

# BLOCK ISLAND UTILITY DISTRICT



Phase One of the Voltage Conversion project is complete. Crews worked during early morning hours on two separate days rewiring and converting more than 100 transformers without incident. We estimate that approximately 60% of our summertime load has been converted to 4,160 WYE. This will improve power quality, voltage and relief several overloads all of which will help reduce system losses.

## BOARD OF COMMISSIONERS MEETING

**JUNE 8, 2021**

**4:00 PM**

**Block Island Utility District  
Regular Meeting of Board of Commissioners  
Wednesday, June 8, 2022 @ 4:00 PM**

**THE MEETING WILL BE HELD AT THE BIUD POWER  
PLANT**

1. Public Input
2. Correspondence from Entech Engineering re: Wright and MacMullan Conduct on Net Metering, Tupy Interconnection
3. Commissioner's Report
4. Approve Minutes from April 20, 2022, April 28, 2022 and May 16, 2022 Board Meetings
5. Treasurer's Report
6. Appoint NRUCFC Voting Delegate for 2022 Annual Meeting to be held in Boston on Monday, June 20, 2022.
7. Review and Act Upon NRUCFC's \$1.4 Million loan to be utilized for the purposes of purchasing a townhouse for use as employee housing.
8. Review of Net Metering Tariff – Approved/In Effect April 1, 2022
9. Review and Act Upon Original Net Metering Policy – Must be submitted to PUC for approval by July 29, 2022.

Individuals requesting services for the deaf and hard of hearing must call (401) 466-5851 forty-eight hours in advance of the meeting date.

Posted:

Secretary of State Website

BIBB

Town Hall

BIUD Website [www.blockislandpowercompany.com](http://www.blockislandpowercompany.com)

**AGENDA ITEM 1**  
**PUBLIC INPUT**

(THIS PAGE INCLUDED FOR NOTES)

**AGWENDA ITEM 2**  
**CORRESPONDENCE ENTECH ENGINEERING RE:**  
**WRIGHT AND MACMULLAN CONDUCT ON NET METERING**  
**AND**  
**TUPY INTERCONNECTION**

Date: April 28, 2022

To: Jeffrey Wright, Manager, Block Island Power Company; Board, Block Island Power Company/Block Island Utility District; Customers (Shareholders) of the Block Island Power Company/Block Island Utility District

cc: Town Council, Town of New Shoreham, Town Manager, Town of New Shoreham  
From: Christopher Warfel.

Re: Agenda Item Request to Discuss Jeff Wright and Barbara Macmullan's conduct on the Net Metering component of the PUC Docket 5192, BIPCo Rate Case

I am submitting this as correspondence with a request to agenda this correspondence for discussion at the earliest mutually convenient Board Meeting. Thank you.

For many years, I have made my relative expertise on energy technology and utilization available to BIPCo at no cost, irrespective of its ownership. With the appearance of Jeff Wright as President, and Barbara Macmullan as Board Chair, it has become clear that we have two people in important positions whose knowledge on these issues is not commensurate with their position. This is a problem only when people in those positions refuse to retain outside expertise as I often requested over years. Think of all the time spent by this and previous Boards because of this issue. The percentage of customer generation growth must pale in comparison to sales growth. How and why then did customer generation get, in my opinion, "weaponized", as a financial problem by BIPCo?

Ms. Macmullan and Mr. Wright refused to act on my request to retain professional expertise, and the result is that we had a past Board, and a current Board, given very incomplete by Jeff Wright and supported by Ms. Macmullan. How is this statement factual?

- 1) I met several times with Wright and Macmullan, both individually and collectively to discuss customer generation issues. Obviously I also met with the Board as an entity. Mr. Wright and Ms. Macmullan both displayed a very low level of understanding of these issues, which led to my requests to retain professional expertise.
- 2) Both Wright and Macmullan did not understand the revenue erosion issue related to customer generation, presenting no sophisticated analysis to the public or the Board to verify Wright and Macmullen's position that customer generation was a subsidy borne by non-participants. At one point Wright told me the fixed cost of customers was \$500, which indicates that \$500 is necessary to keep BIPCo whole per customer. How does that number correlate/jive with the policy he and Macmullan presented to the PUC?
- 3) My often stated request for the actual analysis was not met; I was only told it was in the Rate filing on a certain page, and when I said I could not find it on the page, I received no assistance.
- 4) Relative to item 1) I spent many communication efforts with Wright regarding how solar energy technology operates. He refused to believe that this technology could operate isolated from BIPCo. I had to finally point out the hundreds of thousands of systems in the world that operate on boats, camps, RVs, military bases, field hospitals, and homes, generating ac independent of a utility. To me, this is a mind-bending situation

