

Conanicut Energy LLC

Robert J. Tormey
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VIA HAND DELIVERY and EMAIL

October 26, 2011

Ms. Luly Massaro
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Re: Proposed Standard Contract with the Rhode Island Distributed Contract Working Group
Docket No: 4288

Dear Luly,

Enclosed for filing, please find an original and nine (9) copies of the Conanicut Energy, LLC responses to the Commission's First Set of Data Requests dated October 14, 2011.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Tormey". The signature is fluid and cursive, with the first name "Robert" and last name "Tormey" clearly legible.

Robert J. Tormey

Enclosures

cc: Service List

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: RI OFFICE OF ENERGY RESOURCES'
REPORT AND RECOMMENDATION
REGARDING DISTRIBUTED GENERATION
STANDARD CONTRACT CLASSES
AND CEILING PRICES FOR 2011 AND
DISGRIBUTED GENERATION STANDARD
CONTRACT FILING

DOCKET NO. 4288

CONANICUT ENERGY, LLC RESPONSE TO
COMMISSION'S NOTICE TO SOLICIT COMMENTS (October 13, 2011)

October 25, 2011

Dear Ms. Massaro and Commissioners:

Conanicut Energy, LLC hereby files comments regarding the RI Office of Energy Resources' ("OER") Report and Recommendations Regarding Distributed Generation ("DG") Standard Contract Classes and Ceiling Prices for 2011 and DG Standard Contract Filing.

Conanicut Energy, LLC ("CEL") is a R.I. Based energy consulting firm engaged in the development and management of utility scale renewable energy projects throughout the U.S. Most recently, CEL has participated in the successful development and construction of a 3.5 MW (AC) PV project located on the Edgeboro Landfill in East Brunswick, NJ, which will reach commercial operation in November 2011.

As the Principal of CEL, I have been involved in successful renewable energy development since 1981 (See attached CV) involving multiple renewable technologies, both here in the U.S and in Latin America. I have extensive experience in negotiating Power Purchase Agreements for renewable projects with a number of Utilities in the U.S., and was a participant in the California standard contract proceedings and the New York floor contract proceedings in the 1980's.

Most recently, I was involved in the repowering of the L'Energia Plant in Lowell, MA and was the representative member with ISO-NE where I participated in the Day Ahead Energy Market, the Real Time Energy Market (through an Energy Manager) and the Forward Capacity Auctions (directly).

Here in Rhode Island, I participated in a collaborative of interested parties which helped to formulate the recent DG Statute. I have been actively following the Distributed Generation ("DG") Standard Contract Classes and Ceiling Prices for 2011 and DG Standard Contract Filing process. Although I was not chosen to be a member of the "Working Group" involved in formulating the DG Standard Contract, I did have the opportunity to participate in one session (on October 10, 2011) which finalized comments to the DG Standard Contract.

I need to clearly point out to the Commission that during this process, I was NOT a member of the "Working Group" and did NOT agree to the final draft of the DG Standard Contract in the meeting I attended. I wish to formally take issue with the RI Office of Energy Resources responses to the PUC's data requests, specifically in REQUEST NO. 1-8 (2011) which were filed on October 24, 2011, in which the OER leaves the impression that I was a full member of the "Working Group" and lent my approval to the form of DG Standard Contract, which I clearly did not provide. My role was that of a technical advisor to Mr. Seth Handy, who was a "working Group" member, where I pointed out issues to the form of DG Standard Contract and vocally objected to several of the provisions included in the DG Standard Contract.

My comments to the DG Standard Contract are as follows:

1. Sec. 3.1 (v) (d)

This section creates a financing hurdle for projects, in that missing this milestone (which occurs after the project has been built and is commercial), will cause the

cancellation of the Contract. Although this provision was taken directly from the Statute, it will prevent projects from obtaining the necessary financing required to develop and construct renewable facilities in R.I. I am fully aware that the recourse for this problem is with the Legislature, however, I feel the need to point out to the Commission the detrimental effect this provision will have on renewable development.

2. Sec. 3.4, 3.5, 4.7 and 4.8 Contract requirements provide Barriers to Entry for small projects.

This form of contract is for Firm Capacity, Energy and Attributes, which places undue administrative burdens on small projects. The numerous requirements in the proposed contract for the project to register with capacity markets, energy markets and multiple REC and attribute markets, impose a both a staff and financial administrative burden on small projects. It is not clear to me how someone selling 50 kW of excess capacity can effectively deal with these burdens.

3. Sec 6.2 Performance Guarantee

The upper limit of the Performance Guarantee needs to be raised above the \$25.00 per MWh and Cap of \$75,000 for Large Generation Projects. This is not enough of a deterrent to prevent developers from taking up slots in the auction with phantom projects. The fee should be raised to \$100.00 and at a minimum, the cap should be raised to \$200,000.00.

