability for Banking for CY 2008 and 2009 Compliance

The electronic spreadsheet version of Table One will execute the calculations described below.

Use these three columns to determine if you have any Attributes in excess of the number needed for RES compliance in CY 2007, and, if so, how many may be used for Banked Compliance in one or both of the next two Compliance Years (2008 and 2009).

Instructions are in the three columns themselves in the MS Word and PDF versions of the *Filing* forms, but not in the electronic spreadsheet version, where they are reflected in the formulae. Note that these calculations use only column totals.

**Rhode Island Public Utilities Commission
RENEWABLE ENERGY STANDARD
RES 2007 ANNUAL COMPLIANCE FILING
FOR COMPLIANCE YEAR 2007
BY Obligated Entities**

SECTION 1 Identification and Contact Information

1.1 Name of Obligated Entity:

Legal Name: _____

Any Other Name(s) Used in the Retail Electricity Market in Rhode Island:

1.2 Name of Contact Person:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

1.3 Name of Authorized Representative:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

SECTION 4: Certification

Sign and date both Certifications on this page.

In addition, provide documentation, in accordance with the instructions below – attaching, if applicable, Appendix A or Appendix B – that demonstrates the authority of the Authorized Representative named in Section 1.3 to certify and submit this *Annual Compliance Filing*.

Corporations

If the Obligated Entity is a corporation, the Authorized Representative shall attach **either**:

- (a) A board of directors vote granting authority to the Authorized Representative to execute the *Annual Compliance Filing*, **or**
- (b) A certification from the Corporation stating that the Authorized Representative is authorized to execute the *Annual Compliance Filing*, or is otherwise authorized to legally bind the corporation in like matters.

Individuals

If the Obligated Entity is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Obligated Entity, duly notarized, that certifies that the Authorized Representative has authority to execute the *Annual Compliance Filing*.

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.)

If the Obligated Entity is not an individual or a corporation, the Authorized Representative shall provide APPENDIX B or other executed resolution indicating that the person named in section 1.3 has authority to execute the *Annual Compliance Filing*.

I hereby certify, under pains and penalties of perjury, that the RI Renewable Energy Resource Attribute Certificates reported in this *Annual Compliance Filing* have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.

Signature of Authorized Representative

Date

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and that, based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted in this *Annual Compliance Filing*. The *Annual Compliance Filing* includes the *Annual Compliance Filing* form and all required Appendices and Attachments.

Signature of Authorized Representative

Date

APPENDIX A
(Required when Retail Electricity Supplier Is an Individual)
Rhode Island Public Utilities Commission
ANNUAL COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

I, _____, the Obligated Entity named in Section 1.1 of the attached *RES 2007 Annual Compliance Filing*, under the pains and penalties of perjury, hereby certify that _____, named in Section 1.3 of the attached *RPS 2007 Annual Compliance Filing*, is authorized to execute this *RPS 2007 Annual Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said individual verified his/her identity to me on this date: _____, 2007.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL

APPENDIX B
(Required when Retail Electricity Supplier Is a Non-Corporate Entity
Other Than an Individual)
Rhode Island Public Utility Commission
ANNUAL COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

RESOLUTION OF AUTHORIZATION

Resolved: that _____, named in Section 1.3 of the *RES 2007 Annual Compliance Filing* as Authorized Representative, is authorized to execute the *RES 2007 Annual Compliance Filing* on the behalf of _____, the Obligated Entity named in Section 1.1 of the *RES 2007 Annual Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said person stated that he/she is authorized to execute this resolution, and that the individual verified his/her identity to me, on this date: _____, 2007.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL:

SECTION 2 Annual Sales and New and Existing Renewable Resource Certificates for Each Electrical Energy Product

