

May 8, 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- In Re: RI Energy Efficiency and Resource Management Council's Proposed Standards for Energy Efficiency and Conservation Procurement and System Reliability**

**NATIONAL GRID'S SUPPLEMENTAL REPLY COMMENTS**

National Grid submits these brief supplemental reply comments to clarify an inadvertently broad and hence inaccurate statement that appears in one of the joint reply comments of the Rhode Island Energy Efficiency Resources Management Council, Environment Northeast, and National Grid.

The joint reply comments to Bluewater Wind LLC and Cape Wind's filing include a reference to the role that large-scale wind resources may play in National Grid's supply procurement plan under R.I.G.L. § 39-1-27.8. Specifically, the joint reply comments contain the statement that "large-scale wind resources will be part of National Grid's 'Supply Procurement Plan' that shall be proposed to the Commission by March 1, 2009 pursuant to R.I.G.L. § 39-1-27.8." While consideration may be given to including large scale wind as a part of a portfolio of contracts that serve standard offer load after 2009, this statement is inaccurate to the extent that it presumes or implies there may be a legal requirement that large-scale wind resources or any other particular energy resource will necessarily be part of the supply portfolio.

Section 39-1-27.8 does not require that large-scale wind resources, or any other particular type of energy resource, be included in the supply portfolio. Instead, the legislation requires that energy resources that are selected for the portfolio meet energy needs in a manner that is optimally cost-effective, reliable, prudent, and environmentally responsible. Thus, while large-scale wind resources as well as other forms of renewable energy may be considered, they will not necessarily become part of the supply portfolio unless they are indeed the best, least-cost option.

In sum, we confirm the point of the joint comment that the Energy Efficiency and System Reliability Procurement does not and should not address wholesale power purchase plans (including large scale wind resources). Renewables as a supply resource are addressed in the law through the Renewable Portfolio Standards as a separate matter. Introducing the concept of large-scale wind into the System Reliability regulations is mixing up statutory and regulatory provisions. Further, we fully expect this subject will be addressed further in the current legislative session.

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National Grid hopes that these supplemental comments clarify any confusion that may have otherwise been caused by the above-referenced, isolated statement contained in the joint reply comments.

If you have any questions concerning this matter, please call me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

cc: Docket 3931 Service List