4. Test Period Power

This section was struck from the DG Standard Contract, however, if the Seller wishes to sell Test Power to the Real Time Market, the contract should specifically allow for this, as the current version only points out that the Buyer does not have an obligation to purchase any Test Power (or Test RECs). To be clear, the definition of Test Power should be put back in.

5. Sec 3.1 (e) Achievement of Commercial Operation Date

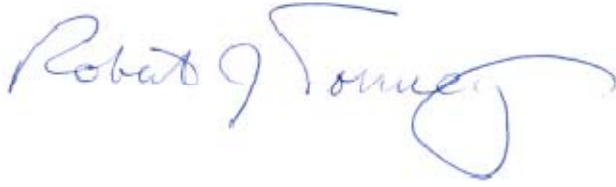
This section should be clear that if the Commercial Operation Date is not achieved solely due to the Utilities inability to provide interconnection of the facility by the milestone date, that the milestone date will be moved until the interconnection is completed.

6. Sec. 8.1 (d) Bankruptcy

It should not be a default if a party only files for Bankruptcy. This is highly unusual to see in a PPA.

I wish to thank the commission for allowing me to comment in this proceeding.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Tormey". The signature is written in a cursive style with a large, looping "T" at the end.

Robert J. Tormey
Principal
Conanicut Energy, LLC
22 Buoy Street
Jamestown, RI 02835

ATTACHMENT – CURRICULUM VITAE

Robert J. Tormey

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Cell: (617) 306-1601

Experience

- NERC Solar, Burlington, CT** **2009 - Present**
Renewable Energy Development.
Vice President
- Developing \$25 MM, 4.3 MW (DC), ground-mounted, utility scale, solar PV project on a closed landfill in central N.J – in construction – estimated COD October 2011.
 - Developing additional portfolio of utility scale solar PV projects in NJ and Northeast U.S. – expanding short-term development pipeline to over 30 MW. Overseeing all aspects of project management, from initial siting and permitting, to installation, financing and sale of asset.
 - Consulting arrangement through Conanicut Energy, LLC.
- Conanicut Energy LLC, Jamestown, RI** **2007 - Present**
Renewable Energy Consulting & Development.
Principal
- Supporting development efforts of NERC Solar.
 - Supported startup solar rooftop development client with new business development services, including business plan input, panel supply arrangements with two panel manufacturers, environmental/permit relationships with leading environmental firm, and installation arrangements with installers.
- Montgomery Power Partners, Magnolia, TX** **2007 - 2010**
Independent Power developer.
Vice President, Business Development and M&A
- Headed divestiture of existing assets in the northeast.
 - Headed the development of a \$350 MM, 340 MW simple cycle natural gas-fired power plant in MA.
 - Headed the successful acquisition and repowering of an existing \$65 MM, 80 MW natural gas-fired combined cycle power plant in MA.
 - Consulting arrangement through Conanicut Energy, LLC.
- PurEnergy, Syracuse, NY** **2003 - 2007**
Independent Power asset manager and operator.
Director, New Business Development, M&A
- Responsible for new business development in North America, with specific focus on expansion of core business and acquisition of operating and troubled projects.
- Duke Energy**
Duke Energy North America, Houston, TX **2001 - 2003**
Duke Energy subsidiary – independent merchant plant development and energy trading company.
Director, Acquisitions & Divestitures
- Lead manager for a team focused on the identification, screening, due diligence and negotiation for acquisitions and divestitures of contracted and merchant plant electric generation in North America.
 - Direct responsibility for the divestiture of five assets within a Canadian IPP subsidiary. Managed a multifunction team, led negotiations and obtained management approvals for the transactions. Successfully closed two transactions - valued at over \$130 Million.
- DukeSolutions, Inc., Charlotte, NC** **1997 - 2001**
Duke Energy subsidiary – independent energy development and energy services company.
Director, Asset Acquisitions & Development

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Robert J. Tormey

- Created and managed the business unit for acquisition of small-scale steam and electric generation in the US & Canada.
- Identified, screened, managed due diligence, led negotiations and obtained Board approval for attempted acquisition of portfolio of eight operating, renewable IPP generation projects in the US, valued at over \$150 MM.
- Led implementation of inside-the-fence steam and cogeneration project development group, including supervision of two person professional staff, focused on the US and Canada.

Charter Oak Energy, Inc., Berlin, CT **1992 - 1997**

Northeast Utilities subsidiary - independent energy development company.

Director, Business Development - Americas Group

- Responsible for new business development in North and South America, with specific focus on US, Peru, Mexico, Panama, Honduras, and the Caribbean.
- Managed company's successful investment in a 168 MW natural gas-fired IPP project in Colombia.

EUA Energy Investment Corporation, West Bridgewater, MA **1987 - 1992**

Eastern Utilities Associates subsidiary - independent energy development company.

