



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
DIVISION OF LEGAL SERVICES
One Capitol Hill, 4th Floor
Providence, RI 02908-5890

Tel: (401) 222-8880
Fax: (401) 222-8244

June 17, 2014

VIA FIRST CLASS MAIL AND ELECTRONIC MAIL:

Luly E. Massaro
Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: DG Board's Report & Recommendation - Docket No. 4288

Dear Ms. Massaro:

The Rhode Island Distributed Generation Standard Contracts Board ("Board") at its meeting on June 16, 2014 voted unanimously to approve a modification in the kilowatt allocation plan for the 2nd enrollment scheduled for late July. The Board voted to shift 3,790 kilowatts of unused capacity from the 1st enrollment, and allocate that amount to the large solar category in the 2nd enrollment. This recommendation by the Board is because this sector of the program is experiencing the largest amount of competition, which will allow for the most competitive pricing for the benefit of the votepayers

The renewable energy classes are not being changed by the Board, and there will still be the approved kilowatt capacity allocated to other renewable energy classes in the 2nd enrollment, including anaerobic digestion, wind and small scale hydropower. Attached is a copy of the presentation given by National Grid at Monday's meeting.

If you have any questions, please let me know.

Sincerely,

Daniel W. Majcher, Esq.

DWM/njr

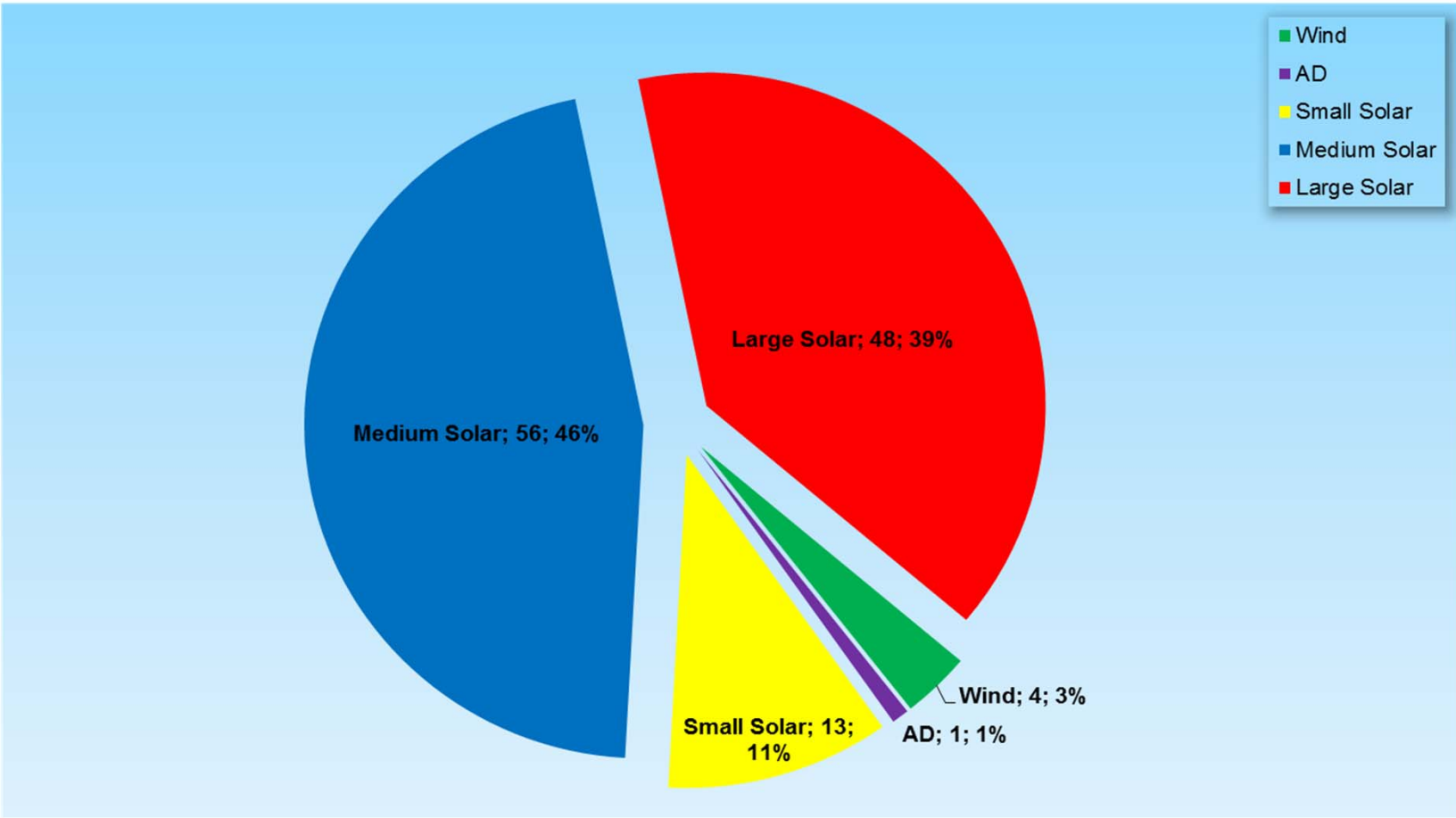
c. Amy D'Alessandro, Esq.
Kenneth Payne
Christopher Kearns
Service List 4288

