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To: Sustainable Energy Advantage
From: Handy Law, LLC
Date: March 8, 2023
Regarding: OER's Distributed Generation Policy Planning Initiative

We are asked to comment on the AES presentation distributed and then made to stakeholders on March 3, 2023. First, thank you very much for taking the step back to more broadly inform us on, evaluate, and (most importantly) dialogue on the wide range of policy alternatives that face us now. It is important to contemplate our options from a clean slate moving forward and act on policy ideas that best suit the general assembly's mandates and our state's clear policy objectives. Generally speaking, the March 3 presentation was a helpful step in that direction.

If it is still not clear to OER that requiring the amount of substance requested by SEA (not to mention the very significant substance that was omitted from the presentation but is relevant to it, see comments below for some examples) to be addressed in comments owed to you within such a short period of time narrows the pool of capable participants greatly, then please reconsider whether this process is properly designed to make the most out of stakeholder participation. Please reassure us that this is not just another ends-oriented process by ensuring that all (not just those paid and staffed up to participate in such processes) are allowed enough time to fully consider and dialogue on it and by ensuring that all stakeholder response can actually impact the direction of resulting recommendations. If this severely time-constrained heap of workload will produce the to-be-expected - stakeholder attrition, those of us determined to persist through it (I generally do this work for a living and am still having great, great difficulty meeting your requirements for its attention) might like reassurance that we are not going to put everything else aside and prioritize this effort in vain. It would seems that our prior comments were not fully accounted for in this presentation, as noted in more detail below. That kind of highly discouraging and frustrating neglect has become way too common in these energy related stakeholder proceedings.

Along the same lines, we also have concerns with the strategy of asking stakeholders to vote on prioritization of policy objectives. That is because the results will inevitably represent the priorities of the participants and some participants are better able to participate in this process than others. For example, the utility gets reimbursed by ratepayers for the personnel it dedicates to such processes - renewable energy developers do not. Environmental advocacy organizations raise money to specifically fund participation in such policy proceedings; in contrast renewable energy developers are paid only for their (currently greatly diminished) capacity to develop renewable energy projects, not for participating in hours of policy proceedings. I reviewed the attendance sheet for the first stakeholder session here and (although it is admittedly hard to tell) it appears that the representation of interests may not be appropriately balanced. Given any such imbalances in participation (and capacity to participate fully), any polling you do with these stakeholders is likely to be biased based on who is able to participate and to what extent. Consequently, results may not be truly representative of "stakeholder" opinion. Of course, these concerns apply to every element of feedback you receive to such inquiries polled to the participating stakeholders.

I. Priority Policy Objectives & Explanation

Per our email comment to and dialogue with SEA personnel, we do not think the following policy objective should be considered elective or subject to our prioritization:

- Maximize likelihood of reaching 100% Renewable Energy Standard by 2033 and 2021 Act on Climate requirements

We must not only "maximize the likelihood," we must absolutely take the steps to reach these mandates from our general assembly. No administrative process can set any different level of priority for that. If we resolve otherwise, our resolution is automatically preempted by the general assembly's mandates.

Similarly, we think the following bullet on consumer protection is also just a given –

- Protect consumers from (intentionally or unintentionally) deceptive or abusive practices

Our laws clearly require consumer protection and the attorney general has a whole division committed to it. If you require these "policy objectives" to be included on the list of priorities, they would need to be top of list, which would just throw the polling on other issues off.

Of the discretionary priority policy objectives from your list, our top five are:

- Maximize benefits/minimize costs, impacts and delays associated with interconnection to the transmission and distribution system
- Encourage sustained distributed generation industry growth and market development
- Maximize ratepayer and societal benefit/minimize ratepayer and societal cost
- Leverage recently-adopted federal clean energy tax credits from the Inflation Reduction Act of 2022 (IRA)
- Encourage solar development on disturbed land/minimizes reliance on green space

This is obviously not to say other stated policy objectives are not important. As one example, we certainly believe in "enhancing benefits to low income and disadvantaged communities" but feel that is inherently part of bullet 3 above (which, in turn, is best served by bullets 1 and 2). Likewise, we submit that the goal to "maximize near- and long-term local jobs/economic development" is adequately incorporated in the listed goal to "encourage sustained distributed generation industry growth and market development" (especially if that goal is properly expanded to also include other economic opportunities from all distributed energy resources like efficiency, demand side management and distributed thermal and transportation).

