

## **Office of Energy Resources/DG Board Public Meeting**

### **2014 Distributed Generation Contracts Program - Ceiling Prices Presentation**

**Tuesday, October 22, 2013 9:00 - 11:00 A.M.**

#### **RI Department of Health - Auditorium**

**Attendees:** Chris Kearns, Ken Payne, Jason Gifford, Hannah Morini, Martin McGowan, Dennis Starch, Tim Bojar, Mark Depasquale, Seth Handy, Karina Lutz, Karen Hawes, Sharon Conrad Wells, Robert Nicholson, Frank Epps, Misha Glazontisy

The meeting started at 9:05 a.m.

Ken Payne welcomed the stakeholders to this first public meeting on the ceiling prices for the 2014 DG Program. The objectives of the DG Board and OER are to do a number of stakeholder meetings on the program development over the next 2 months.

#### **Sustainable Energy Advantage – 2014 Ceiling Price Presentation**

Jason Gifford provided the initial preliminary results of the 2014 ceiling prices for the Distributed Generation Contracts Program.

He highlighted the adjustments that were being made to the wind, solar, anaerobic digestion classes and the additional renewable energy technology class being added - small-scale hydropower.

Jason stated that there will be a follow up presentation on the 2<sup>nd</sup> round of 2014 ceiling prices after this meeting today. On behalf of the Board, Jason is happy to continue communicating with the stakeholders on the ceiling price development.

Attached is with the meeting minutes is a copy of the Sustainable Energy Advantage presentation.

#### **Public Comments Received on the 2014 Initial Ceiling Prices**

- The rate of return assumptions in the ceiling prices were raised, and comparison to the numbers that were used in prior year DG programs.
- The capacity factor for wind was too high, it should be lowered. A scheduled wind turbine project installation in Coventry was reference as facing a lower capacity number.
- Interconnection costs can range depending on the project and system size location. Ex: There have been issues where a switch gear was initially required for a solar project

installation as part of the interconnection and after the installation was completed, the property owner was informed that it was no longer needed.

- The interconnection costs should be raised from what was approved with the 2013 ceiling prices. Interconnection costs are appearing to be higher.
- However, interconnection costs can range from site to site, so it is difficult to determine a universal number for the ceiling price.
- Monetization of the federal tax credits should be adjusted. Developers can't necessarily take full advantage of the incentive. Should consider reducing the tax credit incentive utilized in the 2<sup>nd</sup> draft of ceiling prices.
- Investors are only looking at the 15 year DG contract and not what happens after that, in terms of incentives (price per kWh) received.
- The issue was raised of the potential freeze of the RES percentage in 2014 by the PUC and what impact that would have on the DG program.
- The ceiling prices should look at additional data on renewable energy technologies, such as what is occurring in MA.
- There was a suggestion made to only look at RI based projects in developing the ceiling prices.
- The overall program has been a success over the first 3 years, and it will be interesting to see how the renewable energy market responds with the changes made to the DG law by the General Assembly this session.

The meeting ended at 10:35 a.m.