Recommended Second 2014 RI DG Open Enrollment Allocation



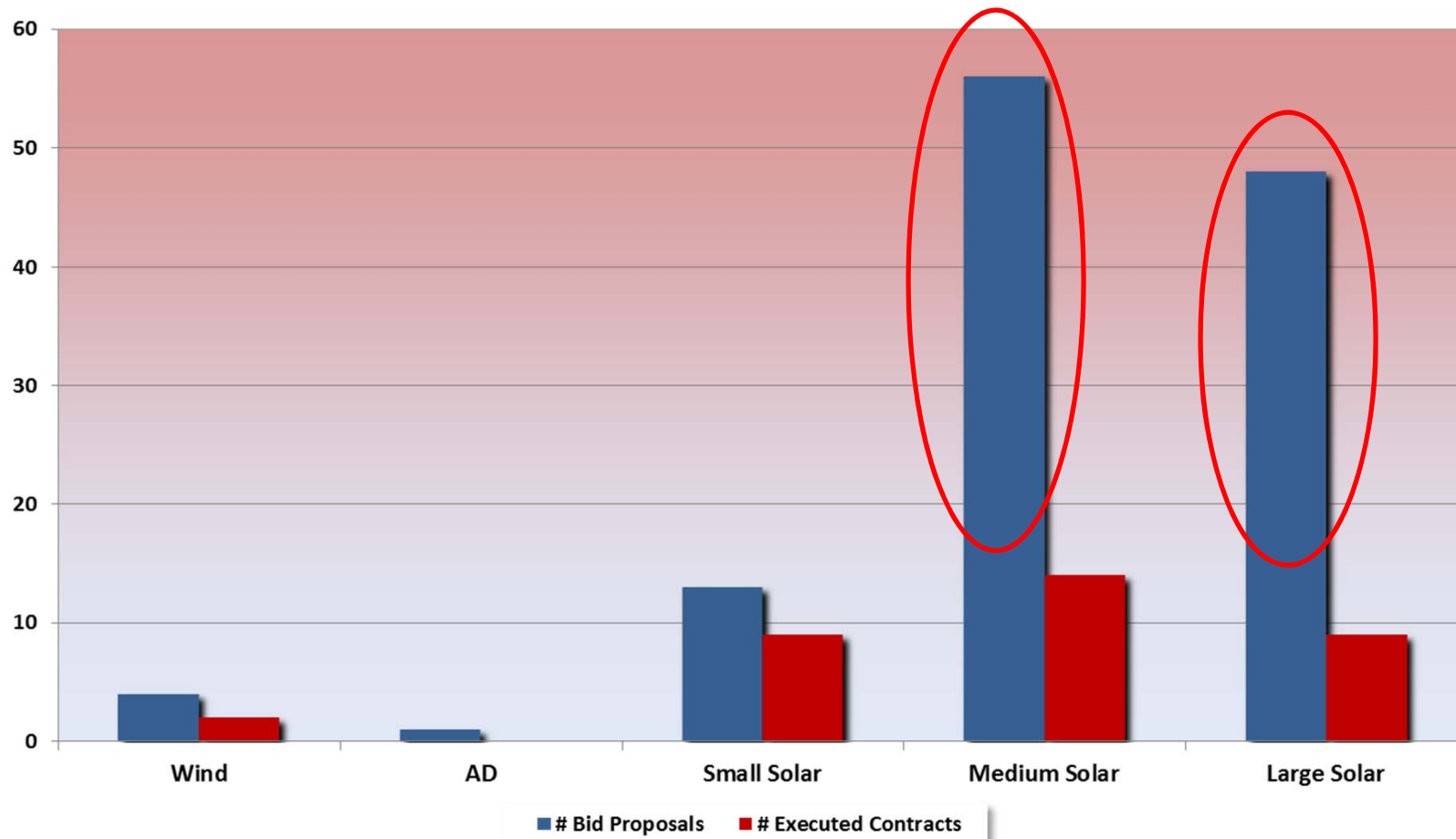
Presentation to Rhode Island Distributed Generation Board
RI Distributed Generation Standard Contracts Program
June 16, 2014

What Classes are Participating?



