



## HEARTWOOD GROUP, INC.

165 Evergreen Street, Providence, RI 02906

401-861-1650

November 8, 2011

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

Dear Ms Massaro and Commissioners,

Thank you for the opportunity for response comments to those submitted by OER. I want to go on record as thanking OER for their support for sensible and necessary contract changes, specifically:

- 1) Support for replacing the capacity demonstration test to allow for a more readily financeable solution to meet the requirements of sec. 39-26.2-7(2)(iv)
- 2) Support for Seller's assignment for finance provisions
- 3) Support for administrative responsibility for REC market and FCM market participation resting with the Buyer
- 4) Support for this being a metered transaction rather than invoiced transaction

On concerns regarding potential Seller default in order to enable Sellers to make sales to others than the distribution company, I agree fully that is a concern with respect to a goal of this legislation providing a hedge against long term electricity price volatility. It would be worthwhile to have Seller default language that would be punitive for this specific kind of intentional default, but would not be nearly as punitive as the current language for default for any of the other numerous potential default conditions. Current clauses on Seller default create a very undue and unbalanced burden on Sellers relative to the completely insignificant cost of default to the Buyer. The contract needs more balance in the relationship between the parties relative to the impact of a default by the other party on their overall business, while at the same time specifically protecting rate payers from a deliberate default in order to sell Products to other parties.

If everyone can support the kind of responsible changes that supported in the OER comments, we can soon see the beginnings of successful renewable energy market here in Rhode Island. I am attaching my own proposal for suggested contract language.

Thank you for your consideration,

Fred Unger