



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

Chairman Richard A. Licht, Director
One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-2280
Fax: (401) 222-6436

RHODE ISLAND RENEWABLE ENERGY COORDINATING BOARD
Established pursuant to RI Public Law 2011 Chapter 222 and Chapter 306

August 29, 2012
10:30 – 11:30 AM
Department of Administration, Conference Room A

WELCOME (Chairman Richard A. Licht)

Meeting was called to order by Chairman Richard Licht at 10:33 A.M. Chairman Licht began the meeting by asking the Board Members and Advisory Council Members around the table to introduce themselves.

Board Members in attendance:

Janet Coit, Director, Department of Environmental Management
Grover Fugate, Executive Director, Coastal Resources Management Council
Marion Gold, Administrator, Office of Energy Resources
Chairman Richard Licht, Director, Department of Administration
William (Bill) Parsons, Acting Director, Economic Development Corporation

Advisory Council Members in attendance:

Bob Chew, R.W. Chew, LLC
Bruce DiGennaro, The Essex Partnership
Larry Dressler, Tomorrow Biofuels, LLC
Bill Ferguson, The Energy Council of RI
Seth Handy, Handy Law, LLC
Jennifer McCann, University of Rhode Island, U.S. Coastal Program Coastal Resources Center
and RI Sea Grant Extension Programs
Malcolm Spaulding, University of Rhode Island, Department of Ocean Engineering
Robert Tormey, NERC Solar

Others in attendance:

Vito Buonomano, Northeast Solar & Wind Power, LLC
Beth Cotter, Senior Policy Analyst, Office of the House Majority Leader
Marie Ganim, Director of Policy and Deputy Chief of Staff, Office of the President of the Senate
Charlie Hawkins, Office of Energy Resources
Christopher Kearns, Office of Energy Resources
Hannah Morini, Economic Development Corporation
Michelle Mulcahy, Smart Energy Capital
Danny Musher, University of Rhode Island
Allison Rogers, Director of Policy, Department of Administration

Chris Caisse
Kristina DiSanto
Charles Donovan
Tim Hetland
Roland Moulon
Karl Munzel
Stephen Petrarca

INTRODUCTION OF OFFICE OF ENERGY RESOURCES ADMINISTRATOR MARION GOLD

Chairman Licht introduced the new Office of Energy Resources (OER) Administrator, Dr. Marion Gold (hereinafter “Marion”). Marion previously served as the Director of the URI Outreach Center, where she created the Energy Fellows Program.

REVIEW OF MISSION AND PRESENTATION OF PROPOSED WORK PLAN AND TIMELINE FOR THE RENEWABLE ENERGY COORDINATING BOARD

Marion opened up the next agenda item, stating that the purpose of the meeting was to get a briefing from the members of the Renewable Energy (RE) Coordinating Board (RECB) on the activities at their agencies. She also wanted to provide a timetable of the board’s deliverables. What makes the board’s task challenging is that there are 23 Rhode Island laws related to energy policy and there is a need to mesh these laws among the 15 state agencies involved. The goal of creating a clean energy future has many competing interests like energy efficiency (EE) & RE.

Marion then presented a power point that explained the goals and duties of the RECB (Attached). She mentioned the work of the Renewable Energy Siting Partnership (RESP) which has given the Board a jump start. The RESP has generated lots of data and the Board needs to use that information to advance RE in Rhode Island and develop a Comprehensive Energy Plan for the State.

Monthly meetings are anticipated with the next meeting tentatively scheduled for September 25th and will include a presentation of the RESP guidelines. Marion discussed presenting a strategic plan and report that is due to the General Assembly twice a year at a future RECB meeting. A Comprehensive Energy Plan will also be discussed that will integrate RE & EE. The board is required to have two meetings a year with the Energy Efficiency and Resource Management Council and the first one is tentatively scheduled for November 27th. The public can check the confirmed dates of future RECB meetings on the Secretary of State’s Open Meetings website: http://sos.ri.gov/openmeetings//index.php?page=view_entity&id=5959

APPROVAL OF MINUTES

Chairman Licht then asked for a motion to approve the March 6, 2012 meeting minutes. Hearing no objection, the minutes were approved.

