

DPUC Comments:

- 1) SEA is calculating ceiling prices for the three larger solar classes (Large Solar II-IV) over a three year period, similar to the ceiling prices calculated for smaller scale projects. While there is not yet a formal recommendation to propose multi-year ceiling prices, the Division notes that for the larger classes, the current MW allocation plan does not allocate any MW to the large classes. If the MW allocation plan holds, does OER, the Company and SEA intend to propose multi-year prices only for those classes that actually have allocations in 2024 (i.e. <5 MW)? If not, is the purpose of a three year set of ceiling prices for the larger (> 5 MW) classes to provide these projects a view of the year 2 and year 3 prices that would be in place for the years in which these classes will have MW allocations (program year 2025 and 2026)? Given the significant near term uncertainty with macroeconomic forces, and the fact that not all RE Growth classes will have MW allocations over the potential three year window proposed, it may be wise to delay recommending a three year set of ceiling prices at this time.
- 2) The proposed adders for Brownfields and Landfills have a single value as opposed to a value for each of the next three years. If a multi-year set of ceiling prices is recommended, is this adder value valid over the same three years as the ceiling prices or will this value be recalculated / revisited in years two and three of the multi-year plan?
- 3) The land lease cost for landfills and adders is assumed to be equal to the cost of a greenfield site. Given the development challenges and increased costs associated with these sites, the Division believes that a discount to the land lease cost may be more realistic.
- 4) The calculation of the adder value is based on an assumed increase in both upfront costs (for permitting and added costs associated with construction on landfills and brownfields) and ongoing annual costs (for operating a project on a landfill or brownfield). What steps will be taken to require a developer that is requesting this adder to provide evidence of such costs so that the level of these adders can be monitored and adjusted on a going forward basis? What would prevent a smaller project that requires very little land (i.e. a 250 kW Medium scale project) from locating within the boundary of a landfill or a brownfield, but in an area that requires little to no added cost to develop, build and operate? Based on this type of scenario, it seems reasonable that a minimum size be established for eligibility for the landfill and brownfield adder. The Division suggest that 1 MW may be an appropriate minimum.
- 5) The Division understands that SEA's current proposal for adders seeks to focus the adders on a narrower set of "preferred sites", specifically to those requiring remediation. The Division understands that this approach is based on research that SEA has performed on the technical potential for such sites and the language in Statute section 39-26.6-22 but believes that a more specific definitions of "Landfill" and "Brownfield" may be required to support this recommendation. The law cites the following types of preferred sites: "a location for a renewable energy system that has had prior development, including, but not limited to, landfills, gravel pits and quarries, highway and major road median strips, brownfields, superfund sites, parking lots or sites that are designated appropriate for carports, and all rooftops including, but not limited to, residential, commercial, industrial and municipal buildings." Would superfund sites be deemed to be eligible for the "Brownfield" adder? It will also be necessary to identify what entity ultimately makes the determination of eligibility for "Landfill" or "Brownfield" classification. Would this be Rhode Island Energy? Importantly, does the entire project need to be located within the land area with this designation? If only a portion of the project is located on a brownfield or landfill, will the adder be reduced?
- 6) General Statute section 39-26.6-22 states that "the electric distribution company, the board, or the office, shall propose to include an incentive-payment adder to the bid price of any winning

bidder that proposes a distributed-generation project in the preferred sites that require remediation. Who is proposing these adders – the Company, the Office or the DG Board? Or are all three entities jointly proposing these adders?

- 7) Mechanically, it appears that the Large IV class will have a higher ceiling price established based on the premise that any Large IV site proposed must be located on a preferred site. This seems to allow for a Large IV site to get the benefit of an adder that is designed for a landfill or brownfield (by way of a higher ceiling price), but would only be required to meet the preferred site definition and not necessarily be required to be sited on a landfill or brownfield? Is this the intent of the recommendation? Will Large IV sites be required to specify which type of preferred site they are located on? If so, and a Large IV project is located on a landfill or brownfield, would the project developer be required to provide evidence of costs related specifically to development and construction on a landfill or brownfield. For smaller classes (e.g. Large I, II and III or Wind or other smaller classes), it seems that only projects that meet the requirements to be classified as a “Landfill” or a “Brownfield” (such requirements to be further described in the final proposal) will qualify for a fixed adder, which will be added to the price bid in the enrollment period in which that project is selected. Is that correct?