TABLE ONE: Compliance for CY 2007

A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Sub-Account and/or Product Name	Total Electricity Sold in Calendar Year 2007 for each Electrical Energy Product	CY 2007 NEPOOL GIS RI New Renewable Energy Resource Certificates	CY 2007 NEPOOL GIS RI New or Existing Renewable Energy Resource Certificates	CY 2006 Early Compliance Certificates	CY 2007 Alternative Compliance Credits	Total of columns D through F for each Product [or Product subtotal]	1.0% of Total Sales for each Product [or Product subtotal] [1.0% of Column C]	2.0% of Total Sales for each Product [or Product subtotal] [2.0% of Column C]	3.0% of Total Sales for each Product [or Product subtotal] [3.0% of Column C]	Quantity of excess Attributes from CY 2007	Limit on excess Attributes available for Banking	Quantity of excess 2007 Attributes that can be banked
1							0	0	0	0		0.3	
2							0	0	0	0		0.3	
3							0	0	0	0		0.3	
4							0	0	0	0		0.3	
5							0	0	0	0		0.3	
6							0	0	0	0		0.3	
7							0	0	0	0		0.3	
8							0	0	0	0		0.3	
9							0	0	0	0		0.3	
10							0	0	0	0		0.3	
11							0	0	0	0		0.3	
12							0	0	0	0		0.3	
Total							0	0	0	0			

Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888
RENEWABLE ENERGY STANDARD
RES 2008 ANNUAL COMPLIANCE FILING
FOR COMPLIANCE YEAR 2008
BY Obligated Entities
Pursuant to the Renewable Energy Standard Regulations

INSTRUCTIONS FOR *TABLE ONE*

General Instructions

Table One is being provided electronically as a MS Excel spreadsheet, as well as a table in the MS Word and PDF versions of the 2008 *Filing*. In your signed, hard copy version of the Filing, you may provide a printout of whatever electronic spreadsheet you use to complete the Table One. In addition, you **must** send the electronic spreadsheet version of Table One to the RI PUC by e-mail.

Note that the spreadsheet version of Table One includes formulae in some columns, and that the spreadsheet is “protected” but without password. Please contact the RPS Program Manager if you require assistance.

In Table One, enter the numbers and/or names for each NEPOOL GIS sub-account for Electrical Energy Products offered for sale in Rhode Island in CY 2008 (column B), and the total quantity of electricity sold under each product (column C). In columns D through F enter the quantity of New and Existing Renewable Energy Resource Certificates that you have acquired and now own for the purpose of Rhode Island RES Annual Compliance in CY 2008.

Each NEPOOL-GIS sub-account must be entered on a separate line in the table, and information must be entered separately on each line in columns B through F (except as provided below). The reason for such separate entry is that documentation of the information will consist of quarterly NEPOOL-GIS reports that will separately identify those sub-accounts and show RES-qualified certificates settled in those sub-accounts. However, pursuant to the regulatory definition of Electrical Electricity Product, if two or more sub-accounts are identical in their Attributes, then a subtotal line may be entered below the lines for those sub-accounts in the table, and aggregated information may be entered on that subtotal line in column H (but not for columns C, D, E, and F).

Enter the Attributes in the appropriate columns D through F, in accordance with the compliance or documentation types identified at the column heads and detailed in the instructions. See below for detailed instructions on specific columns and on documentation of the information entered in columns D through F. Instructions for columns H, I, J and K are in the respective column headings themselves. The electronic spreadsheet version of Table One includes formulae for columns H through N, and for the column totals.

Note that the RI RES Generation Attributes reported in the *Annual Compliance Filing* may not be sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.

Also note that RI RES Generation Attributes reported specifically for RES compliance in an *Annual Compliance Filing* cannot also be used to satisfy marketing claims for a Green Power Product in the same or any other Compliance Year, in RI or in any other state.

The total for each Electrical Energy Product (or Product subtotal, as defined above) in column H must equal or exceed the three and one-half percent (3.5%) figure for that Product (or Product subtotal) in column K. If that is not the case, then you are not in compliance with the RES regulations for CY 2008 and will be subject to Section 9.0 of the RES regulations. However, Alternative Compliance (see instructions for Column G, below) should enable all Obligated Entities to comply.

Instructions on the Table One Columns and on Documentation of Information

Column C: Total Electricity Sold in CY 2008 for each Electrical Electricity Product

Documentation of this information is provided by the quarterly NEPOOL GIS reports required in the instructions for Column D, below.

The RES regulations in Section 7.5 also provides that Obligated Entities must arrange with the ISO Meter Reader to provide to the Commission final, reconciled values of the Real-Time Load Obligations for each Load Asset in the New England Markets that represents the electricity sold by an Obligated Entity at retail to Rhode Island end-use customers.