As should be presumed with everyone else, these priorities reflect our experience with what is most important, given where we are right now. The current administration of interconnection is absolutely crippling our capacity to achieve anything other than more (very costly and insecure and insufficiently clean) business as usual. DG industry growth is absolutely essential given our current electricity profile (heavily over-reliant on natural gas) and especially if we consider the coming need for electrification of our transportation and much of our thermal sector. Energy 2035 already established what we need to do to "maximize ratepayer and societal benefit/minimize ratepayer and societal cost" – now we need programs that actually act to fulfill that energy plan. To achieve the goals of interconnecting more of the DG growth to accommodate scaled electrification, we will need to effectively capitalize on every incentive from the IRA.

Encouraging solar development on disturbed land and not green space is certainly a priority. Yes, we should clearly strive to preserve as much green space as possible in the face of all rising development needs. That preservation effort ought to be equitably implemented across all sectors and not singled out for solar or even all renewable energy. Moreover, solar should not be viewed or presented as the only energy resource that presents land use challenges. Our current overreliance on natural gas has much more significant siting implications in the places where the gas is sourced (fracking), the way it is moved to our market (across transmission and distribution lines that are inadequate to meet our current needs, extremely damaging to interstate strips of green spaces and which leak methane emissions) and the need to site supporting RI infrastructure (eg, the serious environmental justice concerns at the Port of Providence). Without siting renewable energy we will continue to experience the siting impacts of our business as usual. Beyond that, solar is not our only renewable resource – for example, we have a great on-shore wind resource here in RI which has also been met with similar siting resistance despite its relatively minor impact on green spaces. If we are so concerned about the impacts on green space from solar siting, why wouldn't we commit to much more permissive siting requirements for wind turbines which are much more efficient sources of power generation that take up much less land area?

Priority policy objectives that the presentation omitted, include (but likely aren't limited to):

- Enhancing energy security and resilience through funding (grants, incentives), planning for and implementing closed loop self-reliance across all consumers and energy sectors (thermal, transportation and electricity)

We would place this addition right at the top of our list of energy policy priorities. *[we are surprised strated and fruit did not come up in the discussion of alternatives, as these strategies are being implemented in the most progressive jurisdictions across the country and globe (see eg, (CT, MA, HI, CA, NJ, NY and* *https://www.thinkmicrogrid.org/assets/Think%20Microgrid%20State%20Assessment%20-%20June%202022.pdf)].*

II. *Compensation Mechanisms: Of the options for DG Compensation Mechanisms on slide 11* **[SLIDE 11??]**, *which of the potential options presented (or an option not named therein that you recommend) is most appropriate for compensating DG projects, and why?*

As we commented before, we believe that crediting DG production based on a 10-year historical average of Last Resort Service (LRS) + Transmission + Transition + Distribution is most appropriate. The rate would be adjusted so that preferred customers (eg, low income, public accounts, etc) would receive the benefit of a credit for a higher rate class (ie, not their discounted rate to buy electricity – so as to maintain the same kind of preference). Among its other benefits, this proposal is:

- Simple and straightforward to administer. Complexity and awkward administration has been the downfall of many other RI programs (eg, RI REG and value of solar tariffs). Cost based compensation tariffs are way too complicated and thus have proven prone to faulty administration (and sabotage). Value based tariffs can be expected to produce the same result - they've been subject to endless debate (and sabotage) in the jurisdictions where they're under implementation. Our jurisdiction clearly has no consensus on such valuation despite all the studies (akin to the "debate" on whether climate change is real and/or how it is caused, which debate is fortunately now behind us here in RI even though some still wish it were not so. .).
- It would send a clear market signal of value while providing a proper incentive (fundamentally to develop projects at less cost than the historical average market price). What better target than to promote projects that can be developed at a cost that is lower than the 10-year historical market index rate?
- It can and would be adjusted every 10 years to reflect a new historical average, bringing costs down systemically as we are less and less reliant on business as usual (see Energy 2035).
- The incentive can be managed to promote more comprehensive compliance with RI's energy goals (eg, security, system affordability and reduced emissions through closed loop self-reliance). In other words, whether DG resources can continue to qualify for the 10-year rate can depend on achievement of broader energy policy goals (eg, TVR, storage, thermal, EV, energy self-reliance). Indeed, the incentive to comply with RI's goals will be pressed forward to the point of investment in an electrical solution as those looking to fund/finance such investments will be incentivized to make the other investments necessary to meet RI's goals at the outset to ensure they can lock into their electrical rate.
    - A further note about how this specific proposal relates to natural gas: 1) we are mandated to stop using natural gas; 2) our energy plan says our over-reliance on gas to heat/cool and source our electricity is fundamentally insecure, uneconomical and causes avoidable emissions; 3) as previously noted, the gas market very fundamentally works against our many public policy goals of generating more local, renewable energy – for

