

## EERMC Online Public Comment

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### Name

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### Who You Represent/Your Organization

Sol Power

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### Public Comment

Re: System Reliability Procurement (SRP) Investment Proposal for Electric Demand Response 2024-2026; RIPUC Docket No. 24-XX-EE

Sol Power's written comments in response to Rhode Island Energy's System Reliability Procurement (SRP) Investment Proposal for Electric Demand Response 2024-2026

Sol Power solar has installed 212 solar and battery backup systems over the past 11 years, making us one of the largest solar battery providers in the state. The proposed decrease for the Connected Solutions residential battery demand response incentive would create a dramatic reduction in battery backup adoption for solar, and cause a proportionately large distress for our business.

The current connected solutions battery incentive of \$400/kW for 5 years results in an expected incentive payout of roughly \$5,000 over 5 years for our customers for a Powerwall battery. The proposed incentive in the "Rhode Island Energy SRP Plan Proposal" linked on the riermc website (I do not see a rev number or date on the proposal) is \$200/kW for 3 years, resulting in \$1,500 over 3 years for our customers for a Powerwall battery. Decreasing the Connected Solutions battery incentive from \$5,000 to \$1,500 for our customers is beyond a reasonable threshold and would nearly eliminate demand for battery backups with solar.

We have been installing solar with battery backups in RI for 11 years. Battery storage as a technology is significantly older than that. Prior to the launch of the Connected Solutions incentive we installed an average of 1.2 battery systems per year. Since the launch of the RI Connected Solutions storage incentive we have installed an average of 40.75 battery systems per year. A primary reason for this dramatic increase in battery adoption is that the Connected Solutions incentive made a solar battery backup cost less than a fuel powered backup generator.

We install both battery backups and fuel powered backup generators. When generators were cheaper than batteries, our customers purchased generators almost exclusively. Currently batteries are cheaper than generators, and our customers purchase batteries almost exclusively for backup power. If the Connected Solutions incentive is decreased to \$200/kW for 3 years then a generator will be cheaper than

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a battery installation for backup power, and demand for solar batteries will drop off almost entirely as customers will prefer the cheaper backup power solution.

In response to the claim that our customers can fall back on other state incentives, only 43% of our battery installations sold in 2023 were eligible for the state's Renewable Energy Fund (REF) storage incentive. The majority of our battery installations do not qualify for the REF storage incentive. For systems that are eligible, the REF storage incentive covers 6% of our average storage system cost, while the current Connected Solutions incentive covers 40% of the storage system cost.

Third party study of the Connected Solutions program performed by the Clean Energy Group found the cost/benefit rate of the Connected Solutions program to be well above 1 for a diverse range of tests. This includes a ratio of 2.15 for the Ratepayer Impact Measure (RIM) test. The report can be found at the following link and the cost/benefit test results are found on Page 33.

<https://www.cleanegroup.org/wp-content/uploads/connected-solutions-policy.pdf>

Decreasing the Connected Solutions residential battery incentive from \$5,000 (\$400/kW, 5 years) per battery to \$1,500 (\$200/kW, 3 years) for our customers will virtually eliminate battery storage adoption in RI. In turn this will dramatically harm our business and the solar industry of RI. Third party analysis of the current incentive (linked above) shows a beneficial cost/benefit ratio for ratepayers. Sol Power has strong objections to the proposed changes due to the harm it will cause the state's solar industry, and we believe that the current incentive levels are justified by the benefits to ratepayers.