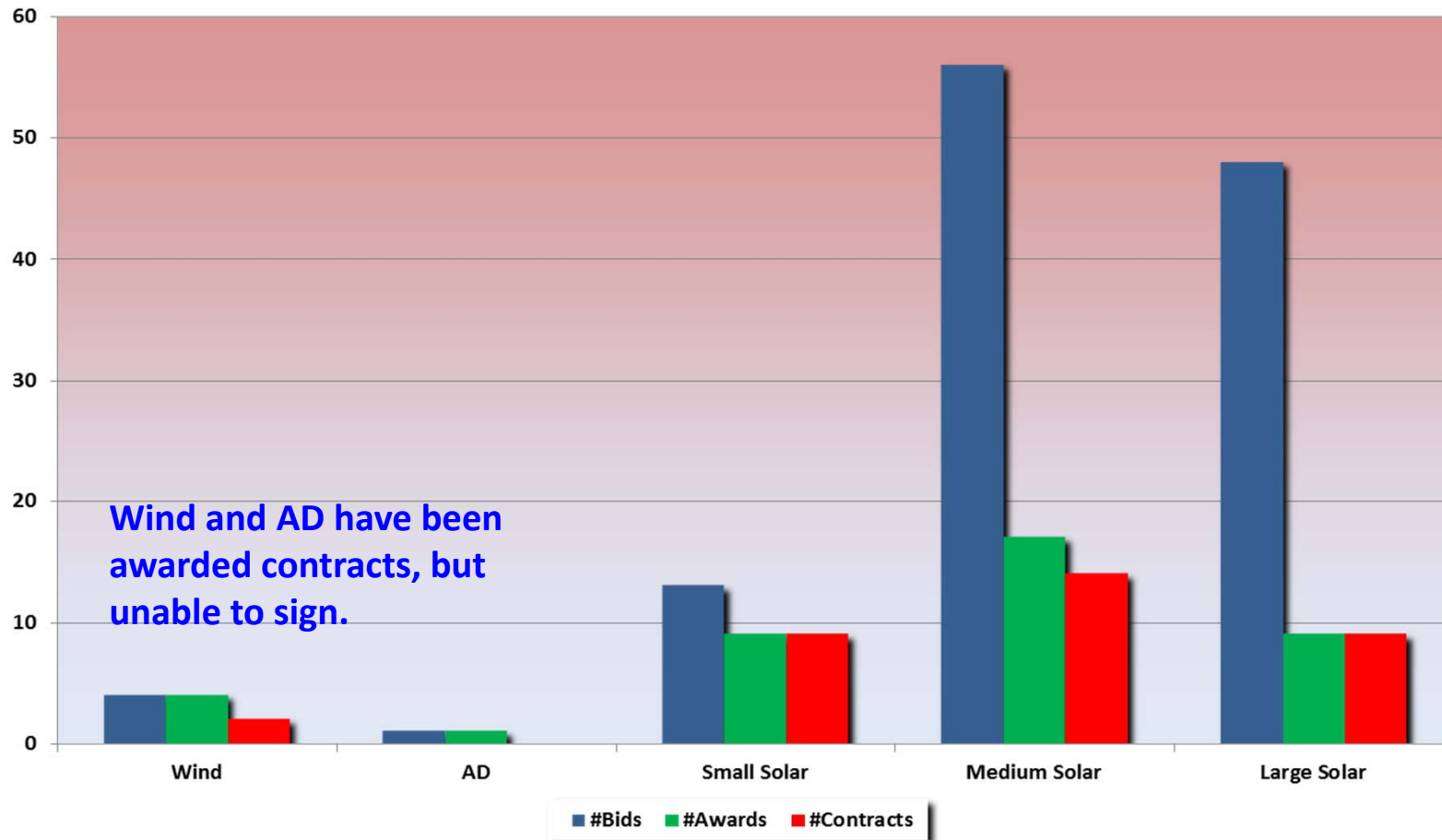
RI DG Program Summary: 2011 thru 2014-1 Open Enrollment (OE)
(# Bid Proposals and % of Bid Total by Technology/Class)

What Classes are being under-served by the Program?