Column D: CY 2008 NEPOOL GIS New Renewable Energy Resource Certificates

For the quantity of New Renewable Energy Resource Certificates listed in column D for each Electrical Energy Product in Table One, provide documentation as Attachment 1 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Settled Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New Renewable Energy Resource Certificates) for each of the four quarters of 2008 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to Luly Massaro, Commission Clerk whose e-mail address is lmassaro@puc.state.RI.us.

*If any of your certificates were **not** settled in sub-accounts, you must contact the RPS Program Manager for additional instructions on documentation.*

Column E: CY 2008 NEPOOL GIS New or Existing Renewable Energy Resource Certificates

For the quantity of New or Existing Renewable Energy Resource Certificates listed in column E for each Electrical Energy Product in Table One, provide documentation as Attachment 2 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS “My Settled Certificates Disposition” report (including certificate serial numbers and demarcation that the certificates qualify as RI New or Existing Renewable Energy Resource Certificates) for each of the four quarters of 2008 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to Luly Massaro, Commission Clerk lmassaro@puc.state.RI.us.

*If any of your certificates were **not** settled in sub-accounts, you must contact the RPS Program Manager for additional instructions on documentation.*

Column F: CY 2007 NEPOOL GIS Banked Renewable Energy Resource Certificates

For the quantity of 2007 Banked Renewable Energy Resource Certificates listed in column F for each Electrical Energy Product in Table One, provide documentation as Attachment 3 to the *Filing*. That documentation shall consist of two versions of the NEPOOL GIS "My Reserved Certificates Disposition" report (including certificate serial numbers and demarcation that the certificates qualify as RI New or Existing Renewable Energy Resource Certificates) for each of the four quarters of 2007 (regardless of your sales and certificate activities for a particular quarter), as follows:

- a. Submit a printout of the HTML (web) version of each of those reports; and
- b. Download each of those reports as an MS Excel file (each with a descriptive filename, including your company name and the quarter), and submit those files to the RI PUC by e-mail, addressed to Luly Massaro, Commission Clerk lmassaro@puc.state.RI.us.
*If any of your certificates were **not** reserved, you must contact the RPS Program Manager for additional instructions on documentation.*

Column G: CY 2008 Alternative Compliance Credits (from Alternative Compliance Payments)

- a. In order to determine if you do require Alternative Compliance Credits ("AC Credits"), do the following:

Fill out a copy of Table One without consideration of AC Credits (i.e., enter no numbers in Column G).

For each of your Products or Product subtotals, see if you are short of the Three and a Half Percent (3.5%) RES obligation.

If you are short for any of them, then you *do* require AC Credits in order to comply with RES for CY 2008.

Otherwise, you do *not* require AC Credits in order to comply.

- b. To determine how many AC Credits you need, if any, add up the amounts (in MWh) by which you are short.

*If the total is not a whole number, round it **up** to the next whole number* [The electronic spreadsheet version of Table One includes a formula to provide this result.].

(*Note* here that you cannot shift certificates between NEPOOL-GIS sub-accounts after the end of the trading period during which they were settled. However, some of the sub-accounts may be aggregated per the General Instruction on page iii, depending on how those sub-account products were defined. Also, although excess Attributes for a particular Product cannot be shifted to another Product, they can be "banked" for compliance in a future Compliance Year [see Column N instructions].)

- c. To obtain AC Credits, you will need to make an Alternative Compliance Payment (ACP) to the Rhode Island Economic Development Fund (RI EDC)

The ACP should be made no later than XXX, in order for the RI EDC to have sufficient time to process the payment and email you an ACP Receipt by XX so you can include it with your Filing.

- d. To calculate the amount of your ACP, multiply the total of your unmet RES Attribute obligation (a whole number, otherwise rounded up) by the ACP Rate for CY 2008: **\$50.00 per MWh**. [Note that the ACP Rate is revised for each Compliance Year.]

