



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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August 14, 2015

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: Renewable Energy Growth Program – Solar Quality Assurance Report
(Docket No. 4536-B)

Dear Ms. Massaro:

Enclosed for filing on behalf of the Rhode Island Distributed Generation Standard Contract Board ("Board") is an original and ten (10) copies of a letter related to the development of the Renewable Energy Growth Program – Solar Quality Assurance Report (Docket No. 4536-B).

Sincerely,

Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Docket 4536- B Service List



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August 14, 2015

SENT VIA FIRST CLASS MAIL AND ELECTRONIC MAIL:

Amy D'Alessandro, Esq.
Public Utilities Commission
89 Jefferson Blvd.
Warwick, Rhode Island 02888

**RE: Renewable Energy Growth Program – Solar Quality Assurance Report,
Docket # 4536B**

Dear Ms. D'Alessandro:

The Rhode Island Distributed Generation Board (“Board”) at its meeting on July 23, 2015 voted unanimously to have the Office of Energy Resources (“Office”) submit to the Public Utilities Commission (“PUC”) a \$125,000 budgetary request on behalf of the Board to perform a Solar Quality Assurance Study and Report (“Report”) for the Renewable Energy Growth (“REG”) installations in 2016. The intent is for the Report to be submitted to the Board in late 2016, with a copy to the PUC. The Report would also be publicly posted on the Office’s website.

The request for funding to conduct a study and create this Report falls under the purview of the annual ceiling price development process and specifically R.I. Gen. Laws § 39-26.6-4(b) which provides:

The office, in consultation with the board, shall be authorized to hire, or to request the electric-distribution company to hire, the services of qualified consultants to perform ceiling price studies subject to commission approval that shall be granted or denied within sixty (60) days of receipt of such request from the office. The cost of such studies shall be recoverable through the rate reconciliation provisions of the electric-distribution company set forth in § 39-26.6-25, subject to commission approval. In addition, the office, in consultation with the board, may request the commission to approve other costs incurred by the board or the electric-distribution company to perform any other studies and reports, subject to the review and approval of the commission, that shall be granted or denied within one hundred twenty (120) days of receipt of such request from the office, and that shall be recoverable through the same reconciliation provisions.

In conjunction with this filing, the Office will be issuing a Request for Proposals (“RFP”), through the Rhode Island Division of Purchases, to select a consultant to perform the study and create the Report. The award will be contingent on approved funding by the PUC. In the next week or two, the Office will provide a copy of the RFP to the PUC, once the RFP is finalized and posted on the State’s purchasing website.

Further, in anticipation of PUC questions, as a courtesy, the Office has provided the attached Question and Answer document.

Please feel free to contact me with any additional questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel W. Majcher". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Daniel W. Majcher, Esq.

DWM/njr

Enclosure

c. Kenneth Payne
Christopher Kearns
Service List 4536B

Renewable Energy Growth Program – Solar Quality Assurance Report Q&A

1. What RI law enables the Distributed Generation Board to request reconciliation funding for Renewable Energy Growth Program related studies and reports?

The reconciliation funding request made by the Board is allowed under R.I.G.L. section 39-26.6-4 (b).

39-26.6-4 Continuation of board. – (a) *The distributed generation standard contract board shall remain fully constituted and authorized as provided in chapter 26.2 of title 39 provided, however, that the name shall be changed to the "distributed-generation board." Additional purposes of the board shall be to:*

(1) *Evaluate and make recommendations to the commission regarding ceiling prices and annual targets, the make-up of renewable-energy classifications eligible under the distributed-generation growth program, the terms of the tariffs, and other duties as set forth in this chapter;*

(2) *Provide consistent, comprehensive, informed, and publicly accountable involvement by representatives of all interested stakeholders affected by, involved with, or knowledgeable about the development of distributed-generation projects that are eligible for performance-based incentives under the distributed-generation growth program; and*

(3) *Monitor and evaluate the effectiveness of the distributed-generation growth program.*

(b) *The office, in consultation with the board, shall be authorized to hire, or to request the electric-distribution company to hire, the services of qualified consultants to perform ceiling price studies subject to commission approval that shall be granted or denied within sixty (60) days of receipt of such request from the office. The cost of such studies shall be recoverable through the rate reconciliation provisions of the electric-distribution company set forth in § 39-26.6-25, subject to commission approval. **In addition, the office, in consultation with the board, may request the commission to approve other costs incurred by the board or the electric-distribution company to perform any other studies and reports,** subject to the review and approval of the commission, that shall be granted or denied within one hundred twenty (120) days of receipt of such request from the office, and that shall be recoverable through the same reconciliation provisions.*

2. How did the Board determine the budgetary amount for conducting this Solar Quality Assurance study and report?

The Board based this budget amount on the studies that have been conducted for the Renewable Energy Fund installations in 2014 and 2015. The cost of those studies has been approximately \$100,000. The Board is requesting a budget amount, which shall not exceed \$125,000. The Office of Energy Resources (OER) would only file for reimbursement payments to National Grid based on the funds spent and not the entire dollar amount.

The justification for this budget request comes from a similar analysis that the Renewable Energy Fund (REF) conducted on quality assurance for its funded projects. In FY15, REF spent about \$100,000 on quality assurance studies for approximately 100 system sizes.

This request for reconciliation funding process is similar to the approach that the Board pursued when requesting reconciliation funding from the Commission to perform the 2015 and 2016 ceiling prices with the contracted consultant. The Board requested \$65,000 for each year of the services, based on the budget it cost for the OER to perform the ceiling price studies from 2011 to 2014, which was approximately \$50,000 each year.

3. What is the timeframe for the selection of a consultant to perform the study and prepare the report for the Board?

The Board intends on releasing the Request for Proposal (RFP) through the Department of Administration in August and have it posted for approximately thirty (30) days. The Board intends on selecting a qualified vendor to conduct the study by September or October and would have the study carried out over a 12-24 month period, which will be dependent on the pace of the REG installations. The OER would notify the Commission immediately once the consultant is selected. This outlined timeframe is contingent on the Board's reconciliation funding request being reviewed and a decision issued by the Commission in the fall or winter timeframe.

In the interests of efficiency, the OER is simultaneous filing the reconciliation funding request for consideration by the Commission and releasing of the RFP, which is the same process used by the Board and OER for the Commission approved reconciliation funding requests that were filed to the Commission in July 2014 and February 2015.