



**RI Renewable Energy Development Fund**

**Prepared by the Rhode Island Commerce Corporation**

**Annual Financial and Performance Report  
For the calendar year ending 12/31/2016**

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**Submitted to:**

Governor Gina M. Raimondo  
Speaker Nicholas A. Mattiello  
Senate President M. Teresa Paiva-Weed  
Nellie M. Gorbea, Secretary of State

March 1, 2017

## MEMORANDUM

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**To:** Governor Gina M. Raimondo  
Speaker Nicholas A. Mattiello  
Senate President M. Teresa Paiva-Weed  
Nellie M. Gorbea, Secretary of State

**From:** **William Ash, *Managing Director of Financial Services* –  
Rhode Island Commerce Corporation**

**Date:** March 1, 2017

**Subject:** RI Renewable Energy Fund Annual Financial Performance Report

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Enclosed you will find the Financial and Performance Report (the “Report”) for the Renewable Energy Development Fund (the “Fund”) in accordance with RIGL § 42-64-13.2. As prescribed by statute, the Report sets forth the Rhode Island Commerce Corporation’s (“Commerce RI”) receipts and expenditures for the Fund from January 1, 2016 through December 31, 2016. Additionally, the Report provides a summary of annual financial performance, a listing of private consultants engaged by Commerce RI for technical expertise, and details of staff engaged with Fund administration.

This report will be posted electronically on the General Assembly and the Secretary of State websites as prescribed in RIGL § 42-20-8.2.

Sincerely,



William Ash  
Managing Director of Financial Services  
Rhode Island Commerce Corporation

**RI Renewable Energy Development Fund  
Annual Financial and Performance Report**

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## **SUMMARY**

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By Statute RIGL § 42-64-13.2, the management of the Renewable Energy Fund (the “Fund”) was transferred to the Rhode Island Economic Development Corporation, now known as the Rhode Island Commerce Corporation (Commerce RI) on July 8, 2008. Commerce RI, in accordance with RIGL § 42-64-13.2, and in the furtherance of its responsibilities to promote and encourage economic development, manages the Fund as a program of Commerce RI. As part of this responsibility, Commerce RI provides the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Secretary of State, a financial and performance report, by March 1 of each year.

This financial and performance report covers the period from January 1, 2016 – December 31, 2016. Provided below is a summary of financial activity for the year:

### **Calendar 2016**

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**BEGINNING FUND CASH BALANCE, 1/1/16** **\$ 14,304,709**

**CASH RECEIPTS** **2,945,050**

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#### **EXPENDITURES**

Renewable Energy Fund Project Awards 3,784,154

Sponsorships/Memberships 47,975

Legal 54,000

Administrative Expenses 263,711

**Total Expenditures- per general ledger** **4,149,840**

Adjust Expenditures to Cash basis 23,102

**ENDING FUND CASH BALANCE 12/31/16** **\$ 13,123,018**

Increase/ (Decrease) in Cash (1,181,688)

**ACCRUED EXPENSES** **\$ 12,761,262**

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## CASH RECEIPTS

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The Fund receives its revenue from the following sources

- 1. Electric Distribution Company Renewable Energy Charge**  
Per RIGL § 39-2-1.2, effective as of January 1, 2008, and for a period of fifteen (15) years thereafter, each electric distribution company includes charges of 0.3 mills per kilowatt-hour delivered to fund renewable energy programs. Payments are made by Rhode Island's electric distribution companies monthly to meet these requirements.
- 2. Alternative Compliance Payments**  
Per RIGL § 39-26-4, effective in 2007, the Rhode Island's Renewable Energy Standard (RES) requires 3% of total retail sales to be derived from renewable energy, reaching 16% by 2019 and after. Suppliers may also fulfill their obligation by making alternative compliance payments ("ACP") to the renewable energy development fund per RIGL§ 39-26-7.
- 3. Loan Payments and Others**  
As part of the Fund's activities, it provides recoverable grants and low interest loans to RI Renewable Energy projects. Loan Payments represent principal and minimal interest repayments from successful projects. Others represents investment income and reimbursements.

### RI RENEWABLE ENERGY FUND: INCOME SUMMARY

Electric Distribution Renewable Energy Charges	2,106,529
Alternative Compliance Payments	1,811
Repayment of Loans and Others	836,710
<b>TOTAL INCOME</b>	<b>\$ 2,945,050</b>

## **EXPENDITURES**

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Expenditures for the Fund consist of cash payments for the following:

### **1. Renewable Energy Fund Project Awards**

Direct project support for grants, recoverable grants, loans, REF project inspections and other investments made to support the Fund's programs including Commercial-scale renewable energy, Small-scale solar, pre-development feasibility studies, and early stage commercialization.