- that we have the President of our utility, making policy decisions with such an incomplete level of comprehension. Macmullan similarly displayed lack of rudimentary knowledge of these technologies, but she is not paid over \$150,000 a year to be knowledgeable, but she is appointed to a position to make sure we are making decisions based upon the correct understanding of technology, and the Board Chair failed.
- 5) After a meeting I had with the Town Manager, Wright, and now Board Member Tom Risom to discuss the unapproved agreement between Wright and Risom to tie Net Metering applications to Building Permits, I asked Wright what was it that he was trying to accomplish because it was evident that his understanding of this technology was insufficient to accomplish what he wanted. I said, "I am trying to help you." His reply, "I don't need your help". This exchange took place outside of Town Hall by the drop box by the Town Hall main entrance and if Wright denies this, we have even greater problems than many realize.
  - 6) The current policy ignores:
    - a. The location of many utility meters
    - b. The cost of interconnection that will waste BIPCo (our) money for unnecessary expenses for interconnection. Tens and Tens of thousands of dollars will be wasted, and Wright and Macmullan complain of the negative impact of solar on our community? This policy alone will have a far greater impact.
    - c. The unnecessary interconnection costs that must be borne by those wishing to install customer generation
  - 7) My request for confirmation of my understanding of the proposed Net Metering policy on two occasions was met with complete silence from Wright and the previous Board. My reading of the proposal was what I had suggested. It would value excess generation at tariff. This would remove:
    - a. The subsidy claim
    - b. The unnecessary and exorbitant interconnection costs
    - c. Allow any control that Wright honestly believes was necessary through an inexpensive Smart Meter, etc.
  - 8) The representation of system wide instability is GROSSLY exaggerated, and could be easily administered and at a great benefit to the community if Wright and Macmullan had an understanding of long standing practices and current technology. We calculate the probability of system wide instability if nothing is done at far less than 1%. What is BIPCo's analysis? I could not find it.
  - 9) Not one single posting could I find to the BIBB relative to Net Metering, yet there were dozens and dozens of postings regarding weather and system upgrades and power outages. I find this lack of communication appalling and please don't say the meetings are open so that people should be informed. You cannot ignore that very few people come to the meetings, especially when you chose to have them in a physically uncomfortable venue.
  - 10) Just remember that Wright provided one small section of the State Net Metering General Law when discussing Zero Export on solar. I provided the whole Law. A person with an "agenda" is the only way I can represent this conduct. In my opinion this was a deliberate act by Wright to lead the Board to a conclusion he wanted them to make. His purpose was not to make the Board more intelligent on the issue otherwise he would have given them the complete Law.
  - 11) The Board should be aware that BIPCo's new policy is not entirely feasible given how this technology works. This was brought to Wright, Macmullan, and the Board's attention on more than one occasion. Absolutely no response or change of course occurred.

I could go on.

In conclusion, this Board has been misdirected by the President and the Board Chair. It will not bode well for our future to have this stand. Remember, much of our fossil fuel energy supply is controlled by dictators, oligarchs, and

unfriendly countries. BIPCo's policies put us all at risk and are the most backward and poorly thought out I have seen in my professional career. They are a generic approach by regressive utilities. Even Florida's Governor vetoed a similar anti customer generation approach yesterday. Eighty-six percent of the 722 polled Florida voters, regardless of political affiliation or age, said they wanted Governor DeSantis to veto the bill, including 82% of Republicans and 90% of Democrats.

Thank you for your time.

Sincerely,

A handwritten signature in black ink that reads "Christopher Warfel". The script is cursive and fluid, with the first name and last name clearly legible.

Christopher Warfel, PE

Date: May 4, 2022

To: Jeffrey Wright, Manager, Block Island Power Company; Board, Block Island Power Company/Block Island Utility District; Customers (Shareholders) of the Block Island Power Company/Block Island Utility District

cc: Customer, Town Council, Town of New Shoreham, Town Manager, Town of New Shoreham, RI PUC, RISEO, RI Attorney General's Office

From: Christopher Warfel, PE, EEInc.

Re: Interconnection of Customer at 1511 Center Road

Dear BIPCo Board and Mr. Wright:

We are preparing to complete a complex job at the above address, for which an image of part of the permit is below. As you may recall, this permit went through the now known drawn out process of the Town refusing to issue a permit because Mr. Wright and Mr. Risom (Board Member, and Building Official at that time), had an unknown arrangement to not issue permits unless Wright authorized. This was their practice although we could have operated the system completely isolated from BIPCo. There is no such procedure known to us of collusion between a utility and Town coordinating interconnection in such an unwise and ignorant manner. Supposedly BIPCo no longer practices this; however we should all be aware that the Town still has this on their permit checklist. Wright and Risom put the project many months behind schedule and at significant cost.

Directly below the permit image is a satellite image of the property. The meter for this home is on Center Road and is typical of BIPCo meter installation practice. We alerted Mr. Wright and the Board to this historic practice well over a year ago so they could understand that Mr. Wright and Board Chair Macmillan's support of utility meter side connections was economically infeasible, dangerous and completely unnecessary. Mr. Wright accused me of making him the bad guy in dealing with customers who had meters such as this, instead of thanking me for making him aware of a serious issue of which apparently he was not aware. It seemed odd to me at the time, the President of the power company did not understand or know this issue. It still seemed to have no effect on a well-reasoned customer renewable energy generation policy from what I see that was ultimately presented to the PUC and so we are left to deal with quite a problem. I believe to address this, a total of \$1,000 was offered of Shareholder's funds to cover the cost. Recently it was determined this would not even come close to covering the cost of trenching 100 feet much less over 1/10 of a mile (~700 feet). No analysis of the \$1,000 was discussed at the monthly Board meetings. The \$1,000 is a waste of Shareholder funds, and harkens back to the days of the 1980s when utilities were first dealing with the customer's right to generate and use their own electrical energy, and does not take advantage of the current state of the art of many technologies. In summary, it is a very backwards approach.

