



RI Renewable Energy Development Fund

Prepared by the Rhode Island Commerce Corporation

**Annual Financial and Performance Report
For the calendar year ending 12/31/2018**

Submitted to:

Governor Gina M. Raimondo
Speaker Nicholas A. Mattiello
Senate President Dominick J. Ruggiero
Secretary of State Nellie M. Gorbea

March 1, 2019

MEMORANDUM

To: Governor Gina M. Raimondo
Speaker Nicholas A. Mattiello
Senate President Dominick J. Ruggiero
Secretary of State Nellie M. Gorbea

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

Date: March 1, 2019

Subject: RI Renewable Energy Fund Annual Financial Performance Report

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, 2018 through December 31, 2018. 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

Pursuant to 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 required by RIGL § 42-64-13.2(f), 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, 2018 – December 31, 2018. Provided below is a summary of financial activity for the year:

Calendar 2018

BEGINNING FUND CASH BALANCE, 1/1/18	\$ 12,835,375
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<u>CASH RECEIPTS</u>	\$ 2,621,492
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EXPENDITURES

Renewable Energy Fund Project Awards	4,668,185
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Consultant Services	156,890
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Legal	54,000
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Administrative Expenses	147,651
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Total Expenditures- per general ledger	<u>5,026,726</u>
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Adjust Expenditures to Cash basis	<u>(257,767)</u>
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ENDING FUND CASH BALANCE 12/31/18	<u>\$ 10,172,374</u>
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Increase/ (Decrease) in Cash	(2,663,001)
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ACCRUED EXPENSES	<u>\$ 9,098,284</u>
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CASH RECEIPTS

The Fund receives its revenue from the following sources

1. **Electric Distribution Company Renewable Energy Charge**
Per RIGL § 39-2-1.2(b), 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, and increasing that percentage by increments until reaching 40% in 2035. 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 interest repayments from successful projects. Other sources of payment are investment income and reimbursements.

4. **Regional Greenhouse Gas Initiative (RGGI)**
A Memorandum of Understanding (MOU) was made among the Rhode Island Office of Energy Resources (“OER”), the Rhode Island Department of Administration (“DOA”), and the Rhode Island Commerce Corporation (“CommerceRI”) effective as of July 1, 2017 whereby, Section 5.4.2.a of the 2017-A Plan for the Allocation and Distribution of Regional Greenhouse Gas Initiative Auction Proceeds (“2017-A RGGI Plan”) provides that the approved amount between OER and CommerceRI shall be allocated to the Rhode Island Commerce Corporation’s Renewable Energy Fund (REF), which is dedicated to increasing the role of renewable energy throughout the state. This is an ongoing MOU.

RI RENEWABLE ENERGY FUND: INCOME SUMMARY

Electric Distribution Renewable Energy Charges	2,269,671
Alternative Compliance Payments	120,006
Repayment of Loans and Others	85,287
Regional Greenhouse Gas Initiative	146,528
TOTAL INCOME	\$ 2,621,492

EXPENDITURES

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

1. Renewable Energy Fund Project Awards

Direct project support for grants, loans, REF project inspections and other investments made to support the Fund's programs including Commercial-Scale renewable energy and Small-Scale solar.

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.

CONSULTANTS

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

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.

2. **SmartPower, Inc.**, -a Connecticut non-profit corporation, to assist Commerce RI's Renewable Energy Fund with the marketing of its ongoing Solarize project and provide other services as more fully set forth in the Proposal. Please see "expenditures" for details on OER Consultants. For the period ending December 31, 2018, the total amount paid to SmartPower, Inc., was \$156,890.

3. **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. For the period ending December 31, 2018, the total amount paid to the Cadmus Group, Inc. was \$224,918.

RI RENEWABLE ENERGY FUND: EXPENSE SUMMARY

Renewable Energy Fund Project Awards	4,668,185
Administrative	147,651
Legal	54,000
Consultant Services	156,890
TOTAL EXPENSES	\$ 5,026,726

ACCRUED EXPENSES

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	\$ 9,098,284
TOTAL ACCRUED	\$ 9,098,284

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
URI Energy Fellow Intern	Victoria Gaines (January- August 2018)
URI Intern	Mabel Hodnett (September 2018 - Present)

PROJECT INVESTMENTS

For the period ending December 31, 2018, REF awarded funds to 456 applicants totaling \$4,281,772 for 19,526.27 kW of grid-connected renewable energy. Projects pending approval are not included in the totals.

