

2012 and 2013 Distributed Generation Contracts Program – Updates and Next Steps

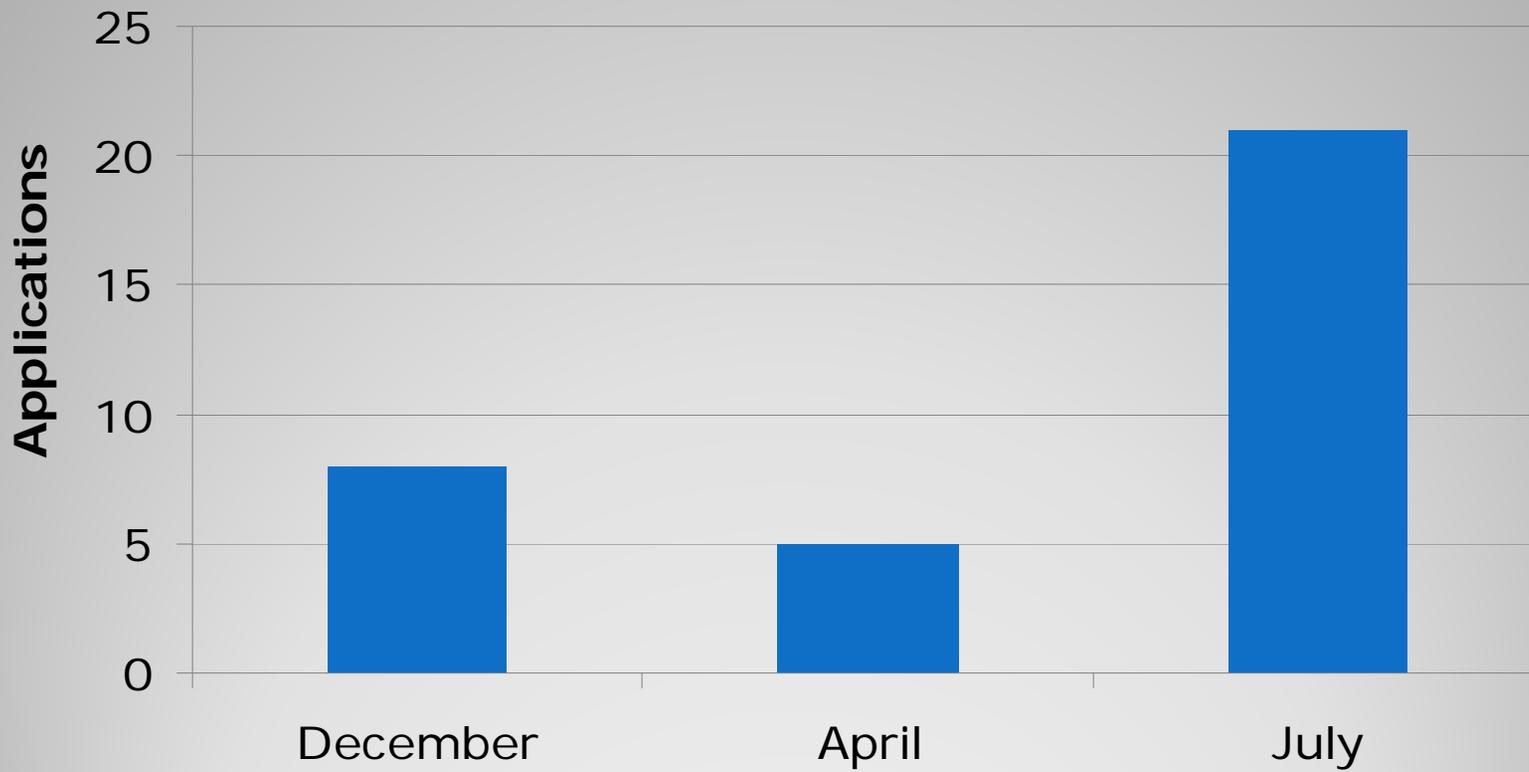
Office of Energy Resources
Marion Gold, Administrator
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First 3 Rounds of the Program