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Installation of Solar Panels One or Two Family Dwelling

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ADDRESS: 1511 CENTER  
Block Island, RI 02807

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BUILDING CLASSIFICATION:  
USE/OCCUPANCY:  
BUILDING TYPE: One or Two Family Dwelling

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Per Item 6 that was in the letter dated April 28, 2022 and below, we are proposing the following:

- 1) Relocate the utility meter to the house and reinstall in a cost effective location.
- 2) Install the extra meter now required on the utility output of the customer's multimode inverter at a location on or in the building that is cost effective and safe.
- 6) The current policy ignores:
  - a. The location of many utility meters
  - b. The cost of interconnection that will waste BIPCo (our) money for unnecessary expenses for interconnection. Tens and Tens of thousands of dollars will be wasted, and Wright and Macmullan complain of the negative impact of solar on our community? This policy alone will have a far greater impact.
  - c. The unnecessary interconnection costs that must be borne by those wishing to install customer generation

Thank you for your time.

Sincerely,

Christopher Warfel, PE

**AGENDA ITEM 3**  
**COMMISSIONER'S REPORT**

**AGENDA ITEM 4**  
**APPROVAL OF MINUTES**  
**APRIL 20, 2022**  
**APRIL 28, 2022**  
**MAY 16, 2022**

**AGENDA ITEM 5**  
**TREASURER'S REPORT**

**Block Island Utility District**  
**Balance Sheet**  
**March 31, 2022**

**ASSETS**

	March 31, 2022	March 31, 2021
<b><u>Property and Equipment</u></b>		
Land	\$ 1,167,685.78	\$ 867,685.78
Buildings	663,038.24	604,167.64
Machinery & Equipment	1,923,142.83	1,923,142.83
Distribution System	3,891,172.84	3,095,568.63
Office System, Furniture & Fixture	290,214.68	288,964.68
Transportation Equipment	47,104.63	47,104.63
Construction Work in Progress-Distribut	1,443,164.21	642,087.59
	<hr/>	<hr/>
Total Property and Equipment	9,425,523.21	7,468,721.78
Total Accumulated Depreciation	<901,640.32>	<571,689.28>
	<hr/>	<hr/>
<i>Net Utilities Plant</i>	8,523,882.89	6,897,032.50
 <b><u>Current Assets</u></b>		
Cash - Main Checking	417,308.14	190,299.85
Cash - Sweep Acct	1,245.11	16,268.36
Accounts Receivable Elect	79,688.47	39,415.61
Allowance For Bad Debt	(9,040.31)	(9,251.56)
Accounts Receivable-Other	19,157.70	1,805.04
AR-Cash due from BIPCo	0.00	0.00
AR-Blackrock Acct due from BIPCo	0.00	0.00
Unbilled Revenue	249,531.04	271,937.49
General Material Inventory	570,188.31	352,729.06
Fuel Inventory	45,466.66	46,122.55
Prepaid Expenses	77,677.00	48,295.05
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<i>Total Current Assets</i>	1,451,222.12	957,621.45
 <b><u>Deferred Assets</u></b>		
Def. Regulatory Asset-retiremt	148,155.24	168,991.79
Def. Regulatory Asset-Eng.Res	0.00	0.00
Def. Regulatory Asset-RateCase	51,261.68	119,610.56
Def.Regulatory Asset-Interconnection	0.00	88,274.43
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<i>Total Deferred Assets</i>	199,416.92	376,876.78
 Total Assets	 \$ 10,174,521.93	 \$ 8,231,530.73
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**Block Island Utility District**  
**Balance Sheet**  
**March 31, 2022**

**LIABILITIES AND CAPITAL**

	March 31, 2022	March 31, 2021
<b><i>Current Liabilities</i></b>		
Accounts Payable Trade	\$ 283,460.77	\$ 207,810.37
RI Renewable Fund Payable	4,600.29	2,775.87
A/P - Customer Deposits	111,904.34	97,129.13
Accrued Purchase Power Expenses	132,193.29	142,458.73
Accrued Other Expenses	40,466.86	42,148.89
Capital Fund	0.00	0.00
Accrued Payroll and Withholdings	0.00	0.00
Total Current Liabilities	572,625.55	492,322.99
<b><i>Deferred Credits</i></b>		
Deferred Revenue	206,138.77	372,956.55
National Grid Fuel Deposit	50,000.00	0.00
SOLAR RESTRICTED ACCOUNT	22,132.30	3,777.39
VOLTAGE CONVERSION RESTRICTED	171,142.53	74,963.40
SCR & Engine Maint Reserve	0.00	0.00
Total Deferred Credits	449,413.60	451,697.34
<b><i>Long-Term Liabilities</i></b>		
Line of Credit	0.00	0.00
Line of Credit-McGinnes Settlement	0.00	0.00
Retirement Obligations	148,155.24	168,991.79
CFC LOANS	7,330,636.71	5,642,297.67
Total Long-Term Liabilities	7,478,791.95	5,811,289.46
Total Liabilities	8,500,831.10	6,755,309.79
<b><i>Capital</i></b>		
Retained Earnings	1,991,074.91	1,561,782.00
Net Income	(317,384.08)	(85,561.06)
Total Capital	1,673,690.83	1,476,220.94
Total Liabilities & Capital	\$ 10,174,521.93	\$ 8,231,530.73

Block Island Utility District  
Income Statement  
For the Three Months Ending March 31, 2022

