

RIDGEWOOD POWER MANAGEMENT LLC

947 Linwood Avenue
Ridgewood, New Jersey 07450
Tel.: 201-447-9000 Fax: 201-447-0474

September 26, 2006

Ms. Luly E. Massaro
Commission Clerk
State of Rhode Island & Providence Plantations
Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Ridgewood Power Management LLC Motion to Intervene in
Docket No. 3765 National Grid Implementation of
Renewable Energy Standard Charge (the "Charge Filing")

Dear Ms. Massaro:

Ridgewood Power Management LLC and its affiliates ("Ridgewood") develop, own, operate and/or manage renewable electricity generating facilities, including biomass, landfill gas and hydroelectric facilities, located in Rhode Island and New England. Ridgewood has actively participated in the development of renewable energy portfolio standards, including the Rhode Island Renewable Energy Standard ("RES"), and it has extensive experience in the implementation of the various New England state renewable energy portfolio standard programs.

Pursuant to Rule 1.13 of the Public Utilities Commission's ("PUC") Rules of Practice, Ridgewood hereby submits its Motion to Intervene in the Charge Filing. As the representative of various renewable energy generating facilities, Ridgewood is particularly interested in ensuring that The Narragansett Electric Company d/b/a National Grid ("National Grid") is able to meet its compliance obligations under the RES by raising sufficient funds to procure energy from a mix of new and existing renewable energy resources and Rhode Island renewable energy certificates ("RI RECs"). After reviewing National Grid's Charge Filing, Ridgewood believes that National Grid has underestimated its incremental costs for procuring RI RECs from existing and new renewable energy sources resulting in its requested RES Charge being too low. Accordingly, Ridgewood believes that its interests are not being adequately represented by National Grid and, therefore, it should be permitted to intervene in the Charge Filing. Further, Ridgewood believes that it is in the public's best interests to ensure that National Grid is adequately funded to meet its RES obligations.

Ridgewood is the largest generator of Massachusetts Renewable Energy Credits ("Mass RECs"), the second largest generator of Connecticut Class I Renewable Energy Credits and fourth largest generator of Connecticut Class II Renewable Energy Credits ("CT Class II RECs"), with contracts to supply Load Servicing Entities with Mass RECs and CT Class II RECs for the 2006 and 2007 compliance years. As such, Ridgewood's experience in these markets gives it a unique perspective as to what the 2007 alternative compliance payment ("ACP") and the prices for both new and existing RI RECs are likely to be.

With respect to forecasted price of RECs from new renewable energy sources, Ridgewood's own experience suggests that the price for Mass RECs upon which National Grid based its calculations for RI RECs from new generation should be higher. Ridgewood believes that the 2007 ACP will be \$57.34 or 4% more than the 2006 ACP of \$55.13. This estimate is based upon a higher Consumer Price Index for 2006 than 2005. Consequently, National Grid should use a price of at least \$57.34 to calculate its RES Charge related to new renewable energy resources.

With respect to the prices for RECs from existing renewable energy sources, Ridgewood has consistently sold CT Class II RECs from the types of renewable energy resources that would qualify under the RES for \$1.00, which is \$0.50 higher than the price National Grid used in calculating its projected price for RI RECs from existing generation. Ridgewood believes the principal reason for National Grid's lower price is its inclusion of sales of CT Class II RECs from trash-to-energy generation which, although it is the largest CT Class II eligible source, is not an eligible renewable generation source under the RES and, therefore, should be excluded from National Grid's calculations. Consequently, National Grid's use of a \$0.50 price is insufficient. Ridgewood suggests a minimum number of \$1.00.

Based upon the foregoing, Ridgewood suggests that the appropriate numbers upon which to calculate the RES Charge are \$57.34 for new generation and \$1.00 for existing generation. By so doing, the RES Charge can be established at a figure that is likely to be close to, if not at, National Grid's actual costs of complying with the RES.

Respectfully Submitted,
Ridgewood Power Management LLC

By: William P. Short III
William P. Short III
Vice President of Power Marketing

Copy: Service List

Mr. John J. Bahrs

Mr. Kevin Crossman

Maria E. Haggerty, Esq.

Mr. Mark S. Howe

Mr. Stephen D. Galowitz