

Rhode Island Energy respectfully submits the following comments in response to the *Request for Information: Solar For All Application to U.S. Environmental Protection Agency (EPA) – Components of Potential Redesigned Community Remote Net Metering (CRNM) Program*, issued by the Rhode Island Office of Energy Resources (OER). Thank you for this opportunity.

Rhode Island Energy is eager to be integrated into CRNM program design. As an essential party to successful implementation of a potential CRNM program, Rhode Island Energy is interested in working through issues of administration, implementation, and customer considerations to inform program design.

Rhode Island Energy provides the following responses to the specific questions prompted by the Request for Information.

1. What are the barriers to Community Remote Net Metering (CRNM) development in Rhode Island that can be most effectively addressed by Solar For All funding?

Generally, any large distributed generation facility that is located far from customer load may face barriers of limited hosting capacity and relatively high interconnection costs. As such, Rhode Island Energy encourages OER to consider how Solar For All funding can support CRNM projects that are developed in close proximity to off-taker load. This sentiment is also consistent with the requirements of the law that “Eligible net-metering systems shall be sited outside of core forests with the exception of development on preferred sites in the core forest.”

Understanding the correlation between load centers and multi-family buildings, Rhode Island Energy flags the inherent challenges within the affordable housing market and CRNM program requirements. Specifically, this target building stock often operates on a master-meter arrangement creating a barrier for attributing net metering credits to individual income-eligible tenants. Addressing this reality and developing a credit pass-through mechanism for master-metered affordable housing could be a critical component for program eligibility and impactful market penetration.

2. Given the changes in solar siting law that passed in 2023, what projects should be eligible for the CRNM program? In your response, please aim to consider the following criteria:
 - a. Maximum and minimum project capacity
 - b. Potential required project interconnection and permitting milestones
 - c. Timing and level of performance assurance/performance guarantee deposits
 - d. Term of qualification/reservation period (i.e., the maximum length of time from project qualification to Commercial Operation Date (COD) and any extensions

Rhode Island Energy reiterates its comments in response to RFI-1, above. Furthermore, additional consideration may be warranted for Affordable housing meter configurations, credit attribution outside of individual tenant utility accounts, and percent (%) credit off-taker thresholds when considering common areas and utility allowances within the affordable housing landscape.

3. Should the program offer dual billing (in which customers receive separate bills for electric service and for community solar credits) or consolidated billing (in which billing for both services flows through the electric bill)? If consolidated billing, should the program employ net crediting (in which customers are provided a net bill credit in excess of the amount billed to community solar subscribers)?

Rhode Island Energy suggests OER engage with customers on their preference and leverage direct customer feedback into future program design discussions. Based on current CRNM tariff language below, Rhode Island Energy defers to maintaining the current consolidated billing approach:

“The Bill Credit Recipient’s bill will be based upon the On-Site Use, the retail delivery service charges and the Last Resort Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient’s retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient’s bill. The Bill Credit will appear on the Bill Credit Recipient’s bill separate from the charges for on-site use.”

4. Should the program allocate capacity differently across different project types (e.g., a carveout for rooftop and/or carport projects) or sizes (e.g., a carveout for medium scale projects)? If so, how much should be allocated and for what types/sizes, and how should the tariff be structured to account for different project categories?

Rhode Island Energy notes the value of flexibility for program administrators and maintaining the ability to shift capacity from underutilized segments to segments with higher demand. Given whatever capacity scheme is adopted by the potential CRNM program, Rhode Island Energy will be a productive partner in supporting implementation. While there are specific project types and/or sizes that may want to be targeted and prioritized within the CRNM program, such as medium rooftop solar because it is sited with the corresponding load, at this time Rhode Island Energy does not want to limit potential project development by incorporating these restrictions in these initial stages. The Company looks forward to future program coordination and actively participating in the development of these program targets.

5. Should Rhode Island Energy (RIE) or a third party administer the potential program? Similarly, should RIE or a third party manage customer enrollment? In your reply, please specifically consider whether the entity managing customer enrollment would have the ability or willingness to recruit customers from other means-tested assistance programs.

The solar sitting law is silent as to what entity administers the potential CRNM program and Rhode Island Energy would defer to OER as to who should be selected. Rhode Island Energy could continue its current processes regarding CRNM, including leveraging existing income-eligible resources. However, if OER is seeking additional responsibilities from the administrator such as customer recruitment and vetting eligibility, Rhode Island Energy would need to consider this expanded scope and the additional resources that would be needed. The Company notes that under the current process developers will recruit and vet using their own resources, as opposed to using additional ratepayer funding.

Regardless of who is selected to administer a potential CRNM program or manage customer enrollment, Rhode Island Energy is a necessary and critical partner to successful implementation because of the Company’s role with facilitating and managing interconnection of distributed energy resources and customer billing. Therefore, Rhode Island Energy stands ready to work closely and collaboratively with the program administrator and expects the program administrator to do the same.