	1st Quarter Current Year	1st Quarter Prior Year	Year to Date Actual	Year to Date Budget
<b>Revenues</b>				
<u>Revenue from Rates</u>				
Residential Sales	\$ 121,137.18	\$ 118,296.00	\$ 121,137.18	\$ 70,793.00
Commercial Sales	21,707.62	18,220.18	21,707.62	29,266.00
Demand Electric	80,612.88	87,434.50	80,612.88	95,423.00
Public Authority	-	-	-	-
Street Lighting	1,752.09	1,752.09	1,752.09	1,752.09
Customer Charge	69,318.00	68,504.00	69,318.00	71,394.00
Demand - All Rates	85,386.75	81,640.00	85,386.75	84,471.00
Efficiency Charges	-	-	-	-
System Charge	-	-	-	-
RI Renewable Fund	1,221.56	776.00	1,221.56	-
<u>Other Revenue from Operations</u>				
Grant Revenue-Solar Project	-	-	-	-
Grant. Income (PPP Loan forgiveness)	-	149,837.00	-	-
Billor Penalty (Interest on Delinquent Accts)	-	-	-	5,344.50
Rent - Antennas	66,280.95	56,675.04	66,280.95	56,674.44
Rent - Tower	2,100.00	2,400.00	2,100.00	2,400.00
Rent - Property	9,000.00	7,200.00	9,000.00	7,200.00
Misc. Income (Misc., Interest & Connections)	80.00	2,368.00	80.00	956.75
<b>Total Revenues</b>	<b>458,597.03</b>	<b>595,102.81</b>	<b>458,597.03</b>	<b>425,674.78</b>
<b>Expenses</b>				
Total Generation-Operating Expense	30,701.28	22,577.14	30,701.28	55,792.50
Total Generation-Maintenance Expense	21,888.68	18,931.54	21,888.68	43,675.00
Total Distribution-Operating Expense	63,520.33	56,292.49	63,520.33	85,567.75
Total Distribution-Maintenance Expense	88,182.10	116,309.30	88,182.10	90,848.75
Total Customer Accounts/Customer Service	16,376.43	18,456.70	16,376.43	16,688.50
Total Administrative/General Expenses	399,489.84	308,300.22	399,489.84	266,921.75
Total Depreciation Expenses	80,875.00	74,423.49	80,875.00	-
Total Interest Exp on Line & Long- term debt	52,069.22	48,329.79	52,069.22	46,113.75
Total Miscellaneous Expense	4,244.24	240.00	4,244.24	30,669.00
Total Taxes	18,633.99	16,803.64	18,633.99	15,095.75
<b>Total Expenses</b>	<b>775,981.11</b>	<b>680,664.31</b>	<b>775,981.11</b>	<b>651,372.75</b>
<b>Net Profit Before Fuel Rev./Exp.</b>	<b>(317,384.08)</b>	<b>(85,561.50)</b>	<b>(317,384.08)</b>	<b>(225,697.97)</b>
<u>Fuel Expenses/(Revenue)</u>				
Fuel/Standard Offer/Transmission income	(408,192.31)	(490,108.60)	(408,192.31)	(473,255.63)
Purchase Power Expenses	507,179.54	495,541.09	507,179.54	507,634.32
Net SO/TC due to ratepayers	(98,987.23)	(5,432.49)	(98,987.23)	(34,378.69)
Net Fuel Expense/(Revenue)	-	0.00	-	-
<b>Net Income</b>	<b>\$ (317,384.08)</b>	<b>\$ (85,561.50)</b>	<b>\$ (317,384.08)</b>	<b>\$ (225,697.97)</b>
<u>Reserves Expenditures</u>				
Remove Depreciation Adj (A)	(80,875.00)	(74,423.49)	(80,875.00)	-
Debt Service Principal (includes CAT)	29,518.38	26,885.84	29,518.38	28,401.00
Inventory Purchased	48,188.31	13,347.51	48,188.31	23,250.00
Proceeds from loan	(775,070.60)	-	(775,070.60)	-
Use of Interconnect cost from Fuel Reserve	-	-	-	-
Capital Exp - Work In Progress	117,333.00	103,657.48	117,333.00	92,360.25
Capital Exp - Town Fiber	-	446,000.00	-	-
Proceeds from Town	-	(446,000.00)	-	-
Capital Exp -Voltage Conversion	775,070.60	-	775,070.60	-
<b>Total Reserve for Exp.</b>	<b>114,164.69</b>	<b>69,467.34</b>	<b>114,164.69</b>	<b>144,011.25</b>
<b>Net Income Cash Budgetary Basis</b>	<b>\$ (431,548.77)</b>	<b>\$ (155,028.84)</b>	<b>\$ (431,548.77)</b>	<b>\$ (369,709.22)</b>

Block Island Utility District  
Supplemental Information Statement  
For the Three Months Ending March 31, 2022

