



Request for Comments on Straw Proposal for Potential Triggers for Changes to 2024-2026 Ceiling Prices

Due Date: October 31, 2023, at 11:59 pm Eastern Time (ET) 🎃 👻

Instructions: Please send written comments in response to the below straw proposal in a PDF attachment (preferably on organizational letterhead if applicable) to Cal Brown (cbrown@seadvantage.com), copying Jim Kennerly (jkennerly@seadvantage.com), Toby Armstrong (tarmstrong@seadvantage.com), Shauna Beland (shauna.beland@energy.ri.gov), and Karen Bradbury (karen.bradbury@energy.ri.gov).

STRAW PROPOSAL

During the two- to three-Program Year period under consideration, OER and the DG Board propose to revise the Ceiling Price for a given renewable energy class for the next Program Year **IF**:

- 1) As measured between October 1 and December 31 of the calendar year prior to the Program Year in question, SEA determines there is a fifty (50) basis point (bps) deviation (above or below) SEA's forecasted estimate of interest rate inputs (which are based on 10-year and 20-year Treasury bond values measured at the time of the analysis, plus a 325 bps risk premium, and averages thereof); **OR**
- 2) As measured based on information reported to various Northeastern state government and other databases over the 12 months prior to October 1st of the calendar year prior to the next Program Year, SEA determines there is a **ten percent (10%) deviation** above or below reported total project costs, based on average of the 50th and 75th percentile of a regional analysis of:
 - a) Reported total project costs (as installed); and
 - b) Revealed pricing from:
 - i) Accepted bids from the previous two Renewable Energy Growth (REG) Open Enrollments;
 - ii) Information on estimated total project costs for accepted bids from other private databases (such as EnergySage); **OR**
- 3) At any time prior to PUC approval of Program Year prices, SEA determines that there have been changes in state or federal law and/or regulations with a direct, material, and mandatory impact on either program design or cost, performance and financing assumptions, or any other factor that would change the expected rate of return for said projects.

The scope of any changes to the prices triggered by any of these three items would be limited to the above three items.