RI DG Program Summary: 2011 thru 2014-1 OE
 (# Bid Proposals and Executed Contracts by Technology/Class)

What Classes are signing contracts?

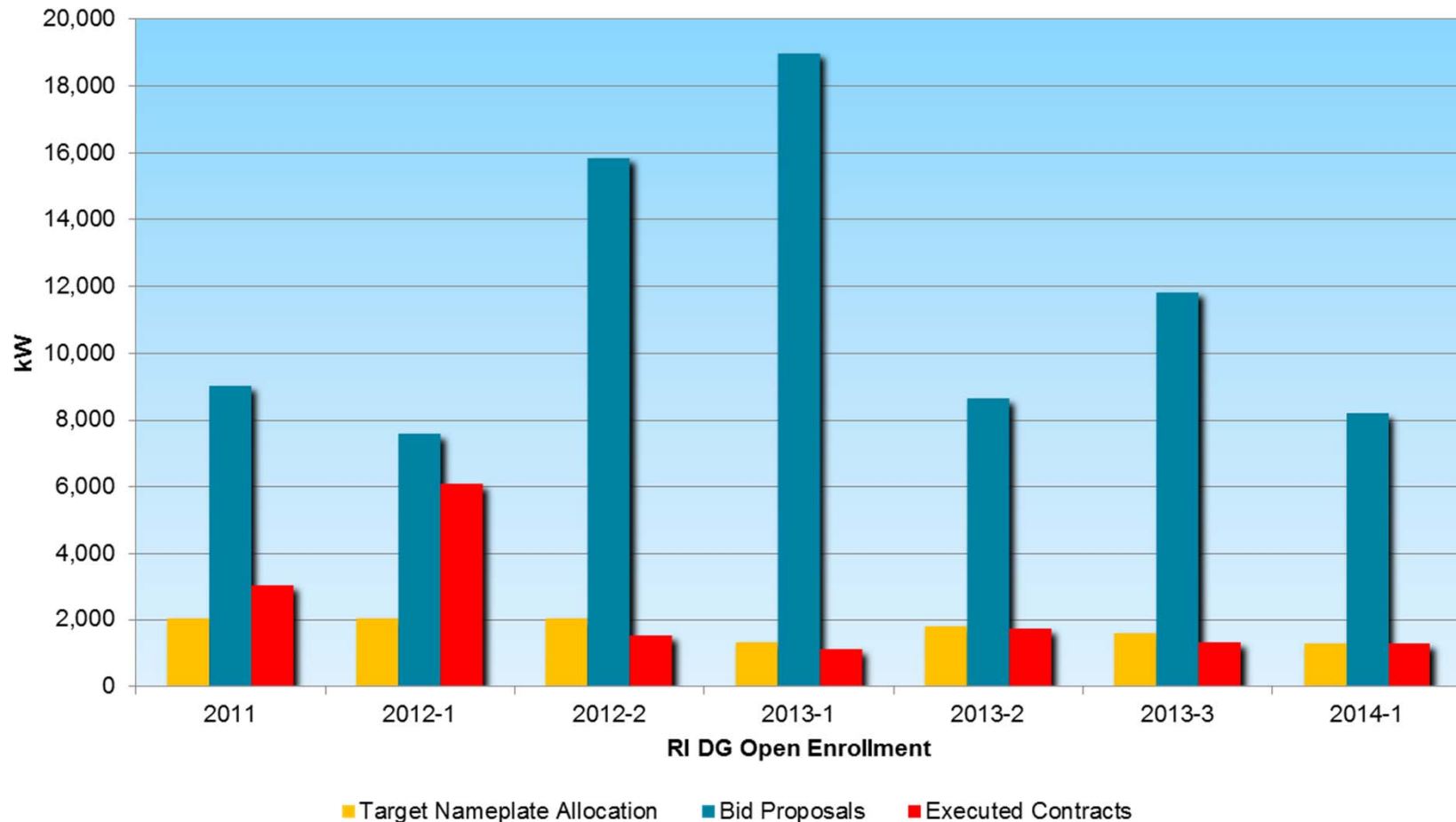


RI DG Program Summary: 2011 thru 2014-1 OE

(# Bid Proposals, Awards and Executed Contracts by Technology/Class)

Is There Too Little Capacity Allocated to Large Solar Projects?

