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Adam Braillard - Rhode Island passes a Feed-In Tariff

September 29, 2011 - Green Buildings

Over the summer, the State of Rhode Island passed a law implementing a feed-in tariff (FIT) for the production of renewable energy (the Act). The move took many renewable energy stakeholders by surprise, because the East Coast of the U.S. is mainly a renewable energy credit (REC) driven market. In REC markets, the credits for renewable energy environmental attributes are traded separately from the electricity produced. Investor owned utilities (IOUs) purchase these credits to account for a portion of their energy from renewable sources as mandated in specific states' renewable portfolio standards

Rhode Island's FIT calls for the state to offer what it calls Distributed Generation Standard Offer Contracts (DG Contracts) to certain types of renewable energy producers including, wind, solar photovoltaics (solar PV), and biogas generators.

Under the Act, the state will offer a total of 40MW worth of DG Contracts by December 31, 2014, broken down as follows:

- * 5MW in 2011
- * 15MW in 2012
- * 10MW in 2013
- * 10MW in 2014

Further, the Act specifies project sizes of less than 1.5MW for wind, less than 500kW for solar PV, and less than 1MW for other renewable energy technologies. The Act specifies a 15-year term for the DG Contracts, and that further details in connection with pricing and compliance with the Act's targets will be determined by the newly formed Distributed Generation Standard Contract Board. The Act is on a fast track for implementation with a proposed launch date of mid-October.

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New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540