

Rhode Island policies and incentives make solar a smart choice for businesses, public entities, and property owners.



State Incentive Program: The Renewable Energy Fund

The Renewable Energy Fund (REF) is a state-funded program with the goal of increasing renewable energy systems throughout Rhode Island. The program accomplishes this by providing grants and loans for new renewable energy projects in the state, drawing funds from the “system benefit charge” on electric bills and alternative compliance payments.

Under the REF program, awards are given based on the technical and financial feasibility of a project, cost per kilowatt hour (kWh) of energy produced, anticipated amount of renewable energy related benefits (job creation, environmental benefits, etc.), and the experience of the project team.

Minimum submission requirements include:

- Proof of Energy Audit;
- One-line electrical drawing;
- Layout drawing including location of all major components;
- ROI/simple payback assuming no more than 3% utility inflation rate; and
- Signed turnkey contract.



In order to be eligible for a Renewable Energy Fund grant, a solar project must meet the following requirements:

- Project must be on-site.
- Solar array must be behind the meter.
- Array must be designed to meet no more than 100% expected energy needs of the property in question, to prevent oversized installations.
- Array owner must conduct an energy efficiency audit through National Grid prior to application.
- Must submit a series of supporting materials that will become a part of the public record.

The REF Grant Process

1. **Review Requirements:** Ensure you understand project eligibility.
2. **Choose Installer:** Select a Renewable Energy Professional to design & build your array.
3. **Submit Application:** Your solar company of choice will submit the application on your behalf.
4. **Approval Process:** The REF board will review your application and either award or deny the grant. Denied applicants can reapply at a later date.
5. **Grant Agreement:** If awarded, involved parties will sign a grant agreement outlining details.
6. **Project Inspection:** Once project completion documents are submitted, the array is fully inspected by an REF inspector.
7. **Funding Granted:** If the array passes inspection, funding will be provided as outlined in the funding agreement, up to \$200,000.

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State Incentive Programs

The Renewable Energy Growth Program

The Renewable Energy Growth Program (REG) is a program offered through National Grid with a goal of building 160 MW of renewable energy capacity over five years in Rhode Island. The program seeks to enable the installation of various renewable energy technologies, including commercial-scale solar photovoltaic (PV) energy systems up to 10 megawatts (MW) at properties served by the utility.

The REG is a long-term (20 year) feed-in tariff program designed to ensure solar array owners receive a steady price for the energy produced by their solar installations. A solar project under the REG program is an “in-front of the meter” project, which means all generated electricity is not used on-site, and instead immediately enters the grid. Array owners are compensated at a fixed rate for kilowatt hours (kWh) produced, based on system size (see values below). Solar owners also benefit from the federal 30% Income Tax Credit (ITC) and accelerated depreciation.

2016 REG Solar Values

Small Solar II	11-25 kW	¢ 27.50/kWh
Medium	26-250 kW	¢ 22.75/kWh
Commercial	251 kW-1 MW	Bid under ¢ 18.75/kWh
Large	1-5 MW	Bid under ¢ 15.05/kWh

The REG program is available to 40 MW of solar projects per year until 2022. Applicants must submit their projects to the utility for consideration during one of three enrollment periods per year, each period lasting two weeks. In order to apply, a solar project must have a completed interconnection application with National Grid, a completed impact study, and site control.

There are specific rules surrounding the REG program; for example, projects cannot be fully financed, under construction or operating when applying to the program and each project must have a completed impact study or an interconnection service agreement with National Grid prior to application to be eligible. There are at least two annual enrollments for each project size group and awards are accepted on a first come first serve basis.



State Policies

Net Metering

Net Metering allows excess energy produced by a behind the meter solar array to be credited at retail value to the producer in subsequent months. When solar system owners generate electricity, their electric meter turns backwards – and when more electricity is generated than used in a given month, the utility credits the owner's account. In Rhode Island, regulations vary for public and private entities. A private entity can only receive credit for solar energy generated on-site. A public entity can receive both on-site and off-site net metering credits, up to a maximum of 10 MW AC.

Renewable Energy Certificates (RECs)

In Rhode Island, solar energy systems are allocated one Renewable Energy Certificate (REC) per 1,000 kWh of electricity generated. These RECs have value in the marketplace, and can be sold for additional revenue, which can help recuperate the cost of a solar investment. Solar customers taking advantage of the REG program are not eligible for RECs.

Federal Incentives

Investment Tax Credit

The Investment Tax Credit (ITC) is a 30% tax credit for solar systems installed by December 31, 2019. The tax credit will then reduce incrementally each year until settling at 10% in 2022 and for future years.

Accelerated Depreciation

Solar energy systems are eligible under the Modified Accelerated Cost Recovery System (MACRS) to depreciate 85% of cost basis over a five-year period, with 50% bonus depreciation in the first year of service.

Interested in learning more?
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