example, net metering customers are charged more for electricity in winter months when they tend to generate less electricity than they consume than they are credited for electricity in summer months when they tend to produce more electricity, only because gas is more expensive in the winter when we rely on it to heat and electrify. That rate differential has nothing to do with pure electricity demand which is actually highest in the summer months and is, therefore, inequitable. 4) the best way to bring rates down for everyone (including especially low income, disadvantaged customers) is to reduce our reliance on gas (it is fundamental economic theory that reduced demand should be expected to bring reduced cost, especially in our fuel dominant scenario). A variable 10-year compensation rate based on a historic index can be one simple means to encourage customers to get off gas, not only for electricity but also (and more importantly) for thermal – if your electric rate is only committed as long as you meet thermal policy objectives (ie, convert to air source heat pumps to electrify your thermal load), then electricity demand can serves as an incentive to make more challenging decisions to move off gas that will greatly benefit our energy systems. Thus, the unsubstantiated myth of "cost shifting" is a dangerous presumption if it is based on anything less than a complete docket 4600 CBA of the resulting ratepayer/electric system/societal impact of getting off gas (across thermal, transportation and electric) *[we are surprised and discouraged that SEA's presentation would have us perpetuate that myth]*.

- There is no reason such a credit needs to be or should be tied to any specific off-taker. We need to consider our whole distribution system as the target for DG generation and reduced reliance on high-cost business as usual, as the general assembly now mandates that we do. We need flexibility to produce where it is best to produce (cost effectiveness, siting concerns, interconnection capacity) and allow crediting to any that need the clean electricity and will pay for it. In the communities that adopt municipal aggregation (already adopted by many communities and expanding), those customers that cannot source their own electrical needs should even be empowered to commit to 100% green product available through aggregation and still qualify to lock into their 10-year rate.
- Before presuming that this approach of remote crediting will require cross-subsidization be sure to study that and review all the studies that have found otherwise (which excepts only the utility-funded studies). *[we are surprised and discouraged that SEA's presentation would seem t have us perpetuate that myth]* The benefits of such a flexible production regime will be especially important in our coming context of electrification of transportation and thermal.
    - Indeed, as previously noted, the CBA for all of this has already been done in a long stakeholder process run by energy experts. You can see it in our State Energy Plan (Energy 2035), here, beginning at page 46 - https://planning.ri.gov/sites/g/files/xkgbur826/files/documents/LU/energy/energy15.pdf

    - https://energy.ri.gov/sites/g/files/xkgbur741/files/documents/energyplan/ENE_RISEP_Business_As_Usual_Forecast.pdf
    - https://energy.ri.gov/sites/g/files/xkgbur741/files/documents/energyplan/Navigant_RISEP_Scenario_Modeling_Executive_Summary_Results.pdf

