

Renewable Energy Growth Program

Distributed Generation Board
Presentation

Monday, July 21, 2014



STATE OF RHODE ISLAND

**OFFICE OF
ENERGY RESOURCES**

Background

- **Governor Chafee signed the Renewable Energy Growth (REG) legislation (S-2690A, H-7727A) on June 30, 2014.**
- **The REG law replaces the current contract based program with a tariff based program between 2015 and 2019.**
- **The program scale goes from 40 megawatts (MW) between 2011-2014 to an additional 160 MW over the next 5 years.**
- **The Distributed Generation Board (DG Board) will oversee the annual program.**
- **The REG program is expanded beyond commercial and municipal projects, to include a residential component.**

Eligible Technologies and System Sizes

- The same renewable energy technologies will be able to participate in the REG program.
- The eligible system sizes and classes have been adjusted to the following:
 - Small Scale Solar – 1 kilowatt (kW) to 25 kW
 - Medium Scale Solar – 26 kW to 250 kW
 - Commercial Scale Solar – 251 kW to 999 kW
 - Large Scale Solar – 1 to 5 megawatt (MW)
 - Wind/Anaerobic Digestion/Small Scale Hydropower – Up to 5 MW

Megawatt Allocations

2015 – 25 MW

2016 – 40 MW

2017 – 40 MW*

2018 – 40 MW*

2019 – 15 MW*

* The Board and Commission can make potential adjustments to the MW allocation if criteria are not met, including robust competition amongst the large and commercial scale solar categories.

* In addition to any unused capacity from 2011-2018 allocations.

Tariff Based Program

- **The length of the tariffs issued will be between 15 and 20 years.**
- **The DG Board will need to make decision on the length of the tariff payments, prior to the ceiling price services beginning.**
- **The DG Board will make a recommendation on the lengths of the commercial and residential tariffs to the Public Utility Commission (Commission).**
- **An applicant will have the option of selling the electricity back to the utility or doing a tariff/net-metering configuration.**

Ceiling Prices

- The ceiling price process used for the contract based program will be utilized in establishing the tariff based program.
- Ceiling prices will be developed for the following technologies in 2015:
 - Solar Classes - 5 Ceiling Prices
 - Wind Classes – 2 Ceiling Prices
 - Anaerobic Digestion – 2 Ceiling Prices
 - Small Scale Hydropower – 2 Ceiling Prices

Project Deadlines

- The following operational deadlines are established once an application is approved.
 - Solar – 24 months
 - Wind – 24 months
 - Anaerobic Digestion – 36 months
 - Small-scale hydropower – 48 months
- The application is terminated and the bond deposit is forfeited to National Grid if the project doesn't become operational by the tariff deadline.

Application Process

- An applicant will be required to have a preliminary interconnection study complete, prior to submitting a REG application to National Grid.
- Large and commercial scale solar and other eligible technologies will be selected by National Grid based on the applicant's bid price.
- Small and medium scale solar applicants will receive the ceiling price established by the Board and approved by Commission. Any of these applications submitted to National Grid will be selected on a first come first serve basis.
- Each enrollment will be open for 2 weeks. A minimum of 2 enrollments need to occur in 2015. For the remaining 4 program years, there needs to be at least 3 enrollments.

Additional Options for Annual Program

- **National Grid shall have the ability to pursue the following additional options between 2015 and 2018.**
- **Establishing a “Zonal Incentive” for applications submitted in identified system reliability areas, where it would be beneficial to install distributed generation systems.**
- **Using half of the total MW allocated to the small/medium scale solar categories in coordination with the state’s energy efficiency programs.**

DG Board Responsibilities

- The DG Board will need to determine and recommend the 2015 MW allocation plan, ceiling prices, and tariff year lengths to the Commission.
- The REG law requires that 3 MW annually be allocated to the small scale solar class through the first 4 years of the program.
- The DG Board will need to determine how that MW capacity is allocated to both residential and small business scale solar systems between 1 kW and 25 kW.
- The DG Board will need to determine how the remaining 22 MW is allocated amongst the remaining solar classes, wind, anaerobic digestion and small scale hydropower.

Deadlines for 2015 Program

Month	REG Program Development Timeline
July	<ol style="list-style-type: none"><li data-bbox="624 522 1823 679">1. The DG Board submits a funding request to perform the ceiling price services to the Commission. The funding request was filed to the Commission on July 10, 2014.<li data-bbox="624 751 1785 851">2. Release of the RFP for the 2015 Ceiling Price Services by the Office of Energy Resources.<li data-bbox="624 922 1833 1022">3. National Grid begins to develop the tariffs, solicitation rules and applications.<li data-bbox="624 1093 1837 1193">4. Begin public outreach for comments on the implementation of the new program.

Deadlines for 2015 Program

Month	REG Program Development Timeline
August	<ol style="list-style-type: none">1. Ceiling Price Services RFP closes. The Board and Office review proposals.2. Public Outreach on the Megawatt Allocation Plan, Eligible Renewable Energy Classes and Length of the Tariffs.
September	<ol style="list-style-type: none">1. Anticipate a decision on the funding request made to the Commission.2. Decision by the DG Board on the length of the tariffs.3. Selection of a consultant for ceiling price services.4. Issuing of Straw Man Proposal on ceiling prices to stakeholders by selected consultant.

Deadlines for 2015 Program

Month	REG Program Development Timeline
October	<ol style="list-style-type: none"><li data-bbox="625 554 1789 658">1. First drafts of the proposed ceiling prices and megawatt allocation plan are released for public comment.<li data-bbox="625 725 1804 829">2. National Grid submits the drafted tariff, solicitation rules and applications to the Board for review
November	<ol style="list-style-type: none"><li data-bbox="625 922 1843 1026">1. Second drafts of the proposed ceiling prices and megawatt allocation plan are released for public comment.<li data-bbox="625 1093 1734 1198">2. National Grid submits the tariff, solicitation rules and applications to the Commission.

Deadlines for 2015 Program

Month	REG Program Development Timeline
December	<ol style="list-style-type: none"><li data-bbox="614 568 1843 672">1. The DG Board votes on the recommended allocation plan, ceiling prices and length of the tariffs.<li data-bbox="614 739 1669 786">2. Prepare the filing to be submitted to Commission.
January-March	<ol style="list-style-type: none"><li data-bbox="614 915 1754 1019">1. Docket proceedings, including data requests and public hearing on the DG Board's and National Grid filings.<li data-bbox="614 1086 1754 1133">2. Decision made by the Commission by March 31, 2015.

Questions / Comments

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