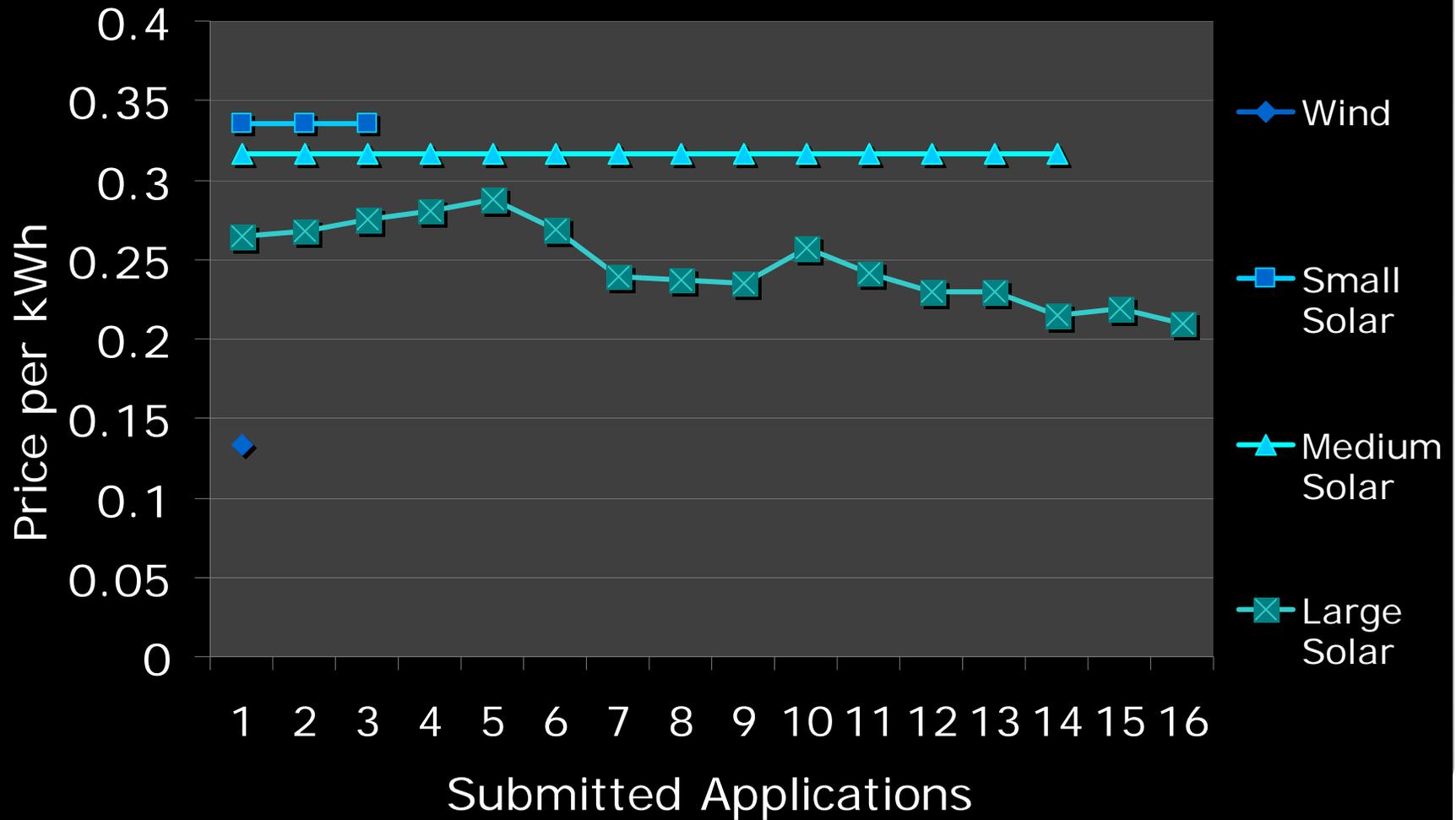
- 16 projects awarded Distributed Generation (DG) contracts.
- 1 award for a wind turbine project.
- 10 awards for small/medium scale solar projects.
- 5 awards for large scale solar projects.