- e. The ACP must be wired directly to the RI EDC. ACP wire instructions and ACP Notification forms can be obtained by contacting XXX at the RI EDC, by phone at XXX or by email at XXX.

f. The total number of AC Credits that you enter in Column G, which you will have calculated and included in your ACP Notification to the RI EDC, will also be listed on your ACP Receipt from the RI EDC.

g. Although you will not *officially* “receive” the AC Credits from the Commission until our acceptance of your ACP documentation, distribute the calculated AC Credits among the Products (and/or Product subtotals) in Column G of Table One.

h. If you avail yourself of the Alternative Compliance option, document your ACP by providing as Attachment 4 a copy of your ACP Receipt from the RI EDC.

Column H: Total of Columns D through G for Each Product [or Product Subtotal]

The column head is self-explanatory.

The electronic spreadsheet version of Table One will execute this calculation.

Column I: 1.5 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 1.5% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Column J: 2.0 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 2.0% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Column K: 3.5 % of Total Sales for Each Product [or Product Subtotal]

Instructions are in the column head: 3.5% of Column C.

The electronic spreadsheet version of Table One will execute his calculation.

Columns L, M, and N: Calculation of Excess Attributes from 2008 and of Their Availability for Banking

The electronic spreadsheet version of Table One will execute the calculations described below.

Use these three columns to determine if you have any Attributes in excess of the number needed for RES compliance in CY 2008, and, if so, how many may be used for Banked Compliance in one or both of the next two Compliance Years (2008 and 2009).

Instructions are in the three columns themselves in the MS Word and PDF versions of the *Filing* forms, but not in the electronic spreadsheet version, where they are reflected in the formulae. Note that these calculations use only column totals.

**Rhode Island Public Utilities Commission
RENEWABLE ENERGY STANDARD
RES 2008 ANNUAL COMPLIANCE FILING
FOR COMPLIANCE YEAR 2008
BY Obligated Entities**

SECTION 1 Identification and Contact Information

1.1 Name of Obligated Entity:

Legal Name: _____

Any Other Name(s) Used in the Retail Electricity Market in Rhode Island:

1.2 Name of Contact Person:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

1.3 Name of Authorized Representative:

Title: _____
Address: _____

Phone: _____
Fax: _____
E-mail: _____

SECTION 4: Certification

Sign and date both Certifications on this page.

In addition, provide documentation, in accordance with the instructions below – attaching, if applicable, Appendix A or Appendix B – that demonstrates the authority of the Authorized Representative named in Section 1.3 to certify and submit this *Annual Compliance Filing*.

Corporations

If the Obligated Entity is a corporation, the Authorized Representative shall attach **either**:

- (a) A board of directors vote granting authority to the Authorized Representative to execute the *Annual Compliance Filing*, **or**
- (b) A certification from the Corporation stating that the Authorized Representative is authorized to execute the *Annual Compliance Filing*, or is otherwise authorized to legally bind the corporation in like matters.

Individuals

If the Obligated Entity is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Obligated Entity, duly notarized, that certifies that the Authorized Representative has authority to execute the *Annual Compliance Filing*.

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.)

If the Obligated Entity is not an individual or a corporation, the Authorized Representative shall provide APPENDIX B or other executed resolution indicating that the person named in section 1.3 has authority to execute the *Annual Compliance Filing*.

I hereby certify, under pains and penalties of perjury, that the RI Renewable Energy Resource Attribute Certificates reported in this *Annual Compliance Filing* have not otherwise been, nor will be, sold, retired, claimed or represented as part of electrical energy output or sales, or used to satisfy obligations in jurisdictions other than Rhode Island.

Signature of Authorized Representative Date

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and that, based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted in this *Annual Compliance Filing*. The *Annual Compliance Filing* includes the *Annual Compliance Filing* form and all required Appendices and Attachments.

Signature of Authorized Representative Date

APPENDIX A
(Required when Retail Electricity Supplier Is an Individual)
Rhode Island Public Utilities Commission
ANNUAL COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

I, _____, the Obligated Entity named in Section 1.1 of the attached *RES 2008 Annual Compliance Filing*, under the pains and penalties of perjury, hereby certify that _____, named in Section 1.3 of the attached *RPS 2008 Annual Compliance Filing*, is authorized to execute this *RPS 2008 Annual Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said individual verified his/her identity to me on this date: _____, 2008.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL

APPENDIX B
(Required when Retail Electricity Supplier Is a Non-Corporate Entity
Other Than an Individual)
Rhode Island Public Utility Commission
ANNUAL COMPLIANCE FILING
Pursuant to the Renewable Energy Standard

RESOLUTION OF AUTHORIZATION

Resolved: that _____, named in Section 1.3 of the *RES 2008 Annual Compliance Filing* as Authorized Representative, is authorized to execute the *RES 2008 Annual Compliance Filing* on the behalf of _____, the Obligated Entity named in Section 1.1 of the *RES 2008 Annual Compliance Filing*.