#### **1.1 REF Project Inspectors**

The REF works with a Project inspector. The inspection process ensures construction projects are meeting all necessary code requirements

### **2. Administrative**

Direct administrative expenses of the Fund, include but are not limited to: staff salary and benefits, office supplies, marketing costs, and reimbursable expenses.

### **3. Legal**

Direct legal support for the Fund.

### **4. Sponsorships/Memberships**

This expense category includes the Commerce RI's membership to Renewable and Clean Energy industry trade groups and professional affiliations. An example would include the Commerce RI's sponsorship of NECEC's Cleantech Navigate Northeast which is nurturing a regional ecosystem for Cleantech start-ups.

Another example is REF's membership in the Northeast Sustainability Association (NESEA) and the Clean Energy State Alliance (CESA).

#### **4.1 Office of Energy Resources ("OER") Consultants**

The OER has been granted approval from the Commerce RI Board of Directors to receive REF funds for specific tasks. Coordination between the agencies is required under RIGL §42-140-3. REF and OER contract with BW Research Partnership, Inc. to develop a single report that describes and evaluates the status of Rhode Island's clean energy sector based on primary research and survey data. REF and OER also partner to sponsor Smart Power which executes the designing, planning and implementing the Solarize RI project in selected municipalities.

**RI RENEWABLE ENERGY FUND: EXPENSE SUMMARY**

Renewable Energy Fund Project Awards	3,784,154
Administrative	263,711
Legal	54,000
Sponsorships/Memberships	47,975
<b>TOTAL EXPENSES</b>	<b>\$ 4,149,840</b>

**ACCRUED EXPENSES**

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The Fund accounts for committed expenses – expenses incurred or awarded but not yet paid. These include the following:

1. **REF Awards:**  
 Funds are considered committed when projects receive approval from either the Commerce RI Board of Directors, or from Commerce RI Executive staff and the REF Program Manager. Funds are not paid out until the renewable energy project is completed and inspected.
  
2. **Administrative:**  
 Administrative expenses including salaries, benefits, legal costs, consultants, etc. are considered committed upon performance and any unpaid balances are included as accrued expenses in the report.

**RI RENEWABLE ENERGY FUND: ACCRUED EXPENSES and  
 COMMITMENTS**

REF Awards	12,761,262
<b>TOTAL ACCRUED</b>	<b>\$ 12,761,262</b>



## **CONSULTANTS**

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Below is a listing of consultants, the total amounts paid and a description of services that have been contracted by the REF:

1. *BW Research Partnership, Inc. (BW)*- hired for expertise in conducting surveys and analyzing survey results. BW was hired to conduct primary and secondary market research and analysis and write a report that effectively communicates the status of Rhode Island's emerging clean energy market (Rhode Island Clean Energy 2016 Industry Report). Please see "expenditures" for details on "OER Consultants. For the period ending December 31, 2016, the total amount paid to BW Research Partnership was \$19,475.
2. *The Cadmus Group, Inc.*- hired to provide inspection services and quality assurance for projects funded through REF. Inspection payments are included under project award expenditures. The total amount paid to Cadmus Group Inc for the period ending December 31, 2016 was \$357,704.

## **STAFF, CLERICAL, ADMINISTRATIVE AND TECHNICAL SUPPORT**

The Fund pays for management, clerical, administrative, and technical support provided by Commerce RI based on a time and effort allocation of costs. Below is a listing of all dedicated staff employed by the Fund:

Program Manager	Annie Ratanasim
Project Coordinator	Emily Tradd
URI Energy Fellow Intern	Kellie Brown

## **PROJECT INVESTMENTS**

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For the period ending December 31, 2016, REF awarded funds to 304 applicants totaling \$9,923,886 for 41,894.29 kW of grid-connected renewable energy. Projects pending approval are not included in the totals.

The Small Scale Solar program approved 253 projects, grant awards in calendar year 2016 totaled \$1,874,255. Please see **Attachment 1** for specific awards.

Twenty-three (23) solar installers participated in the program. Rhode Island companies work on individual projects as electricians, electrical engineers, structural engineers, roofers, installers, project developers, and surveyors.

The Commercial Scale program approved 51 solar projects providing 41,103.06kW, awards totaled \$8,049,631 in calendar year 2016. The commercial program is marketed to businesses, municipalities, schools, and other entities to manage and control utility bills through the installation of renewable energy. Please see **Attachment 2** for specific Commercial scale awards.

**PERFORMANCE SUMMARY**

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In 2016, the focus was on working with stakeholders to develop and implement new and improved funding programs.

