

To: Sustainable Energy Advantage
From: Handy Law, LLC
Date: March 14, 2023
Regarding: OER's Distributed Generation Policy Planning Initiative

We read the Providence Journal's report on the newly proposed Revolution Wind 2 project this morning (attached), including the following highlighted excerpt:

If the full amount is secured, offshore wind would meet nearly half of the state's electric demand in 2030, even accounting for the continuing electrification of the heating and transportation sectors.

This highlights additional concern about the pending inquiries on program capacity issues, as follow:

Eligible Project Sizing to Load: Of the options for requiring projects (or project capacity allocations from off-site projects) to be sized to load on slide 25 [??], which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?

Eligible Accounts and Associated Capacity (Projects Serving On-Site Load): Of the options for Eligible Accounts and Associated DG Capacity shown on slide 27 [??], which of the potential mechanisms presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?

Eligible Accounts and Associated Capacity (Projects Serving On-Site Load): Of the options for Eligible Accounts and Associated DG Capacity shown on slide 28 [??], which of the potential mechanisms presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?

Our prior comment on these questions was:

There is no need to limit eligible accounts – we are now mandated to think/plan on a whole energy system basis. Similarly, there is no cause to devalue compensation based on load requirements – our load is our energy system's requirements for electricity. If/when we start truly thinking about energy system costs and benefits we will find that a systemic approach enhances all types of properly gauged value (as Energy 2035 already counsels us). It is not only too complicated but it is also antithetical to the new mandates (and to Energy 2035) to think otherwise.

The ProJo's reporting raises additional issues:

- Who gave this reporter the information that Revolution Wind 2, when combined with other proposed offshore wind projects, will account for over half of Rhode Island's load "even accounting for the continuing electrification of the heating and transportation sectors?"
 - OER's 100% by 2030 report did not account for electrification of transportation and thermal. Who did a subsequent study that addresses those load requirements?
 - How did they account for the electrification of our thermal load?
 - Did they presume passage and implementation of an RES for thermal?
 - How many centralized thermal districts did they assume?
 - How many of those were run off geothermal? Biogas? Other?
 - Where were they located and under what authority were they developed (or presumed to have been developed) with accurate feasibility, permitting and revenue projections?
 - How many air source heat pumps (electrification) did they presume, on what basis?
 - How did that study account for offshore wind providing half of the newly electrified load requirements?
 - Did the study identify where the rest of RI's clean energy supply would come from? If so:
 - How much from renewable energy credits generated from projects outside of RI?
 - How much from other utility scale projects sited in RI?
 - How much from RI sited distributed generation?
 - If the study did not assess where the balance of our supply will come from (or any of the above), how can these stakeholders possibly assess how to limit the capacity of RI's DG programs without knowing how much DG we will need to meet the mandate of 100% by 2032?
 - How does any of this planning (done or not done) jibe with the added requirements of the RI Act on Climate?
 - In the absence of accurate information about RI's future load requirements and how they will be met under our new mandates, how could this stakeholder group properly recommend any limits on any DG program capacity?

Presumptions about load and how it will be met threaten to lull us into a false sense of security regarding our obligation to fulfill the legislated mandates.

As we wrote in our first set of comments on scoping this process (*italics added*):

- *First, we simply cannot fully understand our electricity needs unless we've thoroughly anticipated, understood and planned for the impact of our*

climate goals. This was a noted problem of OER's 100% by 2030 study which seems threatened to be perpetuated here. The electrification of thermal and transportation load needed to meet the general assembly's climate mandate will put us in a very different position with regard to the need to either source our own or import our new requirement for clean electricity.

- *Second, our RI Energy Plan (Energy 2035) analyzed the impacts of thermal, transportation and electrical energy together in reaching the conclusion that the status quo is our most expensive, least secure and most emissions producing option. We cannot understand the alternatives to that status quo or the associated costs unless all energy sectors are studied together. As just one specific example, if our thermal needs for housing are all proposed to be met with air source heat pumps the electrical load requirements will be dramatically higher than if we resolve to meet those needs through geothermal or other means. How can we possibly understand what we will need to do to plan/site and pay for our electrical load unless we know how we'll be meeting our thermal load requirements?*
- *Third, our electricity programs are designed to send a signal for what projects we want to build here and how we intend to plan for and fund them. We can't accurately plan programs to send the right signals that will produce (or import) that required electrical load unless we fully understand the load requirement. Going one step further, we cannot understand the different financial, security and emissions implications of importing that load rather than supplying it locally unless we understand what and where we're targeting production. Stakeholders have raised this concern ever since the energy plan was generated - we need to understand accurate load projections before we can proactively plan and signal for how and where those loads will be procured.*
- *The scoping memo appears to contemplate perpetuation of incremental thinking on and evaluation of electricity programs despite the fact that we have now entered an absolutely transformative period for implementation of our clean energy economy.*