	1st Qtr 2022	1st Qtr 2021	YTD March 2022	YTD March 2021
<b>Rate Revenues</b>				
Residential Sales	\$ 121,137.18	\$ 118,296.00	\$ 121,137.18	\$ 118,296.00
Commercial Sales	21,707.62	18,220.18	21,707.62	18,220.18
Demand Electric	80,612.88	87,434.50	80,612.88	87,434.50
Public Authority	-	-	-	-
Street Lighting	1,752.09	1,752.09	1,752.09	1,752.09
Customer Charge	69,318.00	68,504.00	69,318.00	68,504.00
Demand - All Rates	85,386.75	81,640.00	85,386.75	81,640.00
System Charge	-	-	-	-
<b>Total Revenues</b>	<b>379,914.52</b>	<b>375,846.77</b>	<b>379,914.52</b>	<b>375,846.77</b>
	1.08%		1.08%	
<b>Rate Revenues -KWH Usage</b>				
Residential Sales	1,353,488	1,321,748	1,353,488	1,321,748
Commercial Sales	107,561	83,482	107,561	83,482
Demand Electric	1,005,861	1,090,844	1,005,861	1,090,844
Public Authority	-	-	-	-
<b>Total Revenues</b>	<b>2,466,910</b>	<b>2,496,074</b>	<b>2,466,910</b>	<b>2,496,074</b>
	-1.17%		-1.17%	
<b>Rate Revenues -Customer Counts</b>				
Residential Sales	4,898	4,844	4,898	4,844
Commercial Sales	565	576	565	576
Demand Electric	459	447	459	447
Public Authority	-	-	-	-
<b>Total Revenues</b>	<b>5,922</b>	<b>5,867</b>	<b>5,922</b>	<b>5,867</b>

	1st Qtr 2022	1st Qtr 2021	YTD March 2022	YTD March 2021
<b>Payroll</b>				
<b>Capital Exp - Work In Progress</b>				
Capitalized Labor	\$ 33,744.91	\$ 43,557.95	\$ 33,744.91	\$ 43,557.95
<b>Generation-Maintenance Expense</b>				
Inside Maintenance	-	-	-	-
Maint of Station Equipment	14,529.93	17,015.04	14,529.93	17,015.04
<b>Distribution-Operating Expense</b>	-	-	-	-
Overhead lines	15,382.11	12,227.48	15,382.11	12,227.48
<b>Distribution-Maintenance Expense</b>	-	-	-	-
Overhead Lines	28,649.25	37,634.97	28,649.25	37,634.97
tree trimming	-	-	-	-
<b>Customer Accounts/Customer Service</b>	-	-	-	-
Records & Collections	16,016.40	15,176.70	16,016.40	15,176.70
<b>Administrative/General Expenses</b>	-	-	-	-
Vacation Pay	19,249.72	2,198.08	19,249.72	2,198.08
Holidays worked	9,158.05	6,569.12	9,158.05	6,569.12
Holidays not worked	-	-	-	-
Sick Leave	3,915.10	1,162.56	3,915.10	1,162.56
Personal time	2,067.44	2,485.28	2,067.44	2,485.28
CEO Salary	42,787.20	36,367.80	42,787.20	36,367.80
<b>Total</b>	<b>\$ 185,500.11</b>	<b>\$ 174,394.98</b>	<b>\$ 185,500.11</b>	<b>\$ 174,394.98</b>



**AGENDA ITEM 6**  
**APPOINT NRUCFC VOTING DELEGATE**

**AGENDA ITEM 7**

**REVIEW AND ACT UPON \$1.4M CFC LOAN FOR PURPOSES OF  
PURCHASING EMPLOYEE HOUSING**

## CERTIFICATE OF RESOLUTIONS AND INCUMBENCY

I, John Warfel, do hereby certify that (i) I am the Secretary of BLOCK ISLAND UTILITY DISTRICT (hereinafter called the "District"); (ii) the following are true and correct copies of resolutions duly adopted by the board of directors of the District at a meeting held on June 8, 2022; (iii) the meeting was duly and regularly called and held in accordance with the State of Rhode Island General Laws and the bylaws of the District; (iv) the District is duly incorporated, validly existing and in good standing under the laws of the state of its incorporation and there is no pending or contemplated proceeding for the merger, consolidation, sale of assets or business or dissolution of the District; (v) none of the following resolutions has been rescinded or modified as of this date; and (vi) the persons authorized below have been duly elected or appointed to their respective positions:

"RESOLVED, that the District is hereby authorized to apply for a letter of credit to be issued by National Rural Utilities Cooperative Finance Corporation ("CFC"), in accordance with the terms and conditions of a Letter of Credit Reimbursement Agreement with CFC substantially in the form submitted to this meeting (the "Letter of Credit Agreement"), *provided that* such letter of credit shall be issued to ISO New England, Inc., as Beneficiary thereof and shall be in an aggregate principal amount not to exceed \$325,000.00;

RESOLVED, that the individuals listed below are hereby authorized to negotiate, execute and deliver to CFC the following documents (including as many counterparts as may be required):

- a) the Letter of Credit Agreement; and
- b) if required by CFC or under applicable law, a supplement to the Mortgage for purposes of securing the District's obligations under the Letter of Credit Agreement, in such form as the persons authorized herein may negotiate with CFC.

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the District to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Letter of Credit Agreement as such individual may deem appropriate within the amount authorized herein, to make all payments, and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

<u>Office or Title</u>	<u>Name (typed or printed)</u>
<u>Jeffery M. Wright</u>	<u>President</u>
<u>Barbara A. MacMullan</u>	<u>Board Chair</u>
<u>Tom Risom</u>	<u>Treasurer</u>

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IN WITNESS WHEREOF I have hereunto set my hand as of the date shown below.