1. **Administration:** REF staff consists of two full-time employees and one URI Energy Fellow Intern.
2. **Process and Transparency:** Rules and Regulations implemented in December 2013 were amended mid-2016 with an effective date being January 26, 2017. In addition, REF staff is in the process of creating a program manual. This manual will provide applicants with a comprehensive approach to the application process.
3. **Program Improvements:** REF made changes to the future solicitation process based on feedback received directly from industry hosts during quarterly solar stakeholder meetings. These changes improved and streamlined the application process and reduced the staff time reviewing applications. In addition, an internal project approval process has been put in place which significantly reduced the time from application to award approval. Fund management continuously looks to streamline procedures and improve program efficiency.
4. **Program Development:** REF rules and regulations strive to improve industry predictability and reliability by establishing programs that are available for several years.

Commerce RI completed its statutorily identified administrative responsibilities for the Fund for the preceding year:

Deadline	Deliverable	Status
March 1, 2016	A financial and performance report	Completed, on time

## **RECOMMENDATIONS FOR IMPROVEMENT**

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Commerce RI's goal is to continuously improve the capability and impact of the Renewable Energy Fund. This is accomplished through robust stakeholder interactions, transparent policies and procedures, and ongoing education and implementation of best practices.

REF staff have been actively involved in the development of the Comprehensive State Energy Plan as orchestrated by the Office of Energy Resources. Due to the on-going nature of the project, it is deemed premature to make long-term strategy recommendations outside of the Comprehensive State Energy Plan.

**Attachment 1: Small Scale Project Awards (Commitments in CY 16)**

Project #	Applicant	# of projects	REF Award	Total Development Costs
6-184	New Day Energy	2	\$ 15,796.00	\$ 94,312.00
6-185	Direct Energy Solar	11	94,435.25	345,729.73
6-186	Rhode Island Solar Solutions	8	67,329.00	267,565.00
6-187	New England Clean Energy	8	56,381.00	281,158.00
6-188	Newport Solar	20	134,488.25	467,579.55
6-189	NPTRE	4	31,746.50	116,501.00
6-190	Entech Engineering	4	13,486.50	87,212.97
6-191	RGS Energy	36	261,928.50	995,255.07
6-192	SunWatt	1	4,784.00	18,513.00
6-193	Bright Planet Solar	1	5,980.00	23,868.00
6-194	SolPower	27	197,297.00	653,383.01
6-196	Direct Energy Solar	4	32,844.00	118,498.00
6-198	Newport Solar	11	94,160.00	270,831.00
6-199	General Supply Services, Inc.	1	10,000.00	35,700.00
6-200	Bright Planet Solar	1	5,681.00	19,760.00
6-201	Newport Renewables	1	10,000.00	29,980.00
6-202	SolPower	8	60,835.75	205,315.75
6-203	US SolarWorks	1	7,141.50	29,331.00
6-204	RGS Energy	13	85,980.50	307,912.09
6-205	SunWatt	1	5,520.00	20,352.00
6-206	RI Solar Solutions	1	7,245.00	26,145.00

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6-207	SolarFlair	6	33,661.25	111,385.00
6-209	Alternative Clean Energy Solar Store	1	10,000.00	25,049.48
6-210	Bright Planet Solar	2	17,406.00	69,318.00
6-211	Renewable Energy Services NE	1	4,830.00	15,540.00
6-212	E2Sol	2	20,000.00	99,716.00
6-213	Newport Solar	4	36,036.00	138,737.05
6-214	New England Clean Energy	1	10,000.00	62,786.87
6-215	Sol Power	9	75,896.50	268,220.00
6-216	RGS Energy	5	36,829.50	129,278.05
6-217	Rhode Island Solar Solutions	4	28,768.00	115,116.00
6-219	SunWatt	3	28,285.00	94,870.00
6-220	Sunlight Solar	1	7,040.00	24,832.00
6-221	Bright Planet Solar	6	37,422.00	201,766.00
6-222	Entech Engineering	1	Pending	Pending
6-223	ACE Solar Store	1	6,820.00	27,935.00
6-224	Newport Solar	4	30,735.00	115,896.00
6-225	SolarFlair	9	53,032.00	124,943.00
6-226	US SolarWorks	2	18,712.00	105,301.00
6-227	RGS Energy	14	115,378.50	415,059.23
6-228	SolPower	9	66,188.00	238,185.50
6-229	SunWatt Solar	4	34,156.00	140,222.00
<b>TOTAL:</b>		<b>253</b>	<b>\$ 1,874,255.50</b>	<b>\$ 6,939,058.35</b>
<b>TOTAL kW: 1,790.23</b>				