New Business Developer

- Managed new business development activities, focus on New England. Developed a 100 MW coal-fired project, a 160 MW gas-fired peaking project and a 28 MW gas-fired cogeneration project in ISO-NE.

Pacific Enterprises: **1979 - 1987**

(formerly Pacific Lighting Corporation - parent of Southern California Gas Co. - now Sempra)

While with Pacific Enterprises, I worked at five subsidiary companies:

Pacific Energy, Commerce, CA **1984 - 1987**

Manager, Governmental Activities - IPP development subsidiary.

- Managed regulatory and legislative efforts at federal level and in twelve key state PURPA implementation proceedings, which created the market for the domestic IPP industry.

Pacific Hydropower Company, Commerce, CA **1982 - 1984**

Project Analyst - hydro development subsidiary.

- Responsible for FERC hydro-license and PURPA QF filings.

Central Plants, Inc., Commerce, CA **1980 - 1982**

Bio-Energy Systems Analyst - district heating & cooling subsidiary.

- Conducted market research and screening of methane recovery projects for proprietary gas scrubbing technology applications.

Duel Fuel Systems, Inc., Culver City, CA **1980**

Area Sales Rep. - Fleet Sales - manufacturer of gas conversion equip. for trucks & automobiles.

- Established new client base in Orange and San Diego Counties, CA.

Pacific Lighting Leasing Company, Culver City, CA **1979 - 1980**

Lease Representative - commercial air conditioning leasing and service subsidiary.

- Managed contractor and direct-mail lead development program and packaged lease applications for credit approval.

Education

MPA - Pepperdine University, Malibu, CA, USA

BA - University of Rhode Island, Kingston, RI, USA

RENEWABLE ENERGY PROJECTS

NERC Solar, East Brunswick, NJ

- **Utility Scale Solar PV**
 - ✓ Edgeboro Landfill, East Brunswick, NJ 3.5 MW Development

DukeSolutions, Inc., Charlotte, NC

- **Biomass**
 - ✓ Wheelabrator Environmental Systems, NH 244.0 MW Acquisition
8 projects (wood, waste coal, landfill gas)

Charter Oak Energy, Inc., Berlin, CT

- **Biomass**
 - ✓ LaCeiba Biomass Project, LaCeiba, Honduras 28.0 MW Development
- **Hydro**
 - ✓ STS Hydro Company, Northbrook, IL 40.0 MW Acquisition
- **Wind**
 - ✓ US Windpower 87, Altamont Pass, CA 26.0 MW Acquisition
 - ✓ Merrill International, Tegucigalpa, Honduras 12.0 MW Development
 - ✓ Merrill International, Piura, Peru 11.0 MW Development
- **Fuel Cell**
 - ✓ Fuel Cell Commercialization Group, Wash. D.C. Santa Clara Demonstration Project x.0 MW R&D

EUA Energy Investment Corporation, West Bridgewater, MA

- **Biomass**
 - ✓ Pembroke Power, Pembroke, NH 28.0 MW Development

Pacific Energy, Commerce, CA

- **LFG**
 - ✓ Oxnard Power Station, Oxnard, CA 5.6 MW Operating
 - ✓ Toyon Power Station, Los Angeles, CA 10.0 MW Operating
 - ✓ Stockton Power Station, Stockton, CA 0.8 MW Operating
 - ✓ Santa Clara Power Station, Santa Clara, CA 1.5 MW Operating
 - ✓ Penrose Power Station, Sun Valley, CA 10.0 MW Operating
 - ✓ Gude Power Station, Rockville, MD 3.0 MW Operating
 - ✓ Salinas Power Station, Salinas, CA 1.5 MW Operating
 - ✓ Otay Power Station, Chula Vista, CA 3.7 MW Operating
 - ✓ Seven Projects Closed
- **Biomass**
 - ✓ Burney Mountain, Burney, CA 11.4 MW Operating
 - ✓ Mt. Lassen, Westwood, CA 11.4 MW Operating
 - ✓ Pacific Oroville, Oroville, CA 18.7 MW Operating
 - ✓ Chinese Station, Jamestown, CA 25.6 MW Operating
- **Geothermal**
 - ✓ Mammoth Pacific I, II, PLES I, Mammoth, CA 40.0 MW Operating

Pacific Hydropower Company, Commerce, CA

- **HydroElectric**
 - ✓ Weeks Falls HydroElectric, North Bend, WA 5.0 MW Operating
 - ✓ Koma Kulshan HydroElectric, Concrete, WA 14.0 MW Operating
 - ✓ West Enfield Hydro, West Enfield, ME 13.0 MW Operating

**Docket No. 4288 – Office of Energy Resources Filings: 1) Proposed Distributed Generation (DG) Standard Contract Act Classes and Ceiling Prices for 2011; and 2) Proposed DG Standard Contract
Service List updated 10/13/11**

Name/Address of Parties in Docket	E-mail Address	Phone/FAX
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