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

**AGENDA ITEM 8**  
**REVIEW OF NET METERING TARIFF**  
**APPROVED AND IN EFFECT APRIL 1, 2022**

## THE EVOLUTION OF NET METERING ON BLOCK ISLAND

In 2019, the Block Island Utility District (BIUD) reached the state-mandated 3% cap on net metered projects, and we were forced to shut down the net metering program. Reaching the cap was accelerated by the creation of the BI Solar Initiative. They installed more than 20 systems on rooftops in one summer and used up the remaining capacity quickly. It is a phenomenal effort that has helped put Block Island on the solar map but honestly, it caught us all off-guard.

In 2020, we submitted legislation to amend the net metering statute to allow us to set our own cap. Covid caused all forward progress to stop, but in 2021 we were successful in lobbying the General Assembly and the net metering statute was amended. BIUD is now allowed to set our own cap. While this was happening our Board worked hard on a new net metering tariff which was recently approved by the RI-PUC. It went into effect April 1, 2022.

Some facts pertaining to the new tariff:

- We have raised the cap from 3% of our peak load to 10% of our peak load. An increase of more than 3X.
- During our shoulder months, which is a low load period, that 10% of peak load equals approximately 50% of our load.
- Today, in fact, we are serving about 30% of our daytime winter/shoulder period load with solar.
- Once we reach the 10% cap, I predict the BIUD Board will proposal to increase the cap further. Each percentage increase is a chance to evaluate the program and how it serves Block Island. Our collective goal is to go as close to 100% solar during the low load periods as possible (we have to be careful approaching 100% because we are prohibited by National Grid to export power on the submarine cable).
- All consumer classes are allowed to connect solar – we are among very few utilities in the country that allow this.
- New projects must be metered separately, primarily so we can use our AMI system to disconnect the output if we are on diesel engines and the intermittent output on a cloudy day causes instability.
- BIUD will bill all kWh consumed at the retail rate (using the consumption meter) and will credit the solar output using the generation meter.
- The credit is based on our true avoided cost PLUS all transmission/capacity benefits.
- The rate is adjusted annually and as our power costs go up, the credit will increase. Of course, the same will be true if power costs go down, the credit will go down.
- Members will be reimbursed up to \$1,000 towards the cost of the second meter.

RI is one of few states that allow regulated utilities to develop their own net metering policy and tariff. We held two years of public meetings and heard from net metering members as well as non-net metering members. We were 100% transparent in all our deliberations and really

struggled in the process to find the right answers. Representatives from two local solar developers were present at most of these meetings and their opinions were heard.

We feel we have a good tariff that was well vetted by our members and although the program economics are different from the historical net metering policy, we feel it is fair and continues to promote solar.

The Utility District took this on as one of their first tough tasks. We went to Providence many nights (via Zoom because of Covid of course) lobbying to change the 3% cap. Our policy was thoroughly vetted by the PUC and approved by them this year.

For discussion at the BOD meeting, the new tariff is attached.

## **INTRODUCTION**

This Tariff sets forth interconnection requirements, equipment specifications, and proposed metering for Block Island Utility District consumer/members who may choose self-generation of electric energy using photovoltaic (PV), or wind co-generation electric generating equipment. The program is available to all customers regardless of consumer class.

## **DEFINITIONS**

“Net metering” means a system of metering electricity in which Block Island Utility District credits a Block Island Utility District consumer/member for generation.

“Net Metering System” means the system that includes the consumer/member’s generator and interconnecting equipment.

“Consumption Meter” means the meter for which all consumer/member usage is metered though and billed at the appropriate retail rate.

“Generation Meter” means the meter for which all generation is metered through and credited at the Net Metering Rate.

“Generation Credit” means the credit allocated to the consumer/member’s bill in the form of a bill credit for all metered generation. The Generation Credit which will be based on the Utility District’s Last Resort/Power Supply and Transmission Rates – minus – the Non-Bypassable Charges embedded within those rates. Examples of Non-Bypassable Charges are National Grid’s Direct Assignment Facilities fixed charges.

“Non-Bypassable Charges” means those portions of the Utility District’s Last Resort/Power Supply and Transmission Rates that are fixed and not a function of consumption or production.

“Last Resort/Power Supply and Transmission Rates” means those tariffs that identify specific variable and non-bypassable charges that are used in calculating the Net Metering Rate.

“Annual Reconciliation” means the regulatory filing done annually to determine the Last Resort/Power Supply, Transmission and Net Metering Rate.

“Utility District” means the Block Island Utility District d/b/a Block Island Power Company.

## **GENERAL PROVISIONS**

1. This tariff applies to Net Metering Systems installed after December 31, 2020 and to Net Metering Systems installed on or before December 31, 2020 when the consumer/member replaces, or upgrades which increases the rated nameplate DC output of the Net Metering System.
  2. Pursuant to this Net Metering Tariff, the Utility District will offer net metering to all residential or commercial consumer/members who generate electricity, metered by a separate generation meter that has remote disconnect capabilities.
  3. Net Metering Systems will be required to be metered separately from the consumer/members Consumption Meter. The Generation Credit will be applied to the consumer/member's specific retail account.
  4. Net Metering Systems are limited in size by the member's annual consumption history (or estimate for new construction). Each new Net Metering System must be sized so that the estimated net metered production is no greater than 125% than the annual consumption of the account that the system is connected to. Each Net Metering System will be reviewed on a case-by-case basis. The Utility District reserves the right to limit the size of any proposed project for technical interconnection reasons.
  5. The maximum size of any one project will be not more than 10% of the remaining net metering capacity at the time the application is submitted.
  6. The Utility District will continue to allow Net Metering Systems to be installed until the total installed nameplate DC output capacity of all Net Metering Systems reaches 10% of the Utility District's most recent annual peak load. The Utility District's rooftop solar array shall not be included in the net metering cap.
  7. The customer is solely responsible for securing and complying with all local permitting processes including zoning; electrical, building inspection, and all other special permits that may be required.
  8. Eligible generating sources include energy resources as described by and pursuant to §39-26-5(a) including sources which simultaneously generate electricity and recover heat.
- Traditional gasoline, diesel, propane, or natural gas fired portable or permanently mounted emergency generators are explicitly excluded from this Tariff.