ADVISORY COUNCIL APPOINTMENTS

Chairman Licht suggested tabling this agenda item to a future RECB meeting. The motion was seconded and passed.

UPDATES BY BOARD MEMBERS ON RI RENEWABLE ENERGY PROGRAMS, INCLUDING THE RESP

Marion Gold-Office of Energy Resources, Department of Administration (OER): Marion wanted to express her appreciation for Jennifer McCann (hereinafter “Jen”) of the URI Coastal Institute & the URI Energy Center who participated in the RESP. It gave her a renewed appreciation for the value of bringing people together to discuss issues and share information.

Janet Coit-Department of Environmental Management (DEM): Janet Coit (hereinafter “Janet”) reported that through various funding sources, like ARRA and clean air settlements, DEM has been able to install RE projects on state facilities, such as beach facilities and fish hatchery facilities, which consume a lot of energy. The projects have been well received and have provided the public with an introduction on how RE works.

DEM is also working with the CRMC & the Governor’s office on offshore wind with fishery issues a concern. She wanted to emphasize the big picture of carbon emission reduction when siting RE projects. Chairman Licht said that the issue of land based wind projects will be something that the Board will need to address with recommendations to the General Assembly. He feels that wind energy is one of the best tools to reduce carbon. Janet added that climate change is another reason to promote RE.

Chairman Licht feels that RI Statewide Planning should have been included in the RECB. He hoped that Senate and House Policy heads, Marie Ganim and Beth Cotter, could consider adding an amendment to the legislation to include them in the future.

Grover Fugate-Coastal Resource Management Council (CRMC): Grover Fugate (hereinafter “Grover”) reported that Deepwater has submitted their application to the U.S. Army Corps of Engineers and it is being assessed for completeness. The CRMC voted to override a regulation that requires complete local approvals before they proceed with an application. Narragansett is amenable to this and Block Island has already given approval.

The Bureau of Ocean & Energy Management (BOEM) has issued a positive finding on the cable route. They have jurisdiction because the project crosses a small piece of federal waters. Deepwater, URI, Siemens and the National Energy Research Lab have submitted an application for a \$20M DOE RE research solicitation. It has made the short list with a decision pending shortly. BOEM is also invested in additional fisheries work with URI that would support large-scale offshore projects in the future.

BOEM held a task force meeting to roll out the new auction format for areas of mutual interest (AMI). Unfortunately issues have developed in the partnership between BOEM and the states (Rhode Island, New Jersey & Delaware) regarding the lease process. BOEM now plans to award the highest bidder as long as they are a U.S. LLC. Concern was expressed about the potential for a foreign firm, using a U.S. LLC, coming in to develop turbines in the Gulf shipping electricity to New York. The States have two weeks to submit comments.

Chairman Licht asked if there is a requirement for long-term contracting power purchase agreements (PPA). Grover said that there is no such requirement. However, there is a 25% discount if you get a PPA but no one in this region can get a PPA done in the short time required.

The discount then drops to 10%. There will be eight major companies bidding for the two leases offered within the AMI.

Jen wanted to point out that RI's Ocean SAMP has already made significant investment in researching the proper place to place wind turbines. Marion feels that offshore wind could depress energy prices or keep them stable if negotiated properly. Grover said the price for the Deepwater project is elevated because of the uncertainty of cable costs and other factors. DOE's goal is to get offshore wind to a competitive price of 13 cents per KW. Marion said that although Deepwater is expensive it could make RI a leader in the offshore wind industry.

Chairman Licht asked how this auction would impact other large projects like Cape Wind. It will not impact Cape Wind because they were permitting very early and there was a carve-out in the law for them, so the auction will have no impact.

