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Rhode Island steps up its solar game with two incentive programs

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We've talked a lot about how the solar incentive programs in Massachusetts are helping business owners reduce their electricity costs and generate new revenue. This month, we're taking a look south to Rhode Island, which also presents a great opportunity-although with programs and incentives that are quite different than what we've seen in Massachusetts. It is important that business owners understand these differences and how to navigate these incentive programs, especially if they have operations in both Massachusetts and Rhode Island.

The first thing to note about the Rhode Island solar incentives is that there's actually two programs—one sponsored by the state and one through National Grid. Both programs are capped, meaning there are a limited amount of available incentives allotted for projects each year, so businesses and organizations that are interested in taking advantage of these incentives need to move quickly. The programs are:

1. The Renewable Energy Fund (REF) is a state-funded program that is dedicated to increasing the role of renewable energy throughout Rhode Island. The REF program provides grants and loans for new renewable energy projects in the state. REF draws from funds from the "system benefit charge" on electric bills and alternative compliance payments, allowing the state's Commerce RI division to fund renewable energy projects in small-scale solar, commercial renewable energy development, early-stage commercialization and predevelopment feasibility studies.

Under the REF program, awards are given based on technical and financial feasibility, cost per kWh of energy produced, anticipated amount of renewable energy related benefits (job creation, environmental benefits, etc.), and the experience of the project team. Minimum submission requirements include:

- * Proof of Energy Audit;
- * One-line electrical drawing;
- * Layout drawing including location of all major components;
- * ROI/simple payback assuming no more than 3% utility inflation rate; and
- * Signed turnkey contract.

2. The RE Growth Program (REG) is an attractive program offered through National Grid with a goal of building out 160 MW of capacity over five years in Rhode Island. Specific technologies supported by the program include solar, wind, hydropower, and anaerobic digestion in certain size classes. The program seeks to enable the installation of larger scale (26-250 kW) solar energy systems at businesses served by the utility.

There are specific rules surrounding the REG program; for example, projects cannot be fully financed, under construction or operating when applying to the program and each project must have

a completed impact study or an interconnection service agreement with National Grid prior to application to be eligible. Each program year there are at least two enrollment periods targeting a specified quantity of megawatts (MW) based upon the projects' aggregate nameplate capacity.

Applicants are encouraged to apply early as the process is only open for a two-week period, and you need to be prepared with a series of documents prior to the process opening. The benefits for the REG program are fully detailed on National Grid's website: https://www.nationalgridus.com/narragansett/business/energyeff/4_dist_gen.asp.

Each of the Rhode Island programs can be complex, however an experienced solar developer can help you navigate the ins and outs of the two programs and determine what incentive program will get you the best results for your business.

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