



TO: Rhode Island Office of Energy Resources (OER) and the Distributed Generation Board (DG Board)

FROM: Rhode Island Energy

DATE: September 29, 2023

SUBJ: Response to Request for Comments Regarding Renewable Energy Growth Program Draft Ceiling Prices and Incentive-Rate Adders

Rhode Island Energy respectfully submits the following comments and questions on the first draft of ceiling prices for renewable energy classes greater than 5MW and incentive-rate adders. The intent of asking the following technical questions is to better understand the dynamics that inform ceiling prices. Where possible, we offer suggestions for improvement.

The Rhode Island Energy team continues to have questions about whether the interconnection costs used include or exclude the developer component of interconnection. We also have specific questions including what is driving such substantial interconnection costs/kW across Large Solar II through Large Solar IV and the limitations of using transmission interconnection costs as a proxy for distribution interconnection costs. We recognize our questions about interconnection costs in relation to the first draft of ceiling prices for classes < 5MW, and support a further discussion in lieu of formal written responses.

On Slide 11, what is the motivation for including developer profit and overhead in a listing of capital expenditures; these expenses do not seem to be capital in nature. The list of capital expenditures does include transmission costs, but omits distribution cost and substation costs; are these captured within another line item or elsewhere? Rhode Island Energy questions the inclusion of transmission O&M costs (slide 14) because renewable energy growth systems that participate in Renewable Energy Growth are required to be interconnected to the distribution system.

On Slide 18: (1) What granular components do upfront capital and permitting costs include and what is the data source used to derive these values? (2) What drives the different capacity factors? (3) Why is O&M more for a capped landfill or brownfield?

Throughout, are bifacial modules considered?

On slide 7, the adder has been automatically added to the Large Solar IV renewable energy class, which seems to imply that all Large Solar IV projects will be on sites requiring remediation (i.e., landfills and brownfields). This implication seems to contradict statutory language that more broadly restricts Large Solar IV development to 'preferred sites' [RIGL 39-26.6-7(b)(1)(iv)], where 'preferred sites' includes sites that do not need remediation and therefore should not be assigned the adder. (For example, a Large Solar IV project may be developed on a parking lot). We suggest following the same convention as Large Solar I, II, and III classes when presenting the ceiling prices (i.e., present only the base ceiling price to avoid confusion).



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Finally, Rhode Island Energy recommends developing an adder for anaerobic digestors on landfills, as well as asks SEA to consider if it is possible and advisable to increase the anaerobic digester eligible system size range.

Thank you for consideration of these questions, comments, and suggestions!