## **METERS AND METERING**

1. PV and wind systems require the installation of a smart (AMI) meter by the Utility District. An additional meter socket (meter type and location must be approved by the Utility District) will be installed by the customer to measure the amount of electricity produced by the generating facility.

The Utility District will reimburse residential members up to \$1,000 towards the cost to install the second meter socket. Proof of expenses must be provided to the Utility District.

2. The generating facility must be inverter-based.

3. The aggregate generation capacity on the distribution circuit to which the Net Metering system will interconnect, including the capacity of the Net Metering system shall not contribute more than 10% to the distribution circuit's maximum fault current at the point on the high voltage (primary) level that is nearest the proposed point of common coupling.

4. If a single-phase Net Metering System is to be connected to a transformer center tap neutral of a 240 volt service, the addition of the Net Metering system shall not create an imbalance between the two sides of the 240 volt service of more than 20% of nameplate rating of the service transformer.

5. The consumer/member shall be required to install a manual-disconnect located on the line side, within 10 feet of the meter, and outside of the residence or building that the Net Metering system serves. Disconnect must be clearly labeled, unlocked and readily accessible by utility personnel.

6. The interconnecting consumer/member will be responsible for reasonable and necessary costs incurred by the Utility District for the purchase, installation, operation, maintenance, testing, repair and replacement of metering and data acquisition equipment.

7. If, at any time any metering equipment is found to be inaccurate by a margin greater than that allowed under applicable rules and standards, the Utility District shall cause such metering equipment to be made accurate or replaced. The cost to repair or replace the meter shall be borne by the Utility District. Meter readings for the period of inaccuracy shall be adjusted so far as the same can be reasonably ascertained; provided, however, no adjustment prior to the beginning of the preceding month shall be made except by agreement of the Parties. Each Party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other Party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Facility. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other.

## **GENERATION CREDITS AND SAMPLE CALCULATIONS**

The amount credited to the consumer/member for electricity produced by the Net Metering System, shall be at the Generation Credit rate regardless of the type of generating facility.

The Generation Credit will be set annually and filed with the Utility District's Annual Power Supply and Transmission Reconciliation Filing with the RI-PUC. The Generation Credit will be reviewed and approved with the Utility District's Power Supply and Transmission rate and the new Generation Credit will change and be in effect at the same time as the Power Supply and Transmission Rate change.

The formula used to calculate the Generation Credit will be as follows:

Last Resort/Power Supply Service + Transmission – (Direct Assignment Facilities “DAF” Charges + Block Island Transmission System “BITS” Charges + BIUD Interconnection Amortization Expenses).

Each consumer/member's net metering bill will undergo a monthly reconciliation of the Generation Credit and Consumption Metered usage. In the event the amount due on the consumer/member's bill is a negative number, this amount will be carried over to their next bill as a credit. If a credit is maintained for more than two years, the member/consumer will forfeit the credit balance.

## **DISCONNECTION DURING OPERATING EMERGENCIES**

The Utility District requires any Net Metering System will have a remote disconnect installed that allows the Utility District to disconnect the Net Metering System from the system disrupting generation output during system emergencies. The Utility District reserves the right to deem what constitutes a system emergency and is not required to notify the consumer/member beforehand, but rather will report system emergencies that resulted in disrupting the Net Metering System's generation in the next billing cycle.

The remote disconnect will be provided by the Utility District and will be controlled only by them.

## **REQUIREMENTS FOR INVERTER-BASED SYSTEMS**

1. The Utility District's distribution circuits generally operate with automatic re-closers, which activate following a fault and line trip. The consumer/member is responsible for protecting their net metering equipment from being re-connected out of sync with the Utility District's system.
2. For Net Metering Systems that utilize PV technology, the system shall be installed in compliance with IEEE Standard 929-2000, "IEEE Recommended Practice for Utility Interface of PV Systems." The inverter shall meet the Underwriters Laboratories Inc. Standard UL 1741, "Static Inverters and Charge Controllers for Use in PV Power Systems." Based on the information supplied by the interconnecting consumer/member, if the Utility District determines the inverter complies with UL 1741, the interconnecting consumer/member's request for interconnection will be approved.
3. For Net Metering Systems that utilize wind technology or other direct current energy sources and employ inverters for production of alternating current, the inverter shall meet the Underwriters Laboratories Inc. Standard UL 1741, "Static Inverters and Charge Controllers for Use in Photovoltaic Power Systems." Based on the information supplied by the interconnecting consumer/member, if the Utility District determines the inverter complies with UL 1741, the consumer/member's request for interconnection will be approved,
4. The interconnecting consumer/member shall submit the following information for review and acceptance by the Utility District prior to approving the interconnecting consumer/member's request for interconnection:
  - An electrical one-line diagram or sketch depicting how the inverter will be interconnected relative to the service entrance panel and the electric revenue meter.
  - The make, model, and manufacturer's specification sheet for the inverter.