Renewable Energy Technology	System Size	Price per kWh
Wind Turbine	1.5 MW	0.1335
Small Solar	149 kW	0.335
Medium Solar	181 kW	0.316
Medium Solar	499 kW	0.316
Medium Solar	500 kW	0.316
Medium Solar	500 kW	0.316
Medium Solar	320 kW	0.316
Medium Solar	500 kW	0.316
Medium Solar	500 kW	0.316
Medium Solar	500 kW	0.316
Medium Solar	498 kW	0.316
Large Solar	1 MW	0.265
Large Solar	2 MW	0.275
Large Solar	2.34 MW	0.23699
Large Solar	3.71 MW	0.239
Large Solar	1.5 MW	0.209

Application Response



Distributed Generation Contracts Program - Pricing Results



Projects Across the State

- DG applications have been submitted in the following cities and towns in the first three (3) rounds of the program:
- Central Falls, Westerly, West Warwick, Providence, East Providence, Portsmouth, Lincoln, Cumberland, Hopkinton, Middletown, North Kingstown, North Smithfield, East Greenwich, West Greenwich, and Bristol.

Ceiling Prices - Next Steps

- Review the large solar ceiling price. Ultimately, the market will dictate what the minimum ceiling price needs to be for projects to be built.
- Provide two-three ceiling prices for the small/medium (100-500 kW) scale solar sizes, due to the limitations within the existing DG law.
- Provide three (3) ceiling prices for different scale wind turbines. (100kW, 500kW-1MW, 1.5 MW). This will allow for appropriately sited projects with sufficient wind resources to participate in the program.
- Explore ceiling prices with and without the federal production tax credit (PTC) for wind turbine projects. The PTC expires in December 2012.
- Provide a ceiling price for hydropower. (1MW or greater)
- Provide a ceiling price for anaerobic digestion.

Potential 2013 MW Allocation Plan

Technology	MW Carve Out	Ceiling Prices
Wind	1.5 MW	TBD
Large Solar	2.2 MW	TBD
Small/Medium Solar	1 MW	TBD
Anaerobic Digestion	300 kW	TBD

Potential 2013 MW Allocation Plan

Technology	MW Carve Out	Ceiling Prices
Large Solar	3.0 MW	TBD
Small/Medium Solar	1.5 MW	TBD
Anaerobic Digestion	500 kW	TBD

If no wind turbine applications are submitted in any of the three (3) rounds of the 2013 DG program, than this would be the potential MW allocation plan.

Hydropower

- There is no MW carve out for hydropower in the 2013 program.
- The Office of Energy Resources (OER) believes that there are no current hydropower projects that can be completed within the 18 month deadline established within the DG law.
- The Federal Energy Regulatory Commission (FERC) estimates that the state/federal permitting process currently takes between 24-48 months.
- The OER wants to establish a hydropower price to allow developers, municipalities, and the Public Utility Commission (PUC) to get an understanding of what the ceiling price would be for hydropower projects.
- Having an approved PUC ceiling price in 2013, could potentially allow developers and municipalities to be prepared for the 2014 DG program.

Next Steps

- The OER will respectfully request that the PUC and National Grid hold the remaining 5 MW in the 2012 allocation plan, and use them in the 2013 program.
- Allow the ceiling prices for small/medium scale solar to be reviewed and adjusted for the different size systems, in order to reduce impacts on ratepayers.
- This OER recommendation will allow the 2013 program to have three (3) 5 MW allocations, instead of having only 3.33 MW for each allocation period.
- The OER will also respectfully request a 3-4 week extension with the PUC to submit the recommended ceiling prices and MW carve-outs for the 2013 DG program.
- The OER will host a community review meeting in late September to discuss the proposed ceiling prices and receive feedback.