SIGNATURE:

DATE:

(title)

(TO BE COMPLETED BY NOTARY)

I, _____, as a notary public, certify that I witnessed the signature of the above named _____, and that said person stated that he/she is authorized to execute this resolution, and that the individual verified his/her identity to me, on this date: _____, 2008.

SIGNATURE:

DATE:

My commission expires on: _____

NOTARY SEAL:

SECTION 2 Annual Sales and New and Existing Renewable Resource Certificates for Each Electrical Energy Product

TABLE ONE: Compliance for CY 2008

A	B	C	D	E	F	G	H	I	J	I	K	L	M	N
	Sub-Account and/or Product Name	Total Electricity Sold in Calendar Year 2008 for each Electrical Energy Product	CY 2008 NEPOOL GIS RI New Renewable Energy Resource Certificates	CY 2008 NEPOOL GIS RI New or Existing Renewable Energy Resource Certificates	CY 2007 NEPOOL GIS RI Banked Renewable Energy Resource Certificates	CY 2008 Alternative Compliance Credits	Total of columns D through F for each Product [or Product subtotal]	1.5% of Total Sales for each Product [or Product subtotal] [1.5% of Column C]	2.0% of Total Sales for each Product [or Product subtotal] [2.0% of Column C]	2.0% of Total Sales for each Product [or Product subtotal] [1.0% of Column C]	3.5% of Total Sales for each Product [or Product subtotal] [3.5% of Column C]	Quantity of excess Attributes from CY 2008	Limit on excess Attributes available for Banking	Quantity of excess 2008 Attributes that can be banked
1							0	0	0	0	0		0.3	0
2							0	0	0	#VALUE!	0		0.3	0
3							0	0	0	0	0		0.3	0
4							0	0	0	0	0		0.3	0
5							0	0	0	0	0		0.3	0
6							0	0	0	0	0		0.3	0
7							0	0	0	0	0		0.3	0
8							0	0	0	0	0		0.3	0
9							0	0	0	0	0		0.3	0
10							0	0	0	0	0		0.3	0
11							0	0	0	0	0		0.3	0
12							0	0	0	0	0		0.3	0
Total							0	0	0	#VALUE!	0			0

Attachment B: Technical Corrections

The following are *Technical Corrections* identified during the Negotiated Rulemaking process, to be considered for inclusion in clean-up legislation.

- The following paragraph appears to be a stray from the enabling legislation, having no use other than in the definitions section. It should be stricken from the law (consensus): “*Self-Generator: means an End-use Customer in Rhode Island that displaces all or part of its retail electricity consumption, as metered by the distribution utility to which it interconnects, through the use of a Customer-Sited Generation Facility*”;
- In final legislative definition of small hydro facility, one digit of the reference to the Code of Federal Regulations appeared to be dropped from earlier versions of the bill: Section 92.201 (a)(2)(i) and (ii) should read Section 292.204(a)(2)(i) and (ii).
- In definition of Obligated Entity, the Act states “Block Island Power Company as described in 39-26-7”, but there is no such description. This appears to be a legislative orphan, the reference was stricken in final bill.

Attachment C:
Cape Wind May 11 Memo to Group on Long-Term Commitments

POSITION ON LONG-TERM UTILITY COMMITMENTS FOR RPS

RIPUC Docket NO. 3659

1. The Legislature Anticipated Long-Term RPS Commitments by Utilities.

It is essential that the RIPUC's regulations include provisions for long-term commitments by electric utilities in order to stimulate the investment in renewable energy facilities anticipated by the Legislature. As an initial matter, Section 39-26-2(16) defines "obligated entity" in a way that plainly includes utility distribution companies supplying "standard offer service, last resort service, or any successor service to end user customers," such that there can be no questions that utility RPS obligations are long-term, and will continue throughout all stages of the deregulation process. Section 39-26-6 further provides that the Commission shall adopt regulations for the purposes including the establishment of "standards for contracts and procurement plans for renewable energy resources, to achieve the purpose of this chapter."