- Given conflicting EDC economic incentives (which are spelled out very clearly in RI's Transforming the Power Sector report and elsewhere) it is also essentially important that any utility role in administering any DG programs must be minimalized to the extent possible. To the extent it is not possible to entirely take such administrative responsibility away from the EDC, any remaining role must be overseen closely and carefully by a completely independent, neutral and well qualified entity that has access to all information necessary to perform such oversight. The examples of faulty (and financially conflicted) administration abound, but some are:
    - Issuance of a study finding that the REG community solar program provides better economic value to ratepayers that community net metering without accounting for the administrative fee that must be paid to the EDC under REG (that study was subsequently corrected and, as a result, actually demonstrated better value in community net metering);
    - Proposing to assess an access fee on DG customers interconnecting to the distribution system on the grounds of an alleged ratepayer subsidy without any evidence substantiating such subsidization (PUC docket 4568, proposal contested and promptly withdrawn);
    - Regularly opposing expansion of RI's net metering program on the unsubstantiated basis that it is subsidized by other ratepayers;
    - Failure to act on location-based incentives authority granted under the REG statute based its own faulty and clearly biased location value analyses;
    - Requiring prepayment of interconnection upgrade costs without auditing the actual costs to true up its charges (corrected by petition in docket 4863);
    - A decision to administer net metering billing on a monthly basis rather than allowing an annual volumetric and value true up resulting in crediting less for overproduction in summer months than it charges for net consumption during winter months to the clear disadvantage of net metering customers;
    - Charging DG customers a tax on interconnection upgrade charges despite an admission that it is at best unclear whether the tax is owed to the IRS pursuant to a safe-harbor that does not tax upgrades on infrastructure required to send electricity to the utility (as opposed to those designed to send electricity to a customer), while refusing to pursue a refund (its prerogative as the taxpayer);
    - Admission that it charges interconnection DG customers the cost of upgrading to company standards (eg, requiring 9-way duct bank for future load customers) whether or not the proposed interconnection actually requires it (eg, where it only requires a 2-way ductbank) and refusing to

refund the overcharge unless another customer uses the company upgrade within 5 years, all in direct defiance of RI's interconnection law;

- Charging DG for studies, upgrades and operating and maintenance charges for the regional transmission system while admitting that Narragansett did not own or control any transmission assets despite RI law stating that the EDC can only charge for upgrades to its own electric distribution system (RI Supreme Court appeal dismissed for mootness without addressing the merits because Narragansett removed the appealing project from the group transmission study only after the PUC's declaratory judgment, during its appeal);
- A failure to pay performance-based incentives to at least one enrolled customer and failure to communicate on and resolve nonpayment for almost a full year (still pending resolution);
- Claiming (its own) meter defects as a means to delay compensation to DG customers and, after months of frustrating/debilitating dispute, not providing any reconciliation for the amount of payments it ultimately paid.

III. Compensation Term: Of the options for the potential compensation term for DG projects on slide 13 **[SLIDE 13? I DON'T BELIEVE SO?]***, which of the potential options presented (or an option not named therein that you recommend) is most appropriate for compensating DG projects, and why?*

As discussed above, the term should be 10 years. But, any projects that are associated with a consumers achievement of RI's clearly stated energy goals and directives should be able to lock in to the prior 10 year rate if they choose to.

IV. Transferred Attributes: Of the options for attributes to be transferred from DG project owners to the EDC on slide 15 **[SLIDE 15?? I DON'T BELIEVE SO]***, which of the potential options presented (or an option not named therein that you recommend) is most appropriate for compensating DG projects, and why?*

The project developer is entitled to the value of the electricity, the RECs, the capacity and any other such earned attributes (eg, "ancillary benefits"), simply because they earn it and nobody else does. This is right in line with the following docket 4600 principles cited earlier in your presentation: i) appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society; ii) appropriately charge customers for the cost they impose on the grid; iii) appropriately compensate the distribution utility for the services it provides; and iv) align distribution utility, customer, and policy objectives and interests through the regulatory framework, including rate design, cost recovery, and incentives. As discussed below, it is very bad (and even forbidden) policy to give such benefits of DG to anyone other than those that earned them. [*we are surprised and discouraged that SEA's presentation provides reasons why stakeholders might support transfer of such attributes to the utility without explaining who actually earns the attributes as the previously provided docket 4600A goals would clearly have us do.]*

- The electricity is clearly and simply compensated based on some value proposition that will ultimately be proposed to and adopted by our general assembly.
- The RECs are designed to reflect added environmental benefit of the production that is not otherwise reflected in the economics of pricing. Only the developer of the DG project is entitled to such added environmental benefits of their projects.
- The capacity value and ancillary benefits reflects the benefits to our regional energy system of producing locally and not otherwise having to build infrastructural capacity or take other less desirable steps (like curtailing utility scale offshore wind projects based on voltage concerns – the avoidance of which are called "ancillary benefits") to meet our region's systemic needs. Here again, the benefit is clearly attributable to the project and is not earned by anyone else.
- If we (as a society) feel that such attributes are no longer worthy of value or are overvalued that is another question and we should review and advocate whether they need be paid at all and at what rate. But, paying them to anyone who hasn't earned them is not a proper solution.