The Small-Scale Solar program approved 408 projects and grant awards in calendar year 2018 totaled \$2,649,701. Please see **Attachment 1** for specific awards.

Thirty-six (36) solar installer companies participated in the program. Rhode Island companies worked on individual projects as electricians, electrical engineers, structural engineers, roofers, installers, project developers, and surveyors.

The Commercial Scale program approved forty-eight (48) solar projects providing 16,503.94kW, awards totaled \$1,632,071 in calendar year 2018. Twenty-one (21) solar installer companies participated in the program. 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

In 2018, the focus was on working with stakeholders to develop and implement new and improved funding programs.

1. **Administration:** REF staff consists of one full-time employee, one URI Energy Fellow Intern in January- August 2018 and one URI intern in September- Present.
2. **Process and Transparency:** Rules and Regulations was implemented in December 2013. Work in amending the rules and regulations were made in October 2018 with an effective date being February 21, 2019.
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. A Rhode Island Renewable Energy and Energy Efficiency Programs eBook was created in order to aid the public in learning more about multiple programs available in Rhode Island.
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, 2019	A financial and performance report	Completed, on time

RECOMMENDATIONS FOR IMPROVEMENT

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 18)

Project #	Applicant	# of projects	Size in KW	REF Award	Total Development costs
6-269	Bright Planet Solar	22	145.28	\$ 132,230.00	\$ 466,536.75
6-270	Sunwatt	16	113.77	\$ 106,900.00	\$ 376,128.50
6-271	RGS Energy	8	41.85	\$ 33,730.00	\$ 146,574.06
6-272	Newport Solar	11	100.54	\$ 74,440.00	\$ 520,702.82
6-273	SolarFlair	2	16.8	\$ 16,000.00	\$ 59,328.00
6-274	Rhode Island Solar Solutions	4	40.59	\$ 32,150.00	\$ 170,758.00
6-275	US SolarWorks	1	3.6	\$ 3,600.00	\$ 19,116.00
6-276	Sol Power	22	168.83	\$ 141,005.00	\$ 515,710.00
6-277	Newport Renewables	2	15.6	\$ 15,560.00	\$ 52,000.00
6-278	Tesla	10	59.025	\$ 56,950.00	\$ 233,016.01
6-279	Bay State Solar	1	10.8	\$ 8,000.00	\$ 35,640.00
6-280	Skyline Solar	1	7.5	\$ 7,250.00	\$ 29,000.00
6-281	New England Clean Energy	1	6.84	\$ 6,840.00	\$ 27,820.00
6-282	Renewable Energy Services NE	3	26.76	\$ 23,560.00	\$ 81,420.00
6-283	Got Sun Go Solar	2	10.23	\$ 10,230.00	\$ 37,510.00
6-284	Acushnet Alternative Heating	3	33.6	\$ 24,000.00	\$ 100,794.00
6-285	Green NRG	5	33.15	\$ 33,150.00	\$ 158,307.00
6-286	E2SOL	2	16.5	\$ 16,000.00	\$ 37,184.00
6-287	Southern Light Solar	1	3.72	\$ 3,720.00	\$ 14,076.00
6-288	Bright Planet Solar	3	26.68	\$ 20,930.00	\$ 115,874.50
6-289	Tesla	10	61.6	\$ 60,050.00	\$ 256,075.30
6-290	Sunwatt	13	88.505	\$ 83,105.00	\$ 290,249.00
6-291	Newport Solar	22	166.625	\$ 142,310.00	\$ 463,170.00
6-292	RGS Energy	1	5.27	\$ 5,270.00	\$ 18,993.00
6-293	1st Light	4	18.12	\$ 18,120.00	\$ 76,445.29
6-294	Ocean State Clean Energy	2	11.4	\$ 11,400.00	\$ 49,300.00
6-295	Hillview Environmental	2	14.24	\$ 14,240.00	\$ 70,650.00
6-296	Sol Power	21	167.08	\$ 147,325.00	\$ 522,545.00
6-297	RI Solar Solutions			CANCELLED	
6-298	SGE Solar	2	15.497	\$ 13,360.00	\$ 52,129.35
6-299	New England Clean Energy	6	51.217	\$ 45,407.00	\$ 227,467.34
6-300	YEP Solar	3	23.7	\$ 22,500.00	\$ 98,218.00
6-301	Isaksen Solar	1	4.8	\$ 4,800.00	\$ 17,760.00