Rhode Island Energy strongly encourages OER to detail for stakeholders how this program – and any third-party administrator engaged in its implementation – will receive appropriate oversight, and by which state agency. This is critically important for several reasons, including, but not limited to, consumer protection and public transparency (e.g., regular reporting on program outcomes).

6. What eligibility requirements for customer enrollment should there be?

No comments.

7. How should OER define low- and moderate-income (LMI) customer/off-taker for the purpose of program eligibility such that it is consistent with Inflation Reduction Act of 2022 (IRA) requirements for projects serving low income and/or disadvantaged communities?

Rhode Island Energy acknowledges the value in having a consistent definition of LMI across programs; where there is a difference, the motivation for that difference should be compelling and the difference should be clear, and consideration should be given to potential customer experience across programs and assistance resources.

However LMI is defined, Rhode Island Energy is eager to coordinate with OER to ensure there is cross-engagement for other utility assistance programs so that customers receive the full suite of aid available.

8. OER is not currently planning to assume that eligible community solar projects will qualify for bonus investment tax credits (ITCs), given that the tax credit program is limited to a maximum of 1,800 MW annually. Do you agree or disagree with this approach?

No comments.

9. How should projects be selected? Should projects be selected on a first-come, first-served basis, or should another approach be taken? For example, should OER or a separate program administrator specifically consider non-price factors (e.g., increased resiliency, project maturity metrics, potential bid preference for beneficial siting characteristics, geography (urban vs rural), siting on rooftops/carports).

Rhode Island Energy encourages prioritizing projects that provide additional grid value. However, although this approach is supported and could potentially incorporate various weighted non-price factors, it seems premature until the Grid Modernization Plan (GMP) is completed. Upon GMP completion, Rhode Island Energy anticipates a more strategic project selection and scoring process and looks forward to actively participating in this program design discussion when appropriate.

10. In recognition of the fact that Rhode Island statute requires that a revised CRNM program proposal must be justified with a benefit-cost analysis utilizing the Rhode Island Test developed in Rhode Island Public Utilities Commission Docket 4600 Stakeholder Report (and in light of the fact that a greater degree of transfer of title to wholesale energy, capacity and renewable energy credits (RECs) results in monetizable benefits for ratepayers), please indicate what attributes should be procured by RIE for resale (with their proceeds directly monetized by ratepayers) in exchange for program compensation.

Per Rhode Island Energy's interpretation of the law, OER must file a benefit and cost analysis with any program proposal. The law does not specifically require that the benefit and cost analysis be a 4600 analysis. With that nuance, the Company is committed to maximizing customer benefits and minimizing program costs for distribution customers.

Rhode Island Energy defers to OER's legal interpretation as to whether a CRNM program under the new law must be treated in the same manner as general Net Metering projects, or if there would be an opportunity to administer in a manner that may differ from general Net Metering projects. For example, whether the Company is able to possess the rights to RECs and capacity. Absent the new CRNM

provisions, net metering systems are not required to sell or otherwise provide RECs to the electric distribution utility. This is in contrast to the Renewable Energy Growth (REG) program.

In an ideal paradigm, Rhode Island Energy would receive the rights to output from the facilities including the RECs, capacity, and energy as the Company has the capacity to manage and monetize the attributes to ultimately return benefits to those ratepayers subsidizing the program. Further, Rhode Island Energy may choose to sell the acquired RECs for compliance purposes to meet the State's Renewable Energy Standard (RES). Any RECs not needed for compliance with the RI RES would then be sold to the market with the proceeds from both being refunded to ratepayers, along with the proceeds from the sold energy and capacity. This approach mirrors other programs already implemented by RIE and makes ratepayers whole, for the costs incurred in support of this program.

11. How should revenue from attribute sales in a future CRNM program be allocated to ratepayers? Would you support having the revenue disproportionately benefit residential low-income and/or disadvantaged community member customers?

Ratemaking principles suggest costs and benefits be allocated symmetrically. Since all distribution customers bear the cost of a CRNM program, then this ratemaking principle suggests that all ratepayers should be allocated the benefits of revenue from attribute sales.

12. How should the program be designed to ensure sufficient consumer protection? Please aim to consider the following in your response:
- a. The information that should be required to be conveyed to potential participants (e.g., subscription size; levelized cost or discount amount; roles of the solar owner, EDC, and customers; other contract terms);
 - b. Approaches for disclosure of the transfer of "green" claims if they subscribe to a CRNM project;
 - c. The need/value of an approved vendor list of authorized CRNM providers (including CRNM developers and subscriber management companies).

Consumer protection is critical and should be consistent across all programs. Rhode Island Energy offers that clear delineation of roles and responsibilities for all parties involved in implementing a potential CRNM program may support consumer protection. Furthermore, methods for accountability and transparency should be established.

13. How can the RI Community Solar Marketplace website be improved to make it more useful for developers and subscriber management companies?

No comments.