

October 29, 2008

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

RE: Docket 3931 - Least Cost Procurement Plan Joint Comments of National Grid and the Energy Efficiency Resource Management Council in response to Bluewater Wind

Dear Ms. Massaro:

National Grid¹ and the Energy Efficiency and Resource Management Council submit these comments in response to Bluewater Wind's October 28, 2008 letter filed with the Commission in the above-captioned proceeding.

Thank you for your attention to this filing. If you have any questions, please contact me at (401) 784-7667.

Very truly yours,

Thomas R. Teehan

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Enclosures

cc: Docket 3931 Service List

¹ Submitted on behalf of The Narragansett Electric Company d/b/a National Grid.

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

In Re: Energy Efficiency and)	
Conservation Procurement and)	Docket No. 3931
and System Reliability)	
Procurement)	

Joint Comments of National Grid and the Energy Efficiency Resources Management Council in response to Bluewater Wind letter dated October 28, 2008

National Grid ¹ and the Energy Efficiency and Resource Management Council ("Council") submit these comments in response to Bluewater Wind's October 28, 2008 letter filed with the Commission.

With respect to the Bluewater Wind's request that the Council consider its comments, the Council concurs it is imperative to solicit comment and information from all parties as per the Commission's Standards. All Council meetings to date have been open meetings to all parties and the public with an agenda item for "Other Business" in which some participants have provided information. However, given the very aggressive schedule for Energy Efficiency Procurement and System Reliability Procurement the Council has not received as much information as desired and is planning on devoting a specific agenda item at the next two Council meetings, on November 13 and December 11, to this issue with the parties and another others.

National Grid and the Council would like to clarify the interrelationship between Energy Efficiency Procurement and System Reliability Procurement, which is the appropriate and primary focus of this docket, and supply portfolio procurement, which is a different issue and is not the intended focus of the Energy Efficiency and System Reliability Procurement Standards.

The Company's filing in this case is comprised of Energy Efficiency Procurement and System Reliability Procurement. In keeping with that approach, in this docket the Company has submitted an overall Least Cost Procurement Plan with two components: an Energy Efficiency Procurement Plan and a System Reliability Procurement Plan. Neither of those two plans is intended to address supply portfolio procurement, which must occur by March 1, 2009.

While § 39-1-27.7 notes that system reliability procurement and energy efficiency and conservation procurement are "complementary" to supply portfolio procurement, it specifically states that those activities are "distinct activities." The legislation does not intend that these distinct activities be co-mingled in one proceeding before the Commission. Rather, in a separate statutory section, § 39-1-27.8, the Legislature provided for an independent proceeding that would be initiated by the Company's filing of a proposed supply procurement plan with the Commission no later than March 1, 2009. Over the next month Commission staff will be holding meetings with interested parties, such as Bluewater Wind, to develop and discuss issues in preparation for the Company's March 1, 2009 filing. When that proceeding gets underway, the Commission will have significant flexibility to conduct a comprehensive review of the Company's proposed supply procurement plans and to incorporate sources of supply that prove to be reasonable and least-cost alternatives.

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¹ Submitted on behalf of The Narragansett Electric d/b/a National Grid, which is referred to herein as "National Grid" or "Company."

At the recent Technical Session in this matter, Bluewater Wind indicated that its intent was not to criticize the Company's proposed Energy Efficiency and System Reliability Procurement Plans, but rather to identify a forum in which to raise issues specific to renewable energy supply contracts. The Company believes that the most appropriate forum for a complete discussion of those issues is the upcoming Standard Offer supply procurement proceeding.

The Company and Council recognize the value of the open and active participation of all parties to this proceeding and anticipates working with Bluewater Wind and other parties to this docket as the new energy policies in accordance with the 2006 Energy Act begin to take shape in Rhode Island.

Respectfully submitted,

The Rhode Island Energy Efficiency Resource Management Council (EERMC) and National Grid

By Its Attorneys,

/s/ R. Daniel Prentiss

R. Daniel Prentiss Counsel for EERMC

Thomas R. Teehan

Counsel for National Grid

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Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically submitted, hand delivered and mailed to the individuals listed below.

Joanne M. Scanlon National Grid October 29, 2008 Date

Docket No. 3931 – RI Energy Efficiency and Resource Management Council ("EERMC") – Proposed Standards for Least Procurement Plan and System Reliability Procurement Plan Service List updated on 10/3/08

Name/Address	E-mail Distribution List	Phone/FAX
R. Daniel Prentiss, P.C. (for EERMC)	dan@prentisslaw.com	401-824-5150
Prentiss Law Firm		401-824-5181
One Turks Head Place, Suite 380		
Providence, RI 02903		
Samuel P. Krasnov (for EERMC)	skrasnow@env-ne.org	
203 S. Main Street		
Providence, RI 02903		
S. Paul Ryan (for EERMC)	spryan@eplaw.necoxmail.com	
670 Willett Avenue		
Riverside, RI 02915-2640		
Thomas R. Teehan, Esq.	Thomas.teehan@us.ngrid.com	401-784-7667
National Grid		401-784-4321
280 Melrose St.	Joanne.scanlon@us.ngrid.com	
Providence RI 02907		
William Lueker, Esq. (Division/AG)	Wlueker@riag.ri.gov	401-222-2424
Dept. of Attorney General	Dstearns@ripuc.state.ri.us	401-222-3016
150 South Main St.	Sscialabba@ripuc.state.ri.us	
Providence RI 02903	Acontente@ripuc.state.ri.us	
	Mtobin@riag.ri.gov	
	Kzelano@riag.ri.gov	
John R. McDermott, Esq. (OER)	JRMcDermott.law@gmail.com	401-269-1198
The Law Office of John r. McDermott	JKWICDEIIIIOtt.iaw@giiiaii.com	401-294-4483
27 East Street, Unit 2		401-294-4403
Providence, RI 02906		
	adzykewicz@energy.ri.gov	401-574-9123
Andrew C. Dzykewicz, Commissioner Janet Keller	auzykewiczwenergy.m.gov	401-374-9123
RI Office of Energy Resources		