



September 22, 2023

Re: Solect Energy comments on DRAFT 2024-26 REG Ceiling Pricings

Dear Sustainable Energy Advantage Team,

The Solect team has reviewed the document titled “Draft 2024-2026 Ceiling Prices, Categories and Modeling Parameters.” The increased REG Ceiling Prices make it more likely that Solect will participate in this program next year. The increased ceiling prices help to better compensate for anticipated interconnection costs, while better offsetting the value of RECs and capacity payments that the project owner is unable to monetize when participating in REG.

We appreciated the chance to participate in SEA’s survey on REG this summer. We’d like to reiterate two points:

Support development of projects in a challenging Interconnection environment. Our understanding is that a Commercial Scale applicant must receive an Interconnection Service Agreement (“ISA”) as a precondition to submitting a project bid in the REG program. By waiting for the ISA, which could take 12+ months, we are hoping RI develops an incentive plan that supports the site control and development investments made to carry a project without incentive or interconnection for over a year.

Update REG to provide fixed incentives for behind the meter solar projects. The state's public building decarbonization initiative requires behind the meter (“BTM”) solar. REG only works with front of the meter (“FTM”) projects. The cities, towns and state agencies in RI that must install tens of MWs of solar will not be in a position to use "cost savings" as a decision driver at the agency and local level to sign leases and PPAs. Similarly, when public capital is invested in Solar purchases, leveraging the IRA's Elective Pay option for non-profits, the ROI on project investments without incentives is years longer and will compete against more pressing capital priorities with City Councils and Selectboards around the state. This important group of RI stakeholders needs a better BTM incentive than the limited REF program. A BTM incentive needs to be higher than Class 1 RECs, depending on the project type (i.e., in the range of .05-.15 /kWh fixed incentive for 20 years). It has to be ratepayer-based to support the decarbonization initiative.

Thank you for this opportunity to provide comment.

-Solect Team