

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN Re: NATIONAL GRID
RENEWABLE ENERGY CHARGE FILING

Docket No. 3901

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PUBLIC UTILITIES COMMISSION

STATEMENT OF CONSERVATION LAW FOUNDATION

This docket, PUC Docket No. 3901, is the second annual docket in which National Grid (Grid) submits its procurement plan in compliance with Rhode Island's Renewable Energy Standard (RES). A year ago, the Conservation Law Foundation (CLF), New England's leading environmental advocacy organization, participated in PUC Docket No. 3765, Grid's first annual RES procurement filing.

As CLF explained in its written submission in Docket No. 3765, both Rhode Island's RES statute, R. I. Gen. Laws § 39-26-1, *et seq.*, and the PUC's own Rules governing RES procurement, promulgated December 28, 2005, require that Grid enter into long-term contracts for a substantial portion of its renewable energy procurement. Specifically, the long-term contract requirement is contained in the PUC's RES Rule 8.3.

A year ago, CLF opposed approval of Grid's procurement plan as reflected in Grid's filing in Docket No. 3765, because Grid's plan did not properly account for the legal requirement that it meet a significant portion of its renewable energy procurement from long-term contracts.

In March 2007 the PUC approved Grid's procurement plan in Docket No. 3765 and, on October 17, 2007, the PUC formally issued its Order 19801 resolving that

Docket. In Order 19801, the PUC did two things of relevance in the current docket. First, the PUC confirmed CLF's understanding of the legal requirement for Grid to enter into long-term contracts for renewable energy. See Order 19801, at 32 ("The Commission still believes that long term contracts will be necessary for the success of the renewable energy supply."). Second, the PUC ordered that "the parties collaborate to form a working group" to explore issues related to the long-term contract requirement. PUC Order 19801, at 34. The key task of the Working Group established pursuant to PUC Order 19801 was to consider -- and perhaps propose -- specific ways and means that would enable Grid in the future to meet its legal requirement to enter into long-term contracts for renewable procurement, and do so in a manner that was acceptable to all the stakeholders, including Grid.

As reflected in the pre-filed direct testimony of Michael J. Hager, Grid's Director of Regulated Electric Load & Distributed Generation, dated November 15, 2007, in this Docket (Hager Testimony), the Working Group began meeting in May. Hager Testimony, at 8. Participants in the Working Group included Grid, CLF, the Rhode Island Office of Energy Resources, the Division of Public Utilities and Carriers, the Office of the Attorney General, the R. I. Economic Development Corporation, and other stakeholders. As Mr. Hager also says in his pre-filed testimony, "some significant progress was made toward achieving a genuine consensus among the various stakeholders participating in the working group." Hager Testimony, at 9.

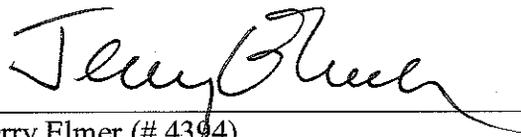
CLF is pleased to report to the PUC that CLF agrees with Mr. Hager's characterization of the progress that has been made by the Working Group. CLF believes that significant progress has been, and continues to be, made toward developing a realistic, workable method by which Grid can enter into long-term contracts for renewable energy resources -- a method, moreover, that can be agreed to by Grid, CLF, and numerous other diverse stakeholders in this process.

At the same time, CLF notes with some concern the fact that Grid's RES procurement plan for 2008 tracks closely its RES procurement plan for 2007 in that it does not provide for any component of its 2008 RES procurement to come from long-term contracts. Mr. Hager says several times in his testimony that this new procurement plan for 2008 is consistent with what the PUC approved for 2007. See, e.g., Hager Testimony at 12, lines 15-22. The fact that the new plan for 2008 may be similar in undesirable ways to Grid's plan for 2007 is not, in CLF's view, a reason to support the new plan.

However, "context is everything." Point Park Univ. v. N.L.R.B., 457 F.3d 42, 46 (D.C. Cir. 2006). Because CLF believes that Grid is moving ahead in genuine good faith to reach a mutually acceptable means by which Grid will be able, in the future, to enter into significant long-term contracts for renewable energy resources, CLF does not oppose Grid's current procurement plan. Moreover, CLF looks forward to continuing to work with Grid and other members of the Working Group to bring this shared endeavor regarding long-term contracts to a successful conclusion. In the unlikely event that the

Working Group is ultimately unsuccessful, CLF will, of course, return to the PUC to report that failure and seek an appropriate remedy. However, we do not anticipate failure; we look forward to a successful conclusion to the efforts of the Working Group established pursuant to PUC Order 19801.

CONSERVATION LAW FOUNDATION
By its Attorney,

A handwritten signature in cursive script, appearing to read "Jerry Elmer", written in black ink. The signature is positioned above a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that, pursuant to PUC Rule of Practice and Procedure 1.7(a), a hard copy of the within Statement of Conservation Law Foundation was mailed, first-class mail, postage prepaid, on December 12, 2007, to each of the following :

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