## **FORCE MAJEURE**

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any curtailment, order, regulation, or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond either party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Utility District, nor the interconnecting consumer/member will be considered in default as to any obligation under these requirements if prevented from fulfilling the obligation due to an event of Force Majeure. However, a party whose performance is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under these requirements.

## **INDEMNIFICATION**

The interconnecting consumer/member shall at all times indemnify, defend, and hold the Utility District harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Utility District's performance of its obligations under these requirements on behalf of the interconnecting consumer/member except in cases of gross negligence or intentional wrongdoing by the Utility District.

## **PROTECTION REQUIREMENTS**

If, due to the interconnection of the facility, when combined with pre-existing facilities interconnected to the Utility District's system, the rating of any of the Utility District's equipment or the equipment of others connected to the Utility District's system will be exceeded or its control function will be adversely affected, the Utility District shall have the right to require the interconnecting consumer/member pay for the purchase, installation, replacement or modification of equipment to eliminate the condition. Where such action is deemed necessary by the Utility District, the Utility District will, where possible, permit the interconnecting consumer/member to choose among two or more options for meeting the Utility District's requirements as described in this protection Tariff.

## **ACCESS AND CONTROL**

Representatives of the Utility District shall, at all reasonable times, have access to the Net Metering System to make reasonable inspections. At the Net Metering System, the Utility District's representatives shall identify themselves to the interconnecting consumer/member's representative, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the facility.

**AGENDA ITEM 9**  
**REVIEW AND ACT UPON ORIGINAL 3% NET METERING POLICY**

## NET METERING

The original net metering policy that has been in place since before the sale of the BIPCO assets to BIUD is attached. It is very basic. It is not in a tariff format and needs some housekeeping. The PUC has asked us to file a revised tariff after this work has been done. They have also asked us to justify having two separate tariffs; one for the projects that were installed under this policy under the original 3% cap (installed prior to 12/31/2020) and the newest one for projects up to the 10% cap (installed after 12/31/2020).

I would like the BOD to appoint a two-person sub-committee to work with me to rework this “policy” into a tariff that meets all necessary regulatory requirements.

I would also like to discuss the “burden of proof” requirement that the PUC has asked us to address. See below:

*BIUD shall file a tariff advice within to address issues raised at the hearing and meet the burden of proof for having the different tariff for existing customers.*

I will explain the filing requirements more fully at the meeting.

This tariff needs to be approved by the BIUD BOD and filed prior to July 29, 2022.

# BLOCK ISLAND POWER COMPANY

## Net Metering Policy, effective January 1, 2018

Approved by BIPCo Board of Directors, December 20, 2017

The Board of Directors of the Block Island Power Company (BIPCo) hereby ratifies BIPCo's voluntary Net Metering Policy as follows, effective January 1, 2018 for a period of one (1) year.

**Eligible Installations:** All installations that use renewable energy resources as defined in R.I.G.L. § 39-26.4-2(1) are eligible for net metering only if they are:

privately owned and located on parcels for that customer's residential use exclusively, and conform to Block Island Ordinances, including all Planning and Zoning requirements, and Block Island's Comprehensive Plan, and are

certified by the Town Building Inspector and BIPCo to be a proper installation, and are

installed by an electrician who is licensed by the State of Rhode Island to install solar units or any other appropriate electrical generating units that rely on renewable energy resources and that

the installer must possess and furnish to BIPCo proof of all required licenses, to include, but not limited to a current Rhode Island Renewable Energy Professional license, and that the

total wattage by plate of all units does not exceed 3% of BIPCo's yearly peak.

The Block Island Post Office Building is an eligible grandfathered installation.

No installations that service non residential customers are allowed to be net metered.

All installations must have "smart meters" that will allow BIPCo to measure the amount of electricity delivered and received. (NOTE: The three existing wind turbines on Block Island have dual meters because of their age and configuration but function in the same manner as the newer smart meters and will be considered to be smart meters for this purpose).

All accounts will be reconciled monthly.

The total capacity of the current, non-grandfathered accounts plus future installations of all types may not exceed 3% of BIPCo's previous year's peak. Once the cap is reached, BIPCo will not allow additional net metering, unless the cap is increased by BIPCo.

Net Metering Credit- "Excess Renewable Net Metering Credit" means a credit that applies to each eligible net metering system for that portion of the renewable self-generator's production of electricity beyond one hundred percent (100%) of that generator's individual consumption. The self-generator will not be given any credit for the production of electricity greater than one hundred twenty-five percent (125%) of the renewable self-generator's own consumption. This production and consumption of electricity must take place at the eligible net metering system site during the applicable billing period.

The applicable billing period is monthly.

Such Excess Renewable Net Metering Credit shall be equal to BIPCo's avoided cost.

The customer must install equipment approved by BIPCo which prevents the flow of electricity into BIPCo's system when BIPCo's supply is out of service.

BIPCo shall have the right to disconnect any facility if in BIPCo's opinion the facility interferes or is likely to interfere with BIPCo's service to other customers.

All interconnection costs associated with the facility shall be borne by the customer.