Bill Ferguson (hereinafter "Bill F.") said that it was important that TEC-RI receive any concrete information about utility scale wind costs. This is critical for large energy users because the only price information they have is Cape Wind which is 18.5 cents a KWh escalating at 3.5% annually. If the price is getting closer to 13 cents KWh he needs to know. Grover said that because Cape Wind's NEPA process is locked in, and they have faced so much litigation, they are reluctant to change their PPA. Technology is changing so fast that the Deepwater turbines will produce twice as much energy as the Cape Wind ones will. Malcolm Spaulding has done a common cost projection model with the ultimate target to use the Block Island project as a demonstration site to demonstrate the technology and the cost of the Deepwater project. Bill F. said he would love to look at that projection.

Robert Tormey said that the reason the RECB is here is to look at the 50,000 foot view and look at the interrelationship of issues that are being discussed. There are regulatory issues, physical constraints, and legislative issues associated with RE. To some degree members need to be educated on these parameters. He applauds the idea of having Statewide Planning involved. He feels it is a policy issue. He would like to see workshops on the key RE issues that need to be addressed so the RECB does not deal with these issues in a vacuum. Chairman Licht thought it was a good point. He then introduced the Economic Development Corporation for an update.

Bill Parsons-Economic Development Corporation (EDC): Bill then introduced Hannah Morini, the Program Manger for the Renewable Energy Fund (REF) at the EDC. Hannah said that she is in the early stages of working with the OER on the Comprehensive Energy Plan with a goal of figuring out the best ways to reinvest ratepayer dollars into sound energy development. The goal is to make the REF into something that is program-based and driven by strong policy and proper funding that can stimulate the RI economy. She agrees with Marion that it does not make sense to work on EE & RE separately. Marion said she is excited about targeting REF funds to help businesses. She then introduced Jen McCann to give an update on the RESP.

Jen McCann-RESP: The goal of the RESP is to provide guidance about the siting of land-based RE projects including wind, hydro, and solar. During the last year, the URI team has put together these guidelines using the best available science from the United States and from across the world. They have worked with stakeholders like RI Statewide Planning and municipalities to gather extensive information to create siting guidelines. There have been public workshops to make the process as transparent as possible. This Friday, August 31st, is the deadline for public

comment. Final documents will be presented to OER on October 12th. This is a tool that can be used by anyone to determine the impact of siting a RE installation. Bob Chew said that the 10 commercial wind turbines that are currently operating in Rhode Island would not have been built if the RESP recommendations were in effect.

Chairman Licht urged people who have not commented on the RESP to get their comments in. He wanted to stress that they are guidelines and not regulations. He has heard some concerns from the commercial side. These guidelines can be used before local planning and zoning boards.

Chris Kearns said that the first Distributed Generation long-term contracts meeting was held last week to discuss the 2013 plan and that the next public meeting is scheduled for September 7th at the EDC. A meeting notice will be posted on the Secretary of State's Open Meetings website.

NEXT STEPS REGARDING WORK PLAN

Marion said that the next steps include a meeting tentatively scheduled September 25th, which is subject to change, where a final presentation of the RESP will occur. A draft of the biannual report to the General Assembly will also be discussed at a future RECB meeting. The draft biannual report will incorporate data from the RESP. Chairman Licht asked that Kevin Flynn from RI Statewide Planning be invited to that meeting. Chairman Licht felt it would be helpful to hear from the Advisory Board if there are items that they feel should be included in the agenda. They should get these ideas to either him or Marion. Chairman Licht said that the Board needs to hear the concerns of all stakeholders to formulate a coordinated list of recommendations to the General Assembly.

PUBLIC COMMENT ON AGENDA ITEMS

Chairman Licht said that he would prefer to allow for public comment at the beginning of a meeting. For this meeting, however, he will take it at the end of the meeting.

Bruce DiGennaro commented that it appears the goal of the Board is coordination. He then asked about the Strategic Energy Plan. Vito Buonomano (hereinafter "Vito") asked if the agenda for the next meeting is etched in stone. Chairman Licht said no, but there are certain timeline items that need to be adhered to and they are priorities for the agenda. Chairman Licht noted if Vito had any suggestions for upcoming agendas that he should provide them to him, Marion, or either of their offices.

ADJOURN

Chairman Licht asked for a motion to adjourn. Meeting adjourned at approximately 11:33 A.M.