



February 8, 2007

**VIA HAND DELIVERY**

Luly E. Massaro, Commission Clerk  
Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

RE: Docket No. 3798, Notice of Rulemaking and Public Hearing

Dear Ms. Massaro:

On January 9, 2007 the Public Utilities Commission ("Commission") notified the public of its intention to hold a public hearing for the purpose of affording all interested persons an opportunity to submit data, views, or arguments, orally or in writing, in response to the Commission's plan to amend the current Rules and Regulations Governing the Implementation of a Renewable Energy Standard adopted by the Commission on January 1, 2006. Fat Spaniel Technologies, Inc. (FST) very much appreciates the opportunity to provide input into this process.

By way of background, FST provides independent metering and data monitoring solutions specifically designed for reporting, verifying, and auditing the performance of solar, wind, fuel cell, and other distributed generation installations. The FST team includes engineers, Certified Public Accountants, database designers, software architects and renewable energy experts with experience in renewable energy markets.

FST's comments follow.

To begin, FST would like to commend the Commission for the forward thinking rules and regulations governing the implementation of the State's Renewable Energy Standard (RI RES) that were adopted on January 1, 2006.

As stated so eloquently in a recent press announcement by APX, North America's leading infrastructure provider for environmental markets in renewable energy including the PJM GATS, NEPOOL GIS, WREGIS and ERCOT market systems, Rhode Island is setting an important national precedent for third party verification to ensure data integrity for customer-sited and off-grid generation facilities.

FST would also like to express its support of the Commission's currently submitted plan to amend the rules as adopted. In addition to this support, and as requested by the Commission in its Notice of Rulemaking and Public Hearing dated January 9, 2007, FST would like to respectfully offer the detailed comments that appear on the following pages.

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1. With respect to revised section 6.8(iii)(e)

a. The Commission asked:

“Should it be the responsibility of the aggregation owner or the Verifier to ‘ensure that individual units in the aggregation comply with all eligibility requirements’?”

In response, FST believes that this responsibility should rest with the aggregation owner. Inclusion of customer-sited and off-grid generation in the RI RES is important for many reasons as is the recognition that this class of generation assets is small and sensitive to additional compliance costs. Solid assurances to the Commission that the aggregation is in compliance with all eligibility requirements can be achieved for the lowest cost by placing this requirement on the shoulders of the aggregation owner as part of the Commission’s aggregation certification process as per Section 6.8(i). Specifically, the aggregation owner’s procedures for assuring the Commission of compliance can be detailed within the Commission approved Aggregation Agreement.

b. The Commission asked:

“Should it be the responsibility of the aggregation owner or the Verifier to ensure that ‘the NEPOOL GIS Certificates created accurately represent generation’?”

In response, as with 1(a) above, FST believes that a focus on least cost methods clearly indicates that this responsibility should rest with the aggregation owner. FST would however like to point out that as the NEPOOL GIS system is run by a third party and as the data entered into the NEPOOL GIS system is entered by a third party (i.e. the Verifier) there is little role for either an aggregation owner or a Verifier with respect to ensuring that the NEPOOL GIS is accurately creating Certificates. Rather, it is FST’s position that, as with all other forms of generation including traditional wholesale grid generation, it is more appropriately the NEPOOL GIS administrator’s responsibility to properly run and issue NEPOOL GIS Certificates.

c. The Commission asked:

“Under i), should the Verifier in all cases be the entity required to make an independent determination that the Generation Unit exists?”

In response, FST believes this depends in great part on the Commission’s definition of “determination”. To the extent that the Commission requires the Verifier to conduct physical inspection then this requirement will significantly raise compliance costs such that FST believes customer-sited and off-grid generation will not be able to participate in the RI RES. FST



thus strongly recommends that physical inspection is not the sole means of determination of existence. However, if the Commission allows Verifiers to obtain proof of existence via other means then this requirement can be made of Verifiers. By way of example only, FST could envision that such proof of existence could be the analysis by the Verifier of the generation asset's kWh production data such that the Verifier can reasonably conclude that the kWh production matches that expected from the customer-sited or off-grid generation asset as so described to the Verifier. It should also be remembered that in all cases the customer-sited or off-grid generation asset will be connected to a kWh metering device to which the Verifier, either in person or remotely, will have access and will be reading. Accordingly, by the fundamental act of transmitting kWh data to the NEPOOL GIS system the Verifier provides a high-level of assurance to the Commission that the Generation Unit exists.

d. The Commission asked:

“Under iv), for ‘a procedure for the Verifier to report to the commission on the results of their verification process’, should the Commission specify required details regarding frequency, form or content?”

In response, FST agrees with the Commission that this requirement is too vague and that additional clarification is needed. Indeed, as currently drafted, FST is unsure what goal this requirement achieves. In order to provide a clear benefit to the Commission, plainly state the requirements being asked of Verifiers, and to reduce as much as possible the compliance cost burdens on customer-sited and off-grid generation assets FST suggests that Section 6.8(ii)(e)(iv) be redrafted to read as follows:

“ iv) include a procedure for the Verifier to electronically report to the Commission any known discrepancies between Verifier reported data and data accepted by the NEPOOL GIS for processing provided that such discrepancies would result, based on the Verifiers records and belief, in the over-issuance of NEPOOL GIS Certificates. Such reports, if needed, shall be submitted to the Commission on a quarterly basis.

2. With respect to new section 6.8(iii)(g):

a. The Commission asked:

Should the Verifier be required to enter production data into the GIS independently for each generator within the aggregation, or just in aggregate?

In response, FST believes that both options are appropriate and that each has a different set of benefits and cost components that will solely impact



the aggregation owners. Accordingly, FST believes that the Commission should allow each aggregation owner to decide how, either on a system by system basis or in total, data should be communicated by the Verifier to the GIS system.

b. The Commission asked:

Should the amount of production entered into the NEPOOL GIS by the quantity of energy produced since the last entry, or a cumulative meter reading (which would entail the GIS system calculating the difference between the current and last entry)?

In response, FST believes that both options are appropriate and result in the same result. Accordingly, FST suggests that the Commission look to the NEPOOL GIS administrator to determine which method should be adopted.

In closing, FST would like to again thank the Commission for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "DK", with a long horizontal flourish extending to the right.

David Kopans  
Director of Regulatory Affairs

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