

Unitil Energy Systems, Inc.
Docket No. DE 22-073
Petition for Approval of Investment in and Recovery of Distributed Energy Resource
Pursuant to RSA 374-G
Department of Energy Data Requests Set 1

Received: 1/27/23
Request No. DOE 1-3

Date of Response: 2/10/23
Witness: Jacob Dusling and Andre Francoeur

Request:

Construction Cost Estimates: Please provide sources used for the determination of construction cost estimates, including labor rates, material costs, and material sourcing. Reference exhibit FDGP-2 as well as other exhibits. Further, if applicable and available, provide assumptions used to comply with the requirements of the Inflation Reduction Act (IRA). Please include assumed labor rates, number of personnel during construction, material and component sourcing, and any other relevant information regarding the IRA requirements.

Response:

Reference DOE 1-3 Attachment 1 (Confidential) (and the associated attachments referenced in this Attachment¹) for sources and documentation of construction cost estimates.

The vendors participating in the RFP process have informed the Company they expect to comply with the Wage and Apprenticeship requirements included in the IRA. To satisfy these requirements, certain wage minimums must be met and certain percentages of construction must be performed by qualified apprentices. If the Wage and Apprenticeship requirements are met, the ITC rate is 30%. The Company will confirm that the Engineering, Procurement and Construction (“EPC”) contractor who is awarded the project has practices in place to ensure that all Apprenticeship and Prevailing Wage conditions are met and documented for both the EPC contractor’s internal and subcontracted labor.

It is not yet clear whether the Kingston Solar Project will qualify for the Domestic Content bonus credit. If this project were to qualify for the Domestic Content bonus credit of 10% the expected all-in ITC rate would be 40%. The IRS has not yet published guidance on the Domestic Content bonus.

Please note that the assumptions and inputs identified in the request and response may be updated with firmer assumptions in an updated Benefit-Cost Analysis based on the Final EPC RFP. The Company is planning to file a revised Benefit Cost Analysis, with

¹ DOE 1-3 Attachment 2 (Confidential), DOE 1-3 Attachment 3 (Confidential), DOE 1-3 Attachment 4 and DOE 1-3 Attachment 5 (Confidential).

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updated inputs and assumptions from the Final EPC RFP, accompanied by supplemental testimony.²

The Company is providing DOE 1-3 Attachments 1 through 3 and Attachment 5 on a Confidential and a Redacted basis. The Company has a good faith basis for seeking confidential treatment of the Attachments pursuant to Puc 208.08(d), and intends to submit a motion for confidential treatment regarding the Attachment at or before the commencement of the hearing in Docket DE 22-073.

² In its initial filing, the Company explained that it is conducting a multi-stage, competitive bidding process to gather the most up to date pricing and performance assumptions for the Kingston Solar Project. In Stage 1 of the solicitation process, the Company conducted a Preliminary EPC RFP, the results of which are reflected in Exhibit FDGP-1 (BCR Model) to the initial filing. After the initial filing, the Company moved to Stage 2 of the procurement process and issued the Final EPC RFP on November 30, 2022. The Company received responses to the Final EPC RFP on January 20, 2023 and is in the process of finalizing its selection of an EPC contractor.