

Distributed Generation Contracts Board Meeting

Thursday, July 18, 2013



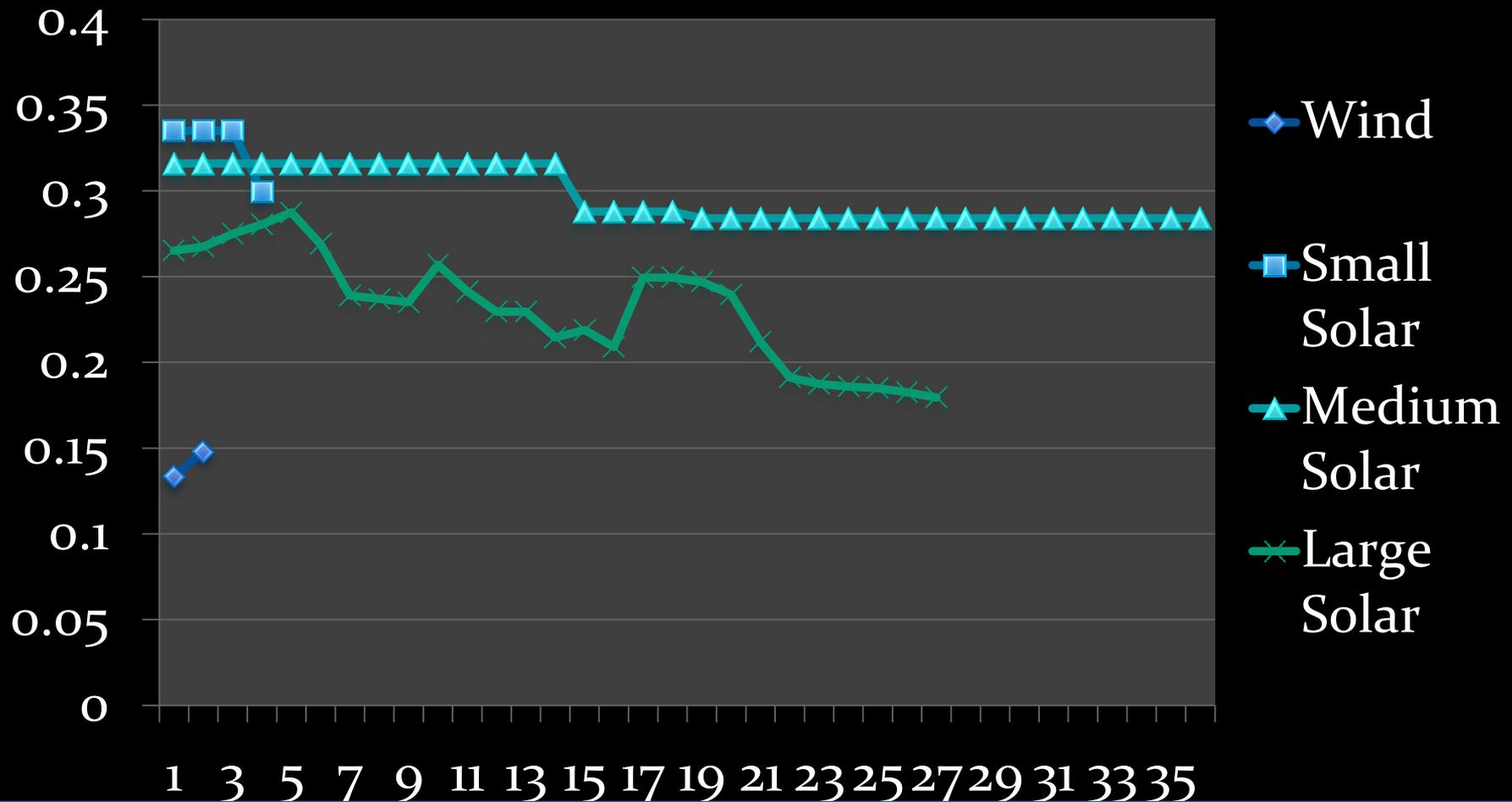
Distributed Generation Contracts Board Meeting Agenda

- Introduction of Board Members
- Background on the DG Program
- 2013 DG Legislative Changes
- Plans/Next Steps for the 2014 DG Program

DG Program Background

- The forty (40) megawatt (MW) DG program became law in June 2011. The DG program launched in December 2011, and is tentatively scheduled to end in December 2014.
- There are up to three (3) enrollments per year. The annual MW allocation plan is as follows: 2011- 5MW, 2012-15 MW, 2013-10 MW and 2014-10 MW.
- DG projects are scheduled to be built in twelve (12) municipalities, including the following: Providence, Jamestown, Middletown, North Smithfield, North Kingstown, Woonsocket, Cranston, West Greenwich, Hopkinton, West Warwick, Cumberland, Portsmouth
- DG projects have been proposed in twenty-four (24) cities and towns.
- There have been two (2) enrollments in 2013. The first was in March and the second was in June. The final enrollment will be in September.

DG Ceiling Price History



The overall trend has seen the prices for DG projects decrease over the past two (2) years, which was one of the objectives of the law. Anticipate the ceiling prices to decrease in 2014, with the recent changes to the law.

Changes to the DG Law

- The OER introduced DG legislation this session, which was passed by the General Assembly and signed by Governor Chafee on July 11th.
- The legislation made adjustments and improvements to the DG Program, including the following:
 - Competitive bidding amongst the eligible small DG projects.
 - Allows small-scale hydropower to participate, by allowing it to become operational within forty-eight (48) months after being awarded a DG contract.
 - Upon request by a renewable energy developer, National Grid will need to provide written feedback on why their DG application was not approved.
 - Reduces the eligible DG system size from 5MW to 3MW.

Changes to the DG Law

- Allows any unused MW (projects that fail to be completed) to be used in future years, until those MW become operational.
- Removes the performance guarantee requirement that the DG system needs to produce one-hundred (100) percent of what was proposed in the DG application. Requires that the DG system produce ninety (90) percent of what is proposed in the DG application.
- Extended the deadline for the remaining MW with the Long-Term Contracting law by one year, to be reviewed in coordination with the DG program during the 2014 legislative session by the stakeholders, House and Senate.
- The OER shall submit to the Governor, Senate President, and the Speaker of the House by January 15, 2014 an annual jobs, economic and environmental impact study.

2014 DG Program – Next Steps

- Due to the uncertainty of whether the DG Board would be formed before the end of the 2013 legislative session, the OER started to proceed as it did in past years, in beginning to prepare for the 2014 DG program.
- The OER would like to proceed with the same process that was used successfully in 2012, with the approval from the DG Board.

2014 DG Program – Next Steps

- The OER is recommending to use the same consultant that developed the DG ceiling prices in 2011, 2012 and 2013.
- The OER is recommending an extension in submitting the 2014 DG ceiling prices and program plan until December 15th. The DG program plan is currently due to the Public Utility Commission (PUC) by October 15th.
- This specific requests is made for the following reasons:
 1.) Due to the last three (3) years of uncertainty with the federal government on renewable energy incentives being extended or not.
 - 2.) Allows the 2014 DG program to factor in possible MW from solar projects awarded DG contracts in April 2012 that may not get built.
 - 3.) Allows proper time to review the results of the 2013 DG program and the MW that may be available after the September enrollment.

2014 DG Program – Next Steps

- The OER is respectfully requesting that the DG Board consider a vote on the following matters at the next meeting in August:
- Use the consultant that developed the DG ceiling prices in 2011, 2012 and 2013.
- An extension on the submittal date for the 2014 DG ceiling prices and program plan to the PUC.

Questions/Comments

