

March 27, 2009

**VIA HAND DELIVERY & ELECTRONIC MAIL**

Luly E. Massaro, Commission Clerk  
Rhode Island Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02889

**RE: Docket 3931 - System Reliability Plan  
Response to Bluewater Wind Comments**

Dear Ms. Massaro:

National Grid ("Company") submits this brief response to Bluewater Wind's March 23 comments relative to National Grid's System Reliability Plan. In its comments, Bluewater Wind takes the opportunity to essentially repeat arguments that it has made previously in this docket. These comments continue to inappropriately mix the provisions of R.I.G.L. §39-1-27.7 as it relates to the procurement of energy efficiency and system reliability efforts and the provisions of RIGL §39-1-27.8, which relates to purchase of a power supply portfolio for standard offer customers.

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, R.I.G.L. §39-1-27.8, the Legislature provided that the procurement of supply for standard offer customers be dealt with in 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 2009. Thus, to the extent that §39-1-27.7 refers to "the procurement of energy supply from diverse sources," it is referring to resource management programs that incorporate distributed generation activities in combination with demand response measures. It is not referring to the large-scale procurement of electric supply for standard offer and last resort service.

In keeping with the statutory framework, the Company's System Reliability Plan, then, is intended to identify customer-side opportunities, in addition to energy efficiency measures, that will be least-cost and will reduce a customer's electricity costs. It is not intended to address supply portfolio procurement, which is controlled by §39-1-27.8, the standard offer supply portfolio procurement statute. In meeting its intended objectives, the System Reliability Plan does incorporate renewable energy sources into the mix of least-cost, customer-side activities that are employed. These include use of solar photo-voltaic and wind turbine efforts, particularly with reference to the Aquidneck Island pilot project.

Finally, the Company continues to maintain that the legislative framework currently in place does not anticipate that the System Reliability Plan be a venue in which to establish a comprehensive plan for

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acquiring large-scale amounts of renewable energy. That is an area that the legislature did not intend to be addressed by the energy efficiency and system reliability activities that are involved with the System Reliability Plan.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "T. Teehan", with a stylized flourish at the end.

Thomas R. Teehan

Enclosure

cc: Paul Roberti, Esq.  
Steve Scialabba, Division

Certificate of Service

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



\_\_\_\_\_  
Joanne M. Scanlon

March 27, 2009  
Date

**Docket No. 3931 – RI Energy Efficiency and Resource Management Council  
("EERMC") – Proposed Standards for Least Procurement Plan  
and System Reliability Procurement Plan  
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