

October 11, 2005

Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, R.I. 02888.

RE: DOCKET NO. 3659, Renewable Energy Standard

Dear Commissioners,

We would like to thank you for crafting an excellent set of regulations for administering the Rhode Island Renewable Energy Standard (RES). Creating strong incentives for renewable energy production through the Renewable Energy Certificate (REC) markets is the best way to assure that Rhode Island citizens and rate payers are provided with clean reliable non-polluting energy while creating a financial hedge against rising and increasingly volatile prices of conventional energy resources, such as natural gas.

In order for behind-the-meter renewable generators to participate effectively in REC markets, the aggregation functions which you approved are critical. For the REC markets to function effectively, it is also critical to provide a third-party production data tracking function similar to that provided by accountants confirming financial data for equity markets. It is essential that this verification and data entry process be efficient and trusted. The most economic way to do this is to allow independent, third-parties to directly input data into the NEPOOL Generation Information System (GIS). By doing so, Rhode Island rate-payers will benefit from increased use of cost-effective behind-the-meter generation, and they will have confidence that they are indeed receiving renewable energy that is supported through the RES.

We are asking the Commission to write a letter to the NEPOOL's Markets Committee, which manages the GIS system, requesting that the committee approve the necessary changes to the GIS system to allow for "Option A" (as described in the draft rules from the working group). The minor necessary changes would not be costly or burdensome. It is important to note that the main purpose of the GIS system is to ensure that regulators, such as the Rhode Island Public Utilities Commission, have effective means to achieve their goals. Therefore, it is appropriate that the Commission relate its desire for improvements to the system to the GIS administrators. We have provided a draft letter that the Commission may find convenient for this purpose.

Secondly, we are requesting very minor changes to your proposed rules. In section 6.8 (v), instead of the Commission stating that it will *re-examine* the rules set forth if the NEPOOL GIS operating rules are amended to require independent third-party verification, we ask that the rules explicitly state that the Commission would indeed adopt "Option A" if and when the changes to NEPOOL GIS are made.

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The REC markets will bring maximum benefits to all market participants —and most importantly to the Rhode Island rate-payers— only if those markets are strong, efficient and trusted. We firmly believe that holding verifiers to strong standards of data quality, requiring that these verifiers be truly independent in entering data (as provided in “Option A”), and providing for cost effective means for automating data inputs, are all critical to the success of the RES. The simple and minimal changes that we are requesting could have a significant influence on strengthening the REC markets and would add integrity to the overall RES program. Rhode Island rate-payers will benefit from increased use of cost-effective behind-the-meter generation, and they will have confidence that they are indeed receiving renewable energy that is supported through the RES.

Thank you for considering these suggestions.

Sincerely,

Steven Cowell, President

Conservation Services Group

A family of companies providing services to create and measure energy savings, including the installation and aggregation of on-site generation and REC brokering.

AJ Rossman, Founder

Draker Solar Design LLC

Independent monitoring provider for distributed generators.

Chris Beekhuis, President

Fat Spaniel Technologies

Independent monitoring provider for distributed generators.

Clayton Handleman, CEO

Heliotronics, Inc.

Independent monitoring provider for distributed generators.

Nancy Hazard, Executive Director

Northeast Sustainable Energy Association

A thirty year old organization advocating for sustainable energy solutions.

Erich Stephens, Executive Director

People's Power & Light

A non-profit organization that offers electricity from renewable sources, and operates one of the region's largest aggregations of on-site generation.

Bob Chew, President

SolarWrights

Rhode Island's leading solar installation company.