

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

IN RE: TARIFF ADVICE FILING TO AMEND :  
R.I.P.U.C. NO. 2010-A QUALIFYING FACILITIES : DOCKET NO. 4079  
PURCHASE RATE :

REPORT AND ORDER

**I. Background**

In July 2009, the General Assembly amended R.I. Gen. Laws §§ 39-26-2 and 39-26-6, the law related to the Renewable Energy Standard, net metering and renewable generation credits resulting from net metering by eligible renewable energy resources. The amendments clarified the calculation of the renewable generation credit applicable to nonprofit affordable housing,<sup>1</sup> clarified the definition of an obligated entity,<sup>2</sup> clarified the number of accounts subject to net metering credits, allowed for the payment of credits by check in lieu of bill credits,<sup>3</sup> added “state agencies” to the group that is allowed net metering credits on capacity of up to 3.5 MW,<sup>4</sup> and abolished a renewable energy low income fund that was to be created by the Public Utilities Commission (“Commission”).<sup>5</sup>

**II. Tariff Advice**

On August 14, 2009, Narragansett Electric Company d/b/a National Grid (“NGrid”) made a Tariff Filing pursuant to Commission Rule of Practice and Procedure 1.9(c) to amend R.I.P.U.C. No. 2010-A with R.I.P.U.C. No. 2035 in accordance with the changes to R.I. Gen. Laws §§ 39-26-2 and 39-26-6 as described above. A pre-hearing

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<sup>1</sup> R.I. Gen. Laws § 39-26-2 (19). “The renewable generation credit applicable for nonprofit affordable housing shall be calculated based on the rate class applicable to residential units.” *Id.*

<sup>2</sup> R.I. Gen. Laws § 39-26-2 (25). Clarifying the definition of self-generator to indicate that “the ownership of any such facility shall not be considered an obligated entity as a result of any such ownership arrangement.” *Id.*

<sup>3</sup> R.I. Gen. Laws §§ 39-26-6 (g)(3)-(4).

<sup>4</sup> R.I. Gen. Laws § 39-26-6 (g)(1).

<sup>5</sup> R.I. Gen. Laws §§ 39-26-6 (j).

conference was conducted on August 25, 2009 for purposes of setting the schedule in this docket.

On September 17, 2009, People's Power and Light filed written public comments generally supporting NGrid's tariff filing. However, People's Power and Light requested that the Commission address the appropriate calculation of the costs for which NGrid is allowed to seek recovery under the statute.

On September 18, 2009, in response to discovery requests issued by the Commission, NGrid further amended its Tariff filing to address a grammatical error that had caused the original amended tariff to be contrary to the intent of the statute with regard to the low income housing credits. NGrid also indicated that its rationale for applying the A-16 rate to calculate the credit applicable to the nonprofit affordable housing rather than the A-60 rate was because not all residents would be taking service under the lower retail rate and therefore, all customers should benefit from application of the higher rate which results in a higher credit.<sup>6</sup> NGrid also indicated that if there were any municipal customers with credits on their accounts as of the effective date of the Tariff, a check would be issued at that time.<sup>7</sup> Finally, NGrid indicated that its interpretation of the ownership provision of R.I. Gen. Laws § 39-26-6(g)(1) would provide that "the net metering facility does not need to be physically located in the city or town or on NBC or state agency property to qualify for the 3.5 MW limit and the net metering credit."<sup>8</sup>

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<sup>6</sup> NGrid Response to Commission Data Request 1-2.

<sup>7</sup> NGrid Response to Commission Data Request 1-3.

<sup>8</sup> NGrid Response to Commission Data Request 1-4.

### **III. Division's Position**

On September 28, 2009, David Stearns, Rate Analyst V, and Stephen Scialabba, Chief Accountant, filed a Memorandum on behalf of the Division of Public Utilities and Carriers ("Division") outlining the filing and recommending approval of the proposed Tariff.<sup>9</sup>

### **VI. Open Meeting**

At its open meeting conducted on September 30, 2009, the Commission considered the filing and found that the September 18, 2009 amended filing properly incorporated the changes to R.I. Gen. Laws § 39-26-2 and 39-26-6. The Commission did not address the calculation of the costs allowed to be recovered under R.I. Gen. Laws § 39-26-6 (h). Those costs and the calculation of rates will be addressed at such time as the Company requests cost recovery.

Accordingly, it is hereby

(19821) ORDERED:

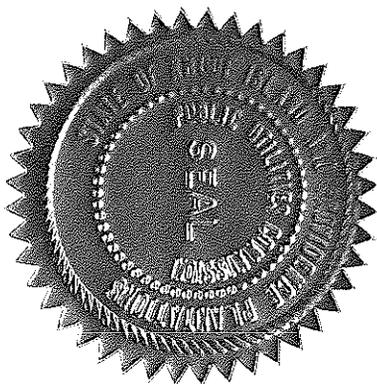
1. Narragansett Electric Company d/b/a National Grid's Qualifying Facilities Power Purchase Rate, R.I.P.U.C. No. 2035, filed on September 18, 2009, is hereby approved for effect September 30, 2009.

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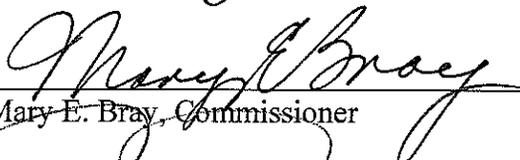
<sup>9</sup> Division's Memorandum dated 9/28/09, pp. 1-2.

EFFECTIVE AT WARWICK, RHODE ISLAND, ON SEPTEMBER 30, 2009  
PURSUANT TO AN OPEN MEETING DECISION ON SEPTEMBER 30, 2009.  
WRITTEN ORDER ISSUED NOVEMBER 4, 2009.

PUBLIC UTILITIES COMMISSION



  
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Elia Germani, Chairman

  
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Mary E. Bray, Commissioner

  
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Paul J. Roberti, Commissioner