V. *Ratepayer Crediting of Gains from Attribute Sales: Of the options for crediting gains from the sales of attributes from eligible DG projects to the EDC on slide 18* **[SLIDE 18??]***, which of the potential options presented (or an option not named therein that you recommend) is most appropriate for compensating DG projects, and why?*

NA - the value of the attribute sales must go to the project developer per above. The resulting gains to our energy systems that these attributes are designed to pay for (e.g., heightened security/reliability, reduced cost, societal benefits of reduced emissions) will be experienced on the system and societally.

The counter-position (that these attributes are owed elsewhere) is based on a fallacy that the societal benefits these attributes are designed to reward don't actually flow to society and/or a myth that they are not to be valued the way the programs are designed to value them. If the programs are no longer appropriate (for some undisclosed and unknown reason) or are valued inappropriately then those disavowing them ought to advocate to change them. The utility that benefits from business-as-usual infrastructure investment should not (for one) be advocating to disclaim credit owed to those that are investing and working at considerable risk to avoid those avoidable investments.

VI. *Price-Setting Mechanism: Of the options for DG Price-Setting Mechanisms on slide 19* [**SLIDE 19?? I DON'T THINK SO**]*, which of the potential mechanisms presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

See above (I'm getting sleepy – only the utility could possibly be paid and staffed well enough to weigh in as demanded here)

VII. *Structure of Bill Credit Compensation to Projects <=25 kW Receiving Bill Credits: Of the AC options for the structure of bill credits allocated to DG project owners (and then to offtakers, if different) on slides 21 and 22* **[I DON'T THINK SO??]** *, which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects that are less than or equal to 25 kW , and why?*

See above. Fundamentally, for simplicity sake (here in these comments and beyond) give everyone the same rate based on the 10 year index of costs for accounts, with the exception of preferred rate customers which should similarly get a preferred compensation rate.

VIII. *Structure of Bill Credit Compensation to Projects >25 kW Receiving Bill Credits: Of the AC options for the structure of bill credits allocated to DG project owners (and then to offtakers, if different) on slides 21 and 22* **[??]***, which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects that are greater than 25 kW , and why?*

See above. At bottom, for simplicity sake here (in these comments and beyond) give everyone the same rate based on the 10 year index of costs for accounts, with the exception of preferred rate customers which should similarly get a preferred compensation rate.

IX. *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?*

See above. Fundamentally, for simplicity sake (here in these comments and beyond) there is no need or justification for sizing projects to load. With the general assembly's new mandates we must consider the entire energy system our load and the consummate need to produce clean energy. 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.

X. *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?*

See above. 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.

XI. *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?*

See above. 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.

XII. *Credit Offtaker Enrollment: Of the options for Credit Offtaker Enrollment shown on slide 30* **[??]**, *which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

The credit should simply be paid for the electricity needed and produced. If/when we no longer need to produce DG (which is nowhere near in the foreseeable future, given a properly projected and realistic energy system projection, which – amazingly – hasn't been done yet. . .), we can then consider reducing the availability of the incentive pricing.

XIII. *Incentivizing Beneficial Siting: Of the options for Incentivizing Beneficial Siting shown on slide 32* **[??]** *(including for those associated with competitive procurements and those not associated with competitive procurements), which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

See discussion above and in prior comments. By putting the onus on consumer groups (eg, state, municipalities, industrial parks. . .) to plan for energy self-reliance the burden of siting the electricity production to serve our needs will be put where it should be – right with the customers that use the electricity. That will fundamentally change the current dynamic where the need to serve our consumption is seen as an external influence in which local siting authorities need not take any vested interest. Ultimately, all of this "power sector transformation" is for our own purpose and good. If the interests are not properly aligned to reflect that, the siting (and taxing. . .) authority will always be mismatched with the public need/good, as it sadly is now.