The Act also sets forth a mechanism by which such commitments can be satisfied, without risk to the utility, in a way that leads to the long-term credit support needed to make the RPS work. Section 39-26-7 ("Renewable Energy Development Fund") provides as follows:

The Economic Development Corporation shall enter into agreements with obligated entities to accept alternative compliance payments, consistent with rules of the commission in the purposes set forth in this section; and alternative compliance payments received pursuant to this section shall be trust funds to be held and applied solely for the purposes set forth in this section.

Subsection (c) thereof goes on to define such purposes to include "stimulating investment in renewable energy development by entering into agreements, including multi-year agreements, for renewable energy certificates" and "issuing assurances and/or guarantees to support the acquisitions of renewable energy certificates and/or the development of new renewable energy sources for Rhode Island."

The relation of the utilities to such process is further explained at § 39-26-4(e), which specifies that an obligated entity may discharge "all or any portion of its compliance obligations by making an alternative compliance payment to the Renewable Energy Development Fund established pursuant to Section 39-26-7." Section 39-26-6(e) further provides that, in such case, the utility will be held harmless from any sanction by the Commission: "No sanction shall be imposed if compliance is achieved through alternative compliance payments." Finally, §39-26-7 (d) provides that RECs acquired by the EDC pursuant to such process may be conveyed to the obligated entities or credited against their obligations, with the cost of the RECs assessed to the obligated entity, with such costs "reduced by previously made alternative compliance payments."

Thus, the Legislature has set forth an integrated plan for utilities to enter into long-term agreements with the EDC, which agreements will then form the financial basis for the EDC's long-term agreements with developers, with the resulting RECs to be applied to the account of the obligated utility. The plan thereby provides the forward revenue stream for EDC, the designated state contracting entity with the requisite financial and development expertise, to make the necessary long-term REC commitments. The Regulations of the Commission must provide a clear means to achieve these results and to appropriately insulate obligated utilities from any exposure to shareholder risk or sanction under such arrangements.

2. The RPS will Fail Without Mandatory Mechanism for Long-Term Contracts.

The previously distributed Sheingold memorandum summarized the need for long-term financial commitments in order for the RPS to be successful. This conclusion has recently been articulated by the Joint Comments of some of the leading public interest advocacy groups, the Union of Concern Scientists, Massachusetts Public Interest Research Group, Massachusetts Energy Consumers Alliance, Clean Water Action, and the Conservation Law Foundation, in their comments in Docket D.T.E.04-115, as follows:

To date, unfortunately, we believe that the promises of new energy policy and climate protection remain hollow and unmet. In particular, the failure of state government in general in the Department in particular to foster of development of renewable resources through its policies has been part of the cycle of failure. The Department must recognize that long-term contracts are needed for new renewable generation sources to be built. In our recommendations included here in our initial comments, will call on the Department to address the failures of the current defaults to procurement practices to deliver renewable energy and energy efficiency results that consumers require and deserve, and in so doing, change the cause of failure to become part of the solution.

Reply comments at 4. Fortunately, the Rhode Island Legislature was able to observe and remedy such shortcoming of earlier RPS statutes by including provisions for long-term contracts and credit support.

3. Long-Term Agreements by Utilities are not Inconsistent with Deregulation.

Requiring obligated entities/utilities to arrange for a portion of their wholesale supply requirements (whether for standard offer, last resort or any successor service to end use customers) on a long-term basis is in no sense inconsistent with the economic theories of deregulation. To the contrary, Professor William Hogan in his leading deregulation treatise, Competitive Electricity Market Design: A Whole Sale Primer (1998), clearly indicated that generation investment would occur only when long-term contracts are in place and that ISO spot markets would not alone sufficiently incentivize investment in generation:

If the generator or customer wants price certainty, then new generation contracts can be struck between a willing buyer and a willing seller. The complexity and reach of these contracts would be limited only by the needs of the market. Typically we expect a new generator to look for a customer who wants a price hedge, and for the generators to defer investing in new plants until sufficient long-term contracts with customers can be arranged to cover a sufficient portion of the required investment. A generation contract would be with one or more customers and might involve a mix of fixed charges coupled with the obligations to compensate for price differences relative to the spot-market price.