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6-302	Southern Light Solar	2	12.18	\$ 12,180.00	\$ 36,017.00
6-303	Bay State Solar	1	3.96	\$ 3,960.00	\$ 29,454.00
6-304	Green NRG	2	14.74	\$ 12,500.00	\$ 64,457.00
6-305	401 Solar	1	8.4	\$ 8,000.00	\$ 26,871.00
6-306	Rooftop Power	1	9.735	\$ 8,000.00	\$ 45,700.00
6-307	My Generation Energy- Zimmerman	1	8.25	\$ 8,000.00	\$ 30,525.00
6-308	Southcoast Greenlight Energy	1	8.7	\$ 8,000.00	\$ 33,409.00
6-309	Renewable Energy Services	15	146.41	\$ 101,160.00	\$ 511,125.00
6-310	Bright Planet Solar	21	164.4	\$ 148,160.00	\$ 690,281.53
6-311	Sunwatt	22	149.03	\$ 139,895.00	\$ 512,802.00
6-312	Ocean State Clean Energy	5	29.55	\$ 29,450.00	\$ 127,622.00
6-313	Newport Solar	23	181.07	\$ 147,875.00	\$ 484,583.00
6-314	Green Seal Environmental	2	15.66	\$ 13,580.00	\$ 55,000.00
6-315	Apex Solar Power	5	33.1	\$ 33,000.00	\$ 109,540.00
6-316	RGS Energy	8	71.61	\$ 62,320.00	\$ 241,446.77
6-317	SGE Solar	5	43.092	\$ 35,924.00	\$ 138,864.36
6-318	Southern Light Solar	1	3.3	\$ 3,300.00	\$ 13,578.00
6-319	Trinity Solar	26	145.435	\$ 141,705.00	\$ 615,426.82
6-320	SolarFlair	4	17.4	\$ 17,400.00	\$ 60,460.00
6-321	Sol Power	19	156.41	\$ 137,315.00	\$ 506,455.00
6-322	Skyline Solar	4	26.175	\$ 26,175.00	\$ 148,515.00
6-323	Green NRG	10	80.645	\$ 69,930.00	\$ 352,171.50
6-324	Newport Electric Construction	2	25.92	\$ 16,000.00	\$ 114,807.00
6-325	New England Clean Energy	5	43.89	\$ 33,490.00	\$ 176,226.87
6-326	Isaksen Solar	1	5.7	\$ 5,700.00	\$ 21,410.00
6-327	Rooftop Power	9	69.11	\$ 62,130.00	\$ 322,070.00
6-328	Solar Wolf Energy / Extraordinary Solar	2	19.18	\$ 13,580.00	\$ 89,000.00
6-329	Tesla	1	4.88	\$ 4,880.00	\$ 18,544.00
6-330	Rhode Island Solar Solutions			CANCELLED	
6-331	Mass Renewables	2	14.68	\$ 11,960.00	\$ 52,800.00
Totals		408	3,022.331	\$ 2,649,701.00	\$ 10,969,659.77

Attachment 2: Commercial Scale Project Awards (Commitments in CY 18)

