

2021 REG Ceiling Price Analysis - Supplemental Data Request and Survey

DUE DATE: August 14, 2020

Dear Renewable Energy Industry Participants:

The Rhode Island Office of Energy Resources and Distributed Generation Board seek additional stakeholder input into the development of ceiling prices for renewable energy projects under the Renewable Energy Growth (REG) Program for the 2021 Program Year.

This survey seeks to supplement the first RI REG 2021 Ceiling Prices Stakeholder Data Request and Survey to further refine cost and modeling assumptions. It seeks feedback on a specific small set of issues, but we welcome additional feedback (supported by documentation and as it relates to the 2021 REG Ceiling Prices) by email to Kate Daniel at kdaniel@seadvantage.com and Jim Kennerly at jkennerly@seadvantage.com.

As has been the case in prior years, the 2021 Ceiling Prices must ultimately be approved by the Rhode Island Public Utilities Commission (PUC) after thorough review and comment by the Commissioners, Commission staff and the Division of Public Utilities and Carriers, Rhode Island's official advocate for electric ratepayers. In anticipation of this review, we note that it is highly unlikely that we would incorporate suggested changes to the recommended Ceiling Prices that are not supported by substantial and credible evidence, or could be inconsistent with state laws, rules and tariffs governing the REG Program already approved by the General Assembly and/or the PUC. While we welcome the opportunity to receive and vet all stakeholder feedback, our flexibility in incorporating said stakeholder feedback is not absolute. Please provide documentation and supporting evidence for your responses to Kate Daniel at kdaniel@seadvantage.com and Jim Kennerly at jkennerly@seadvantage.com.

All Survey responses are voluntary and will be kept confidential in accordance with the State's Access to Public Record Act. Any information provided in response to this Survey will not be identified in relation to, or attributed to, an individual respondent in any public presentation or public document. If you have any questions about how to complete this survey, please contact Kate Daniel or Jim Kennerly.

Respondent Information

* 1. Please provide your name and contact information:

Name

Company

Email Address

Phone Number

2. What types of projects are you involved with? You may add multiple responses.

- Small Solar (1-25 kW)
- Medium Solar (25-250 kW)
- Commercial and Large Solar (250-5,000 kW)
- Non-Solar (Wind, Hydroelectric, Anaerobic Digesters)

Solar Capacity Factors

3. Below is a table containing our current assumptions for solar capacity factors. Are these capacity factors reasonable?

Yes

No

If not, please provide more appropriate capacity factors along with verified documentation to jkennerly@seadvantage.com and kdaniel@seadvantage.com.

Solar O&M Costs and Project Management

4. How often do project investors require a performance guarantee or other type of premium O&M package?

5. What is the typical cost of a performance guarantee or premium O&M package, on a \$/kW-yr basis? Provide supporting documentation to jkennerly@seadvantage.com and kdaniel@seadvantage.com.

6. Copied below are our current operating expense assumptions. Fixed O&M costs should reflect all fixed and variable expenses associated with project operations, EXCEPT annual expenses for insurance, property taxes, land leases, royalties, and project management (see definition below). Are our fixed O&M assumptions reasonable?

Yes

No

If not, please provide more reasonable costs, supported by documentation to jkennerly@seadvantage.com and kdaniel@seadvantage.com (such as a properly-redacted quote or contract for O&M services).

7. In which of these categories did you account for the costs of project monitoring – as an O&M expense or as a part of project management? ("Project Management" accounts for the cost of staff time related to managing the project's Power Purchase Agreements, grid integration, and periodic reporting to the system operator and policymakers.)

8. What are typical monitoring costs, on a \$/kW-yr basis? Support your estimate with documentation to jkennerly@seadvantage.com and kdaniel@seadvantage.com.

9. Are our assumptions for the cost category in which you include monitoring sufficient to account for monitoring costs?

Year-on-Year Cost Declines

10. We currently assume year-over-year capital cost declines of 3.5% for Small Solar I and Small Solar II, and 4.5% for all other solar categories. Do you agree or disagree with the cost decline assumptions? (Note that the consulting team is not considering eliminating any cost decline assumption, but rather seeking feedback on the magnitude of the expected decline.)

- Agree
- Disagree

If you disagree, please specify a more reasonable non-zero assumption to expect for changes in capital equipment costs from 2020 to 2021? What is your basis and evidence for that expectation? Submit all relevant documentation to jkennerly@seadvantage.com and kdaniel@seadvantage.com.

Non-Solar Capacity Factors

11. The table below contains our current assumptions for non-solar capacity factors (note, we use an “Availability Factor” for Anaerobic Digesters). Are these capacity factors reasonable?

- Yes
- No
- N/A - I am not active in non-solar projects

If not, please provide more appropriate capacity factors along with verified documentation to kdaniel@seadvantage.com and jkennerly@seadvantage.com