



April 14, 2023

VIA EMAIL

Jim Kennerly
Director
Sustainable Energy Advantage, LLC
jkennerly@seadvantage.com

Chad Brown
Senior Policy Analyst
Sustainable Energy Advantage, LLC
cbrown@seadvantage.com

Karen Bradbury
Administrator of Energy Programs
Rhode Island Office of Energy Resources
karen.bradbury@energy.ri.gov

Re: Evaluation of Rhode Island Distributed Generation Policies

Dear Messrs. Kennerly, Brown and Ms. Bradbury:

I write in my capacity as Senior Legal Counsel for Revity Energy LLC and its affiliates (“Revity”) and to provide Revity’s comments and questions on the Evaluation of Rhode Island Distributed Generation Policies currently being conducted by the Rhode Island Office of Energy Resources (“OER”) and its consultant, Sustainable Energy Advantage, LLC (“SEA”). Revity is a Warwick-based utility-scale solar developer which has successfully developed 97 megawatts of solar capacity in Rhode Island and Massachusetts and has another 125 megawatts in various stages of construction and development in Rhode Island. This correspondence is being sent in response to the solicitation by the OER and SEA for stakeholder comments on the work presented by SEA during Stakeholder Meeting 1 (February 9, 2023), Stakeholder Meeting 2 (March 3, 2023), Stakeholder Meeting 3 (March 27, 2023) and Stakeholder Meeting 4 (April 7, 2023). The purpose of this correspondence is to ask some specific questions regarding SEA’s analysis.

As an initial matter, Revity appreciates the work that SEA and the OER have done in considering the State’s distributed energy policies and presenting these analyses to the stakeholders who will be most directly impacted by any changes thereto. However, Revity must also express disappointment in the fact that this process has been repeatedly invoked by the utility, the Public Utilities Commission (“PUC”), and the Division of Public Utilities and Carriers (“DPUC”) during this year’s legislative session to oppose legislation that would make meaningful changes to the State’s net-metering laws. Most notably, the utility, the PUC and the DPUC have all opposed S0684 and H5853 (expanding the State’s virtual net-metering program and imposing significant siting restrictions on future PSES development) on grounds that include the pendency of this stakeholder process. While the analytical results of this process will undoubtedly be an

117 Metro Center Blvd., Ste 1007
Warwick, RI 02886

revityenergy.com

Nicholas L. Nybo
Senior Legal Counsel

C: 508-269-6433

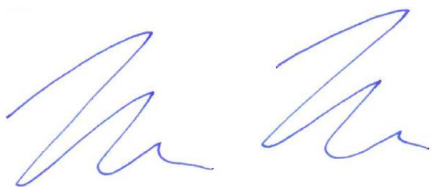
E: nick@revityenergy.com

important resource for policymakers in the future, the process itself should not be used to encourage stagnation. Indeed, in reviewing SEA's latest presentation, it would appear that SEA is explicitly assuming an impending expansion to the virtual net-metering program as a baseline for its analysis. On Page 9 of the April 7 Presentation, SEA states that it has modeled the analysis of benefits and costs based on an assumption that there will be an additional 500 megawatts of virtual net-metering capacity developed from 2024 to 2033. There can hardly be any question that that assumed capacity cannot be met unless the State's virtual net-metering program is expanded.¹

With respect to Stakeholder Presentation 4 (made on April 7, 2023), Revity has the following questions that Revity hopes can be addressed during a future working session:

1. On Page 7 of Presentation 4, SEA estimates that the Alternative Compliance Payment will be \$97 per renewable energy credit in 2033. What information supports that estimate?
2. On Page 9 of Presentation 4, SEA modeled an analysis of the benefits and costs of incremental 1,560 megawatts of Renewable Energy Growth (REG) program capacity from 2024 to 2029. What (if any) consideration was given to applicable (or potentially applicable) site approval limitations in analyzing the prospective development of 1,560 megawatts of REG capacity?
3. On Page 20 of Presentation 4, SEA assumes cost declines for energy storage projects after the commercial operation date and partial replacement of initial equipment. What was the basis for the expected cost decline assumption?
4. On Page 29 of Presentation 4, SEA provides an overview of benefit categories. Was there any consideration for the value of grid upgrades paid for by developers?
5. On Page 34 of Presentation 4, SEA assumes a tax equity internal rate of return of 9.5% and a sponsor equity internal rate of return of 11%. What was the basis for these assumed rates of return?

Regards.



Nicholas L. Nybo
Senior Legal Counsel
REVITY ENERGY LLC AND AFFILIATES

¹ More concerning, a Sub A to S0684 was introduced on March 29, 2023 which would eliminate the virtual net-metering program from Rhode Island law. If this Sub A were to become law, an analysis of benefits and costs that assumed even a single megawatt of future virtual net-metering development would be flawed.