Project #	Applicant	Size in KW	REF Award	Total Development Costs
7-269	BCPStor Development, LLC	149.82	\$ 77,446.00	\$ 395,000.00
7-270	Barden Family Orchard	34.125	\$ 29,006.25	\$ 102,375.00
7-271	aBodhi Properties LLC	17.49	\$ 14,866.50	\$ 52,470.00
7-272	Exchange Place LLC	55.65	\$ 44,760.00	\$ 213,325.00
7-273	Mount Hope Farm	32.8	\$ 27,880.00	\$ 113,246.00
7-274	Stoney Acres Farm	37.2	\$ 31,620.00	\$ 130,000.00
7-275	Chariho Regional School District	46.08	\$ 39,168.00	\$ 137,000.00
7-276	Narragansett Bay Commission	644	\$ 80,000.00	\$ 6,440,000.00
7-277	RI Public Utilities Commission	55.5	\$ 44,700.00	\$ 329,000.00
7-278	AC Property Management, LLC	187.86	\$ 80,000.00	\$ 497,830.00
7-279	Rhode Island College	110.88	\$ 65,764.00	\$ 290,764.00
7-280	Bank of Newport	363	\$ 80,000.00	\$ 800,000.00
7-281	Alton Road 1	6729	\$ 40,000.00	\$ 10,050,000.00
7-282	Alton Road 2	6708	\$ 40,000.00	\$ 10,050,000.00
7-283	Herreshoff Marine Museum	51.35	\$ 43,040.00	\$ 107,835.00
7-284	Pawtucket Medical Center	38.44	\$ 32,674.00	\$ 119,827.00
7-285	BayCoast Bank	11.52	\$ 9,792.00	\$ 41,699.00
7-286	Bakeford Properties LLC 610	30.96	\$ 26,316.00	\$ 90,714.00
7-287	Bakeford Properties LLC 640	20.88	\$ 17,748.00	\$ 62,849.00
7-288	Bakeford Properties LLC 650	113.76	\$ 66,628.00	\$ 320,320.00
7-289	Firex Inc	10.26	\$ 8,721.00	\$ 42,178.00
7-290	Cedar Crest Nursing	155.3	\$ 78,560.00	\$ 294,975.00
7-291	Devaney Energy	15.25	\$ 12,962.50	\$ 50,313.00
7-292	Maria's Seaside Café	33.215	\$ 28,232.75	\$ 96,520.00
7-293	Hauser Foods, Inc.		CANCELLED	
7-294	Lower College Road Realty 16	12.395	\$ 10,535.75	\$ 39,430.00
7-295	Lower College Road Realty 20	12.395	\$ 10,535.75	\$ 39,430.00
7-296	127 Energy		CANCELLED	
7-297	Sprague 40	21.945	\$ 18,653.25	\$ 65,835.00
7-298	Sprague 50	27.335	\$ 23,234.75	\$ 82,005.00
7-299	Sandy Point Stables	57.9	\$ 45,660.00	\$ 165,000.00

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7-300	Redwood Realty	70.2	\$ 50,580.00	\$ 963,000.00
7-301	E&A Markets Inc	186.2	\$ 80,000.00	\$ 428,352.00
7-302	Smithfield Equestrian Center	55.89	\$ 44,856.00	\$ 139,725.00
7-303	Henrietta Glass	58.04	\$ 45,716.00	\$ 162,752.21
7-304	Island Carpet	10.8	\$ 9,180.00	\$ 34,776.00
7-305	Freedom LLC	35.04	\$ 29,784.00	\$ 113,179.20
7-306	Aquidneck Partners LLC	10.5	\$ 8,925.00	\$ 34,250.00
7-307	SunWatt 1	11.16	\$ 9,486.00	\$ 36,828.00
7-308	SunWatt 2	16	\$ 13,600.00	\$ 44,800.00
7-309	South County Post & Beam	82.2	\$ 55,380.00	\$ 188,370.00
7-310	McBurney Law Service	22.125	\$ 18,806.25	\$ 62,680.00
7-311	Tesla	22.425	\$ 19,061.25	\$ 87,039.00
7-312	BayCoast Bank	33	\$ 28,050.00	\$ 104,600.00
7-313	Josh Mason	11.725	\$ 9,966.25	\$ 27,800.00
7-314	Windmist Farm	25.205	\$ 21,424.25	\$ 80,968.60
7-315	Sheahan Printing Corporation (11 Front)	38.88	\$ 33,048.00	\$ 131,803.00
7-316	Sheahan Printing Corporation (1 Front)	30.24	\$ 25,704.00	\$ 102,514.00
TOTALS:		16503.94	\$ 1,632,071.50	\$ 33,963,377.01