

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NATIONAL GRID'S PROPOSED :
2010 STANDARD OFFER SUPPLY PROCUREMENT : DOCKET NO. 4041
PLAN AND 2010 RENEWABLE ENERGY SUPPLY :
PROCUREMENT PLAN :

ORDER ON NATIONAL GRID'S MOTION
FOR CLARIFICATION OF ORDER NO. 19602

On March 27, 2009, Narragansett Electric Company d/b/a National Grid ("NGrid") filed a Motion for Clarification of the Public Utilities Commission ("Commission") Order No. 19602 (issued March 18, 2009) wherein NGrid's proposed Renewable Energy Standard ("RES") Procurement Plan was rejected under Commission Rule of Practice and Procedure 1.14(f).¹ Specifically, the Commission found that the RES Procurement Plan was not in compliance with the Commission's RES Rules because, contrary to the plain language of RES Rule 8.3, the plan did not contain any long term contracts for renewable energy resources.²

In its Motion for Clarification, NGrid sought clarification on the following two issues: (1) whether the Order required NGrid to enter into long term contractual arrangements for the direct purchase of electricity derived from renewable resources³;

¹ In Order No. 19602, the Commission also rejected NGrid's Standard Offer Service ("SOS") Procurement Plan filed on March 3, 2009 and ordered NGrid to file a SOS Procurement Plan that incorporates long term renewable contracts. Unlike the decision rejecting the RES Procurement Plan, NGrid did not Petition the Supreme Court of Rhode Island for review of the rejection of the SOS Procurement Plan and did not request clarification of that portion of the Order.

² Rule 8.3 of the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard, states: The Renewable Energy Procurement Plan shall contain the Obligated Distribution Company's procedure for procuring its target percentage of Eligible Renewable Energy Resources for each Electric Energy Product offered to End-use Customers, including long-term contracts which shall be made part of the Obligated Distribution Company's portfolio for procuring its target percentage of Eligible Renewable Energy Resources for each Electrical Energy Product offered to End-use Customers.

³ Motion for Clarification, p. 2.

and (2) whether the Order required NGrid to include solicitation of long term contracts for renewable energy certificates as part of its RES Procurement Plan.⁴

At its open meeting on March 31, 2009, the Commission reviewed NGrid's Motion for Clarification and stated that Order No. 19602 does not require NGrid to enter into any contracts at this time. Further, the Commission stated that Order No. 19602 does require NGrid to include solicitation of long term contracts for renewable energy certificates as part of its RES Procurement Plan, all aspects of which will be subject to Commission review and approval. As with any procurement plan filed by NGrid, the Commission will review the RES Procurement Plan to determine whether it is designed to result in just and reasonable rates. It is this Commission and not the utilities regulated by the Commission which ultimately determines what is just and reasonable and in the best interest of ratepayers.

⁴ Motion for Clarification, p. 2.

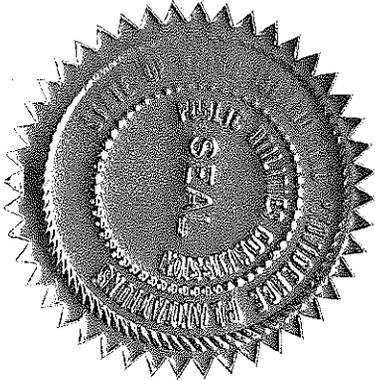
Accordingly, it is hereby

(19610) ORDERED:

1. Consistent with the clarification contained in this Order, on or before April 16, 2009, Narragansett Electric Company d/b/a National Grid shall file a Renewable Energy Supply Procurement Plan which includes the solicitation of long term renewable energy certificate contracts.

EFFECTIVE AT WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON MARCH 31, 2009. WRITTEN ORDER ISSUED APRIL 6, 2009.

PUBLIC UTILITIES COMMISSION





Elia Germani, Chairman

*Robert B. Holbrook, Commissioner



Mary E. Bray, Commissioner

* Commissioner Holbrook did not participate in this decision.