(Total “Bid Proposal” Nameplate Capacity far outweighs “Target Allocation”)



RI DG Program Summary: 2011 thru 2014-1 OE

(“Large Solar” Nameplate Capacity by Open Enrollment Solicitation)

Large Solar Projects becoming more Competitive



RI DG Program Summary: 2011 thru 2014-1 OE
(Weighted Average Price for Executed Contracts by Technology/Class)

Recommended Second 2014 Open Enrollment Allocation

| 2014 Approved Technology/Class | 2014 Enrollment Target Nameplate (kW) | Actual Nameplate (kW) Contracted | Unused Allocation (kW) | 2014-2 Recommended Target Nameplate (kW) |
|---|---------------------------------------|----------------------------------|------------------------|--|
| Wind (50-1500 kW) (50-999 kW) (1,000-1,500 kW) | 1,500 total | 0 | 1,500 | 1,500 |
| Small Scale Hydropower (50-500 kW) | 500 | 0 | 500 | 500 |
| Small Solar PV (50-200 kW DC) | 500 | 110 | 390 | 500 |
| Medium Solar PV (201-500 kW DC) | 1,400 | 500 | 900 | 1,400 |
| Anaerobic Digestion (50-500 kW DC) | 500 | 0 | 500 | 500 |
| Large Solar PV (501-1250 kW DC) | 1,250 | 1,250 | 0 | 5,040 |
| Sum Total: | 5,650 | 1,860 | 3,790 | 9,440 |

- Takes unused target nameplate from 2014-1 OE and allocates to Large Solar Technology Class (i.e., 3,790 kW Unused Allocation + 1,250 kW Original Target = 5,040 kW Recommended Target)
- Keeps all other Technology Classes unchanged as each was under-represented in last OE
- Medium Solar class was under-represented in 2014-1 Open Enrollment with only one application; therefore the Company does not recommend increasing the established target of 1,400 kW.

Recommended Second 2014 Open Enrollment Allocation

| Class | Target Nameplate (kW) | Ceiling Price w/ PTC/ITC & Bonus Depreciation (cents/kWh) | Ceiling Price w/ PTC/ITC, No Bonus Depreciation (cents/kWh) | Ceiling Price w/ No PTC/ITC, No Bonus Depreciation (cents/kWh) |
|---|-----------------------|--|--|---|
| Wind (50-1500 kW) (50-999 kW) (1,000-1,500 kW) | 1,500 total | 15.55 16.35 | 16.20 17.50 | 19.95 20.55 |
| Small Scale Hydropower (50-500 kW) | 500 | 17.25 | 17.90 | 18.85 |
| Small Solar PV (50-200 kW DC) | 500 | 25.75 | 27.10 | N/A |
| Medium Solar PV (201-500 kW DC) | 1,400 | 25.90 | 27.30 | N/A |
| Anaerobic Digestion (50-500 kW DC) | 500 | 17.70 | 18.55 | 19.55 |
| Large Solar PV (501-1250 kW DC) | 5,040 | 22.25 | 23.50 | N/A |

OE Total: 9,440

2014 Program Year

- 40 MW nameplate by Dec 30, 2014
- Executed 26.51 MW as of June 1, 2014
- Four projects terminated for a total of 2.15 MW
- Thus, 15.64 MW remaining for last two enrollments

| <u>Contract/Project Description</u> | <u># of Contracts</u> | <u>Nameplate Cap (MW)</u> |
|-------------------------------------|-----------------------|---------------------------|
| Executed Contracts | 34 | 26.51 |
| Terminated Contracts | <u>4</u> | <u>2.15</u> |
| Remaining Active Contracts | 30 | 24.36 |

APPENDIX

First 2014 Open Enrollment Applications

| Class | Target Nameplate (kW) | Ceiling Price w/ PTC/ITC & Bonus Depreciation (cents/kWh) | Ceiling Price w/ PTC/ITC, No Bonus Depreciation (cents/kWh) | Ceiling Price w/ No PTC/ITC, No Bonus Depreciation (cents/kWh) | # Apps | Total (kW) |
|---------------------------------------|-----------------------|---|---|--|----------|--------------|
| Wind (50-1500 kW) | 1,500 total | | | | | |
| (50-999 kW) | | 15.55 | 16.20 | 19.95 | 0 | 0 |
| (1,000-1,500 kW) | | 16.35 | 17.50 | 20.55 | 0 | 0 |
| Small Scale Hydropower (50-500 kW) | 500 | 17.25 | 17.90 | 18.85 | 0 | 0 |
| Small Solar PV (50-200 kW DC) | 500 | 25.75 | 27.10 | N/A | 1 | 110 |
| Medium Solar PV (201-500 kW DC) | 1,400 | 25.90 | 27.30 | N/A | 1 | 500 |
| Anaerobic Digestion (50-500 kW DC) | 500 | 17.70 | 18.55 | 19.55 | 0 | 0 |
| Large Solar PV (501-1250 kW DC) | 1,250 | 22.25 | 23.50 | N/A | <u>6</u> | <u>8,163</u> |
| OE Total: | 5,650 | | | | 8 | 8,773 |