Id. at 20. Thus, Professor Hogan, one of the primary architects of deregulation, explained that it was presumed from the outset that new investment in new generation would not be expected to occur in the absence of long-term contracts.

The FERC has also recently confirmed that, in the deregulated environment, it remains the responsibility of the State commissions to designate the parties responsible for assuring the long-term adequacy of capacity resources: “Resource adequacy is a matter that is traditionally rested with the states, and it should continue to rest there. States have traditionally designated the entities that are responsible for procuring adequate capacity to serve loads with any respect to jurisdictions. ... [W]e conclude that each state should continue to establish policies that determine which entities are responsible for procuring adequate capacity for loads.” Devon Power, LLC et al., 109 FERC 61,154 (2004), p.22. Notably, the FERC reached such conclusion after recognizing the position of the Maine PUC that “generators need either long-term contracts or a substantial risk premium before they will be able to voluntarily invest in new capacity.” Id. at 21.

In Rhode Island, there is no credit-worthy party with a long-term role in the post-deregulation electric market other than the utilities, whose RPS obligations has been defined to continue on through deregulation. Analogy can also be made to RIPUC’s policy of requiring gas LDCs that have implemented retail competition to continue to procure portions of the wholesale supply for their default customers on a long-term basis.

4. Conclusion.

The Legislature intended that Rhode Island should learn from the RPS shortcomings of neighboring states. It thus included provisions for utilities to contract with the EDC, which would in turn enter into long-term contracts with renewable producers to provide the credit support necessary for project financing. The Regulations should similarly clarify that the RPS obligation remains with all electric retail utilities serving end-use customers throughout all stages of deregulation (i.e., whether under standard offer, last resort or successor service), and that such entities would be protected from sanction or other adverse shareholder impact regarding long-term arrangements with the EDC, which arrangements would allow the EDC to enter into the requisite long-term agreements directly with eligible renewable energy developers.

Attachment D1:
TEC-RI And SilentSherpa ECPS Memo on
Procurement and Contracting

(see next page)

MEMO

To: RIRES Rulemaking Committee
From: TEC-RI and SilentSherpa ECPS
Date: June 13, 2005
RE: Application of RIRES Section 39-26-6 Duties of the Commission

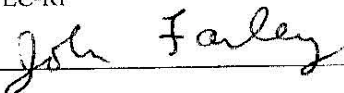
TEC-RI and SilentSherpa ECPS submit our common position on ensuring that Rhode Island funds are spent wisely in fulfillment of the Rhode Island Renewable Energy Standard ("RES"). Specifically, it is our position that any actions pertaining to administration of the Renewable Development Fund ("REDFund") be subject to the standards for contracts and procurement of renewable energy resources set forth by the Rhode Public Utilities Commission ("RIPUC" Section 39-26-6 (a) (2) of the RES; in an effort to ensure the consumer both a public forum concerns and/or recommendations regarding use of their funds as well as public advocacy of Public Utilities and Carriers ("DPUC") as necessary.

Under the governing legislation, Section 39-26-6 (a) (2) requires the RIPUC to develop regulations which include provisions for "standards for contracts and procurement plans for renewable energy resources, to achieve the purposes of [the legislation]" (chapter 39-26).¹ There is nothing in Section 39-26-6 (a) (2) which justifies an interpretation that these regulations would not apply to the activities of the Economic Development Corporation in administering the REDFund. In fact, quite the opposite is true, since in the section (39-26-7) dealing with the REDFund, specifically states in 39-26-7 (a) (2) "an economic development corporation shall enter into agreements with obligated entities to ensure compliance payments, consistent with the rules of the commission and the purposes set forth in section 39-26-6 (a) (2);" Thus, Section 39-26-6 (a) (2) charges the RIPUC with developing standards for contracts and procurement plans for renewable energy resources generally, with the expectation that they be applied by all parties whose actions herewith are governed by this legislation. Those parties include the Economic Development Corporation (at least to the extent of RIEDC's activities in administering the REDFund).