Otherwise, we would solely look to the IRA and other outside influences to provide siting incentives. This maintains simplicity for our crediting system in RI without which the programs always and inevitably suffer.

XIV. Disincentives for/Prohibitions on Siting on Certain Greenfield Parcels: Of the options for disincentivizing or prohibiting siting projects on certain greenfield parcels of land shown on slide 34 **[??]**, *which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

See above. Such siting prohibitions and disincentives must be administered equitably across all uses (not just DG) or else they violate the Act on Climate (which require administration of public policy to affirmatively protect us against climate change).

XV. Behind-the-Meter Time-Varying Rate (TVR) Integration: Of the options for integrating time-varying rates into behind-the-meter DG compensation shown on slide 36, which of the potential mechanisms presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?

Thank you very much for including TVR as an appropriate consideration – that is evidence of the more comprehensive, systemic thought we really need here. Despite that it is not "DG," demand side management is extremely important for consideration of any comprehensive energy policy effort (as are thermal and transportation energy solutions which, alas, still so far remain omitted). As Energy 2035 and other reports have illustrated, the great (and still greatly untapped) potential for savings from such demand side management strategies (as TVR) and energy efficiency create room for added capital investment in DG for compounded ratepayer and societal savings/benefit.

See above – we would greatly recommend that subscribing for TVR should be one of the requirements for those wanting to tie into a ten-year electric rate. We submit that that solution is simple enough without all the other complexities raised in the presentation and for questioning.

Of course, TVR (when properly and fully implemented) comes with its own intrinsic incentives/penalties separate and apart from any DG programs – namely, the customer that adapts behavior to reduce consumption of electricity during periods of peak demand is rewarded by lower charges, and vice versa.

We don't understand/agree with the following bullet from your presentation on this:

- "However, TVR would likely reduce compensation to owners of PV projects not paired with energy storage, which would need to be accounted for in any cost-based incentives"

First, we don't support cost-based incentives. Second, under our proposal the compensation rate for electricity generated would be steady and not variable. The treatment of variable rates for any net consumption can and should be addressed separately and can and should certainly incorporate TVR. Beyond that, if storage is important enough to our energy system to warrant regulatory imperative, then storage could and should be considered as a factor of the rate committed for electricity (ie, presuming it is adequately resourced and compensated, it can and should be a required component of a committed beneficial electric rate).

XVI. *Paired Energy Storage Incentive Design: Of the options for compensating paired energy storage systems shown on slide 37* **[??]**, *which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

Thank you for including storage as a consideration here. Despite that it's not "DG," storage is another essentially important element for proper consideration of any comprehensive energy program strategy (as are thermal and transportation energy solutions which, alas, still so far remain omitted). As Energy 2035 and other reports have illustrated, the great (and still greatly untapped) potential for added energy security, ancillary services (voltage management) and savings from storage will add capacity to our energy system.

See above – we would greatly recommend that storage could be one of the requirements for those wanting to tie into a ten-year electric rate. We submit that that solution is simple enough without all the other complexities raised in the presentation and for questioning. But, it's also essential that storage must be adequately and independently compensated as an independently valuable resource. As with any energy input/resource, it must be properly valued for the services it provides – including especially its security/reliability, capacity and ancillary services benefits (we presume these existing methods of compensation would be considered, as you define, "performance based incentives"). Storage may also need (and deserve) additional subsidy until if/when it becomes independently economically feasible based on a proper compensation regiment.

XVII. *Paired Energy Storage Incentive Design: Of the options for dispatching paired energy storage systems shown on slide 38* **[??]**, *which of the potential options presented (or an option not named therein that you recommend) is most appropriate for DG projects, and why?*

Please see above. We prefer the idea of incentives that respond to defined and commonly understood periods and situations of need. We do not support EDC control and submit that this element also should be administered by someone other than, and independent from, the utility.

Conclusion

Rhode Island is now blessed with groundbreaking, forward-leaning energy and climate mandates. They will only be met by groundbreaking and forward-leaning implementation programs. Those programs are unlikely to arise out of convention or conventional thinking – they most certainly require robust stakeholder participation in rethinking and innovation.