

**DISTRIBUTED GENERATION CONTRACTS BOARD MEETING**

**September 10, 2014**

**4:00 – 5:00pm**

**Conference Room A**

**RI Department of Administration**

**1 Capitol Hill Road**

**Providence, RI**

**Board Members Present:** Charity Pennock, Chris Kearns, Christine Maliki-West, Hannah Morini, Ken Payne, Marion Gold, Sam Bradner, Sheila Dormody.

**Attendees:** Adam Ramos, Anthony Baro, Corinne DiDormenico, Danny Musher, Julian Dash, Mark Depasquale, Mike Lucini, Palmer Moore, Peter Aranha, Peter Bay, Russ Maymon, Seth Handy, Shauna Beland, Sue AnderBois, Tim Faulkner

**Call to Order:** The meeting was called to order at 4:10pm by Chairman Payne

**Consideration of August Meeting Minutes:**

Ms. Dormody motioned to adopt the minutes from the August board meeting, and was seconded by Mr. Bradner. After no formal discussion, the board voted unanimously to adopt the minutes.

**Old Business:**

**A) Update on Consultant Ceiling Prices Services Docket:**

Mr. Kearns confirmed that three weeks prior to this meeting, the PUC unanimously approved the board's \$65,000 reconciliation request. Mr. Kearns will work with National Grid on the payment logistics to the consultant.

**B) Update on the Technical Review Committee Review of 2015 Ceiling Prices Survey Proposals:**

Chairman Payne explained that the technical committee was comprised of Mr. Kearns, Ms. Morini, and Mr. Payne. They reviewed the three proposals that were received for the ceiling price work. While all of the proposals had merits, the committee reached consensus that Sustainable Energy Advantage was the strongest proposal. The recommendation was passed to Statewide Purchasing and the award was made. SEA and Statewide Purchasing are completing paperwork, and the work should begin within two weeks.

## **New Business:**

### **A) Discussion and Vote on the 2015 REG Program Tariff Lengths and System Sizes for Development of the 2015 Ceiling Prices:**

Please see summary document handed to board and attendees summarizing proposed tariff lengths.

Chairman Payne explained that the board requested input on the document from a broad array of stakeholders, and a draft was assembled by staff at the Office of Energy Resources. Ms. Pennock, Mr. Kearns, and Chairman Payne discussed the draft and arrived at consensus on the document presented to the board.

Mr. Kearns explained that a questionnaire was sent to all stakeholders earlier in summer 2014. He informed everyone that in determining the ceiling price for system sizes, the board has traditionally used a value in the middle of the range of sizes – not one on either extreme. He also noted that for the small-scale program, the recommendation is for both a 15 and 20 year tariff option for increased flexibility. He also clarified that small-scale is for residential and small business and aligns with the programs at the Renewable Energy Fund.

#### Board Discussion:

Mr. Payne noted that large-scale solar projects range up to 5MW, which is based on statutory language and cannot be modified. He also brought the board's attention to the wind system increments: they may seem irregular but are based on standard wind turbine sizes.

Mr. Kearns reminded the board that a summary of the feedback survey was already sent to all board members. The survey respondents included a cross section of the renewable energy community: renewable energy industry members, New England Clean Energy Council, Commerce RI, OER, board members.

Ms. Dormody inquired why the 15-year option is only available for small-scale. Mr. Kearns and Mr. Payne responded that the comments from the survey generally supported a 20-year tariff, but that respondents (including National Grid) believed that homeowners would likely want shorter options.

Mr. Springsteel stated that National Grid's strong preference would be to minimize bifurcating class sizes and have contracts based on price.

Questions from the Public: No comments from the public.

Ms. Pennock moved to submit the recommendations to the consultant to create the proposed ceiling prices. Seconded by Ms. Dormody. All voted in favor.

### **B) Discussion and Vote on the Third and Final Enrollment of the 2014 DG Program**

Corinne from National Grid presented. Please see powerpoint presentation distributed to board members.

13 MW remain for this program year – final enrollment will be mid-October. If any technologies overbid, contracts will be determined by the most competitive price bid. This is not likely to happen because of the large capacity remaining.

Any capacity remaining will be reallocated to 2019.

Ms. Morini inquired about flexibility and ability to change allocations within each program year. She stressed that since there is a good deal of additional capacity now (and the potential for additional capacity in 2019), the board should consider being flexible and nimble to change allocations among technology and size classes within a program year. National Grid stressed that the program also needs to send clear signals to the market about what capacity is available so that they can plan appropriately.

Questions from the Public:

Julian Dash wanted a point of clarity around how National Grid would shift capacity among technology classes.

Another member of the public noted that 13 MW is significant for allocation. Would the board consider postponing enrollment so that more projects can get organized. National Grid said they would take this under advisement.

Ms. Morini responded that the board should consider increased flexibility earlier in the schedule instead of waiting until the final enrollment period to increase flexibility. She stressed the need to ensure the program fills the capacity. Mr. Payne added that 2015 will be a pilot year for how the expanded program runs, and that the board can learn and respond.

Ms. Dormody asked whether installers might be waiting to hear about the 2015 expanded program instead of applying for the 2014 allocation. Is the board required to move all of the extra capacity to 2019 or is there flexibility? Mr. Kearns replied that it is in the statute to roll additional capacity to 2019.

Tim Faulkner from EcoRI asked where applications will be made available publically. Mr. Kearns responded that it is docket 4288 with the RI PUC and will also be available on the National Grid website, and will be sent to a distribution list maintained by National Grid.

Ms. Maliki-West motioned to approve the recommendations as submitted by National Grid. Ms. Dormody seconded and all board members voted in favor.

**C) National Grid tariff development update:**

Mr. Springsteel provided a verbal update. National Grid is on track internally to develop the tariff and required forms. They are also still developing protocol for how the program will interact with net metering.

Mr. Kearns suggested a "Tariff 101" update at the September 22<sup>nd</sup> board meeting before National Grid distributes the documents.

Ms. Pennock confirmed with Mr. Kearns that the board will have input on the tariff language. Mr. Kearns and Mr. Payne confirmed that National Grid will distribute documents to the board by October 1. The board will have until October 21 – 8<sup>th</sup> to provide comments. Mr. Payne requested that board members reserve bandwidth for this review in October. Mr. Kearns will distribute a one-slide timeline.

Mr. Kearns suggested that the language of the tariff build on the language developed previously for the contracts. Mr. Springsteel noted that it will be a little different because it's a tariff, but that it will be as simple as possible and build on the work done with the contracts. Mr. Kearns noted that the language likely won't be contested at the PUC if it builds on the contract language.

**D) Discussion of board's role in reviewing the tariff documents:**

Already discussed above.

**Public Comment:**

No public Comment

**Adjournment:**

Ms. Dormody motioned to adjourn and was seconded by Mr. Bradner. Meeting adjourned at 5:02pm.

Respectfully submitted

Chris Kearns

Secretary Pro-tempore