The aforementioned standards for contracts and procurement plans are a critical protection for the REDFund as it is a reasonable expectation that the REDFund may consist of a large amount of consumer ACP collected from obligated entities. Therefore, it is our mutual opinion that the standards for contracts and procurement plans utilizing the REDFund deserve much attention and specificity in the regulations being developed. The regulations required by Section 39-26-6 (a) (2) deserve the attention of the RIPUC, and their applicability to the REDFund in particular merits examination.


Accordingly, TEC-RI and SilentSherpa ECPS request that further definition as to the application of Section 39-26-6 to the purpose of the REDFund be recommended by the RES Rulemaking Committee to the RIPUC and be added to the July 18, 2005 agenda of the RES Rulemaking Committee.

For TEC-RI



John Farley
Executive Director

For SilentSherpa ECPS



James M. Grasso
President

¹ The purposes of the chapter are listed in 39-26-3. The purpose of this chapter is to facilitate the development of renewable energy resources to supply electricity to customers in Rhode Island with goals of stabilizing long-term energy prices, improving environmental quality, and creating jobs in Rhode Island in the renewable energy sector.

Attachment D2:
Rhode Island Economic Development Corporation Response To
TEC-RI And SilentSherpa ECPS Memo

Memorandum

To: RIRES Rulemaking Committee
From: Rhode Island Economic Development Corporation
Date: June 17, 2005
Re: Renewable Energy Development Fund

The Rhode Island Economic Development Corporation (“EDC”) finds it necessary to respond to TEC-RI and SilentSherpa ECPS with regard to their Memorandum of June 13, 2005. In general, TEC-RI and SilentSherpa would like this Rulemaking Committee to establish rules as to how the EDC administers funds contained within the Renewable Energy Development Fund (the “Fund”) as established by R.I. Gen. Laws § 39-26-7. Simply, this Committee cannot establish rules for how the EDC is to administer the funds. The attempt to establish such rules will result in the Commission unlawfully exceeding its statutory authorization.

It is well established Rhode Island law that a regulatory body only has the power that is conferred upon it by statute. R.I. Gen. Laws § 39-26-7 is abundantly clear that the Fund is established solely within the EDC and is to be administered by a Board of Trustees pursuant to detailed criteria set forth within the statute. TEC-RI and SilentSherpa is making a reach beyond any rational interpretation of the statute. Nowhere in R.I. Gen. Laws § 39-26-7 is there any statutory reference to the Commission having any say as to how the Fund will be administered. However, it explicitly states that the “Fund shall be located at and administered by the Rhode Island Economic Development Corporation”. In fact, the Board of Trustees established under the statute includes the Administrator of the Division of Public Utilities and Carriers.

TEC-RI and SilentSherpa present no plausible argument why the Commission should have any input as to how the Fund is administered. First, they point to R.I. Gen. Laws § 39-26-6 as somehow being evidence that Commission has statutory input with regard to the administration of the Fund. However, a plain reading of the statute shows absolutely no such right. The statute clearly charges the Commission with developing regulations for determining renewable energy eligibility, certifying energy generators, and developing standards for contracts and procurement plans for renewable energy resources. Clearly, the “contracts and procurement plans” referenced in this section are intended to apply to contracts between Obligated Entities and generators. If the legislature had intended to have the Commission develop standards for contracts and procurement plans with regard to the Fund, it would have specifically referenced the Commission in R.I. Gen. Laws § 39-26-7, or at least provided some sort of cross-reference.

Quite simply, it is very clear that the legislature has bifurcated responsibility between the Commission and the EDC. The EDC is charged with administering the Fund pursuant to a certain

set of guidelines and under the direction of a specified Board of Trustees. The Commission is charged with developing renewable energy standards with regard to qualification of energy, contracting for energy and other related items. Once payment is made into the Fund pursuant to applicable statutes and Commission rules, the EDC takes jurisdiction with regard to how the funds are to be used. Any attempt to insert the Commission regulatory process into the EDC statutory mandate is a complete mixing of “apples and oranges” and an unlawful expansion of the duties of the Commission.