8 Applications: No Wind, Hydropower, or Anaerobic Digestion Technology proposals

First 2014 Open Enrollment Awards

- Award Small Solar 110 kW project
- Award Medium Solar 500 kW project
- Award Large Solar 1,250 kW project
- 3 projects awarded for a total of 1,860 kW or **33%** of total 5,650 kW target nameplate for 2014-1 OE.
- Thus, approximately 15,640 kW *tentatively* remaining for 2014 program (i.e., 17,500 kW – 1,860 kW)

RI DG Standard Contracts: 2011 thru 2014-1 OE

| RI DG Standard Contracts | Nameplate Capacity (kW) | Contract Price (cents/kWh) |
|--|-------------------------|----------------------------|
| 2011 RIDG - CED, Westerly Power I * | 1,000 | 26.50 |
| 2011 RIDG - CED, Plain Meeting House Power | 2,000 | 27.50 |
| 2011 RIDG - ACP Land, 28 Jacome Way | 500 | 31.60 |
| 2011 RIDG - Wind Energy Development, North Kingstown Green | 1,500 | 13.35 |
| 2012-1 RIDG - Forbes Street Solar | 3,710 | 23.90 |
| 2012-1 RIDG - West Davisville Solar, 338 Compass Circle | 2,340 | 23.70 |
| 2012-2 RIDG - Soltas 100 Dupont | 1,500 | 20.90 |
| 2012-2 RIDG - Altus Comtram Cable Plant | 499 | 31.60 |
| 2012-2 RIDG - CoxCom CCI NE 181 kW | 181 | 31.60 |
| 2012-2 RIDG - Soltas 0 Martin | 500 | 31.60 |
| 2012-2 RIDG - Soltas 225 Dupont | 300 | 31.60 |
| 2012-2 RIDG - Soltas 45 Bank * | 500 | 31.60 |
| 2012-2 RIDG - Soltas 35 Martin | 500 | 31.60 |
| 2012-2 RIDG - Soltas 87 Woodville Alton * | 500 | 31.60 |
| 2012-2 RIDG - CoxCom CCI NE 500 kW | 498 | 31.60 |
| 2012-2 RIDG - Venti Wind Bonollo's Solar * | 149 | 33.35 |
| 2013-1 RIDG - WED Coventry One | 1,500 | 14.80 |
| 2013-1 RIDG - Brickle Group Solar | 1,084 | 18.49 |
| 2013-1 RIDG - Gannon & Scott Solar | 406 | 28.40 |
| 2013-1 RIDG - All American Foods | 331 | 28.40 |
| 2013-1 RIDG - TEAM Solar | 182 | 28.80 |
| 2013-1 RIDG - CMS Solar | 128 | 28.80 |
| 2013-1 RIDG - Newport Vineyards Solar | 53 | 29.95 |
| 2013-2 RIDG - Johnston Solar I | 1,700 | 17.50 |
| 2013-2 RIDG - Randall Steere Farm | 91 | 29.95 |
| 2013-3 RIDG - Bella 1600 Division Rd | 1,298 | 14.79 |
| 2013-3 RIDG - 1720 Davisville Rd | 500 | 19.00 |
| 2013-3 RIDG - Bella 574 Camp Ave | 498 | 14.79 |
| 2013-3 RIDG - Nexamp 76 Stilson Rd | 498 | 19.49 |
| 2013-3 RIDG - RSM Solar 166 Valley Street | 150 | 27.99 |
| 2013-3 RIDG - SER Solar 23 Appian Way | 52 | 27.76 |
| 2014-1 RIDG - Foster Solar - 23 Theodore Foster Drive | 1,250 | 14.99 |
| 2014-1 RIDG - 48 Bank Street Solar | 500 | 19.33 |
| 2014-1 RIDG - 60 Valley Street Solar | 110 | 25.07 |

Total (All RI DG Executed Contracts): 26,508
Revised Total (less Terminated Contracts *): 24,359
Target Nameplate Remaining in 2014: 15,641