**Attachment 2: Commercial Scale Project Awards (Commitments in CY 16)**

Project #	Applicant	Size in kW	REF Award	Total Development Costs
7-175	Bristol Buffet	50.96	\$ 58,460.00	\$ 150,375.00
7-176	Southern Sky- North Smithfield	2500	350,000.00	5,207,500.00
7-177	City Kitty	15.96	18,354.00	64,159.20
7-178	Silvia Spirit Farm	13.11	15,076.50	50,080.20
7-179	Seaview Inn	194.37	181,059.00	492,500.00
7-180	Frances Alexakos	14.21	16,341.50	49,740.00
7-181	Trawlworks	17.34	19,941.00	71,257.00
7-182	Waltonen	23.715	27,272.25	83,164.00
7-183	Memorial Funeral Home	14.3	16,445.00	57,343.00
7-184	City of Central Falls	2500	350,000.00	7,500,000.00
7-185	City of Warwick	464	298,100.00	1,244,127.00
7-186	Village Hearth Bakery	14.835	17,060.25	52,000.00
7-187	Urban Smart Growth	595.2	350,000.00	1,517,760.00
7-188	TF Green	6210.54	350,000.00	18,631,620.00
7-189	Newport 1	2,773.26	350,000.00	8,319,780.00
7-190	Newport 2	1,467.54	350,000.00	4,402,620.00
7-191	Quonset	3,649.42	350,000.00	10,947,960.00
7-192	North Central	1797.07	350,000.00	5,391,210.00
7-193	North Central 2	1149.48	350,000.00	3,448,440.00
7-194	Reardon Reality Corp.	26.62	32,913.00	78,529.00
7-195	Enterprise Center Properties, Inc. (25 Middletown)	156.4	154,480.00	422,283.00
7-196	Enterprise Center Properties, Inc. (110 Middletown)	172	165,400.00	461,239.00



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7-197	Abbott Valley Veterinary Center	18.27	21,010.50	60,250.00
7-198	Arden Jewlery	131	133,850.00	320,131.38
7-199	Furey Roofing	31.392	36,100.80	109,000.00
7-200	Narragansett Bay Commission	1500	350,000.00	6,130,000.00
7-201	Aquidneck Custom Composites	33.28	38,272.00	129,792.00
7-202	Parsons Kellogg	133.76	136,196.00	416,883.00
7-203	RI Veterans Home	43.68	50,232.00	135,378.88
7-204	Visual Creations	931.5	350,000.00	1,920,000.00
7-205	City of Warwick- Kilvert St.	6550	350,000.00	11,100,000.00
7-206	City of Warwick- West Shore Rd.	1070	350,000.00	1,800,000.00
7-207	The Kitchen Countertop Center	192.4	179,680.00	596,440.00
7-208	Warwick Poultry	289.8	228,420.00	694,376.00
7-209	Fairgrounds Realty	189.475	177,633.00	415,000.00
7-210	Providence Water Treatment	761.6	350,000.00	1,834,766.00
7-211	Newport Waste Water	290.61	228,774.00	1,861,962.00
7-212	Nature Conservancy	24.96	28,704.00	81,148.00
7-213	Hopkins Hill Fire	28.5	31,350.00	95,500.00
7-214	Choice Collision Center	114	113,700.00	330,838.00
7-215	Capitol Solar-Cannon Building DOH	40.32	44,352.00	126,464.00
7-216	Capitol Solar-Powers Building DOA	160.32	149,208.00	354,061.00
7-217	Capitol Solar-DOT	67.2	71,340.00	190,193.00
7-218	Southern Sky Renewables RI, A Street 2-Johnston, LLC	2270	Pending	3,859,000.00
7-219	Southern Sky Renewables RI, A Street 1-Johnston, LLC	1630	Pending	2,771,000.00

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7-220	A&B Hoxie	13.11	14,421.00	44,881.31
7-221	87 Tom Harvey Rd. LLC	340	231,500.00	768,736.00
7-222	Lincoln Packing Co.	55.2	Pending	59,940.00
7-223	Earth Care Farm	15.6	17,160.00	47,809.00
7-224	RIEMA	Pending	Pending	Pending
7-225	Westech, LLC	243.65	196,825.00	812,020.00
7-226	Jewish Children's Home of RI	113.1	Pending	523,653.00
<b>TOTAL:</b>		<b>41,103.06</b>	<b>\$ 8,049,630.80</b>	<b>\$ 106,232,908.97</b>
<b>TOTAL # of Projects: 51</b>				