

November 17, 2011

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**Re: Docket 4149 & Docket 4227: Renewable Energy Procurement Plan
Rhode Island RES RFP Summary
And Request for Confidential Treatment**

Dear Ms. Massaro:

Enclosed in accordance with Rule 1.2(g) of the Commission's Rules of Practice and Procedure are ten (10) copies of a redacted Summary of the request for proposal ("RFP") process to provide NEPOOL-GIS certificates in Rhode Island conducted by The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company") pursuant to its Renewable Energy Procurement Plans ("Plans") approved by the Commission at its Open Meetings on August 5, 2010 in Docket 4149 and July 29, 2011 in Docket 4227. As part of the Plans, National Grid committed to file with the Commission a summary of the RFP.

National Grid respectfully requests confidential and privileged treatment of the unredacted version of Attachment 1 described below. This attachment contains commercially sensitive market information, the disclosure of which could affect the balance of the renewable energy certificate markets as well as National Grid's ability to negotiate competitive terms with its renewable suppliers. In compliance with Rule 1.2(g), National Grid is providing one complete unredacted copy of the confidential documents in a sealed envelope marked "**Contains Privileged and Confidential Materials – Do Not Release.**" Copies of the confidential, unredacted documents have also been provided to Steve Scialabba representing the Division of Public Utilities and Carriers.

National Grid is hereby filing the following attachment for the Commission's information:

Attachment 1-A confidential summary of the Request for Proposal ("RFP") process to provide NEPOOL-GIS certificates in Rhode Island identifying the key actions taken by National Grid to procure such certificates.

National Grid has included redacted versions of the RFP Summary for the public record. National Grid will provide copies of the unaccepted bids to the Participating Purchasers that have signed confidentiality agreements with the Company.

Luly Massaro, Commission Clerk
Docket 4149 – 2011 Renewable Energy Procurement Plan
Docket 4227 – 2012 Renewable Energy Procurement Plan
November 17, 2011
Page 2

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Docket 4149 Service List
Docket 4227 Service List
Steve Scialabba (w/confidential attachments)

NATIONAL GRID
RENEWABLE ENERGY CERTIFICATE
PROCUREMENT SUMMARY
OCTOBER 2011
FOR NARRAGANSETT ELECTRIC COMPANY
FOR THE OBLIGATION YEARS 2011 & 2012

1. RFP Issued

National Grid issued its Request for Proposals to Provide NEPOOL-GIS Certificates in Compliance with the Rhode Island Renewable Energy Standard (“RFP”) on October 26, 2011 directly to the renewable generators who have filed their renewable energy applications for certification with the Rhode Island Public Utilities Commission (“RIPUC”) and organizations that have expressed interest in receiving RFPs from National Grid.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with Narragansett’s 2011 Renewable Energy Procurement Plan filed on March 1, 2010 (approved August 5, 2010) and the 2012 Renewable Energy Procurement Plan filed on March 1, 2011 (approved July 29, 2011) with the RIPUC and in compliance with the Renewable Energy Standard (“RES”)¹. The RIPUC issued a written orders for the 2011 Plan on September 23, 2010 (Order No. 20125) and the 2012 Plan on September 20, 2011 (Order No. 20478).

The RFP sought a specified quantity of new and existing Renewable Energy Certificates (“RECs”) that comply with the RES to satisfy a portion of National Grid’s Standard Offer Service RES Obligations for the Calendar years 2011 and 2012.

The quantity of RECs specified in the Procurement Plan was updated to include reconciled load data through July 31, 2011, initial loads through Sept 30, 2011 and estimated loads for the remainder of 2011 for 2011 & 2012 RES obligations. A calculation of the quantities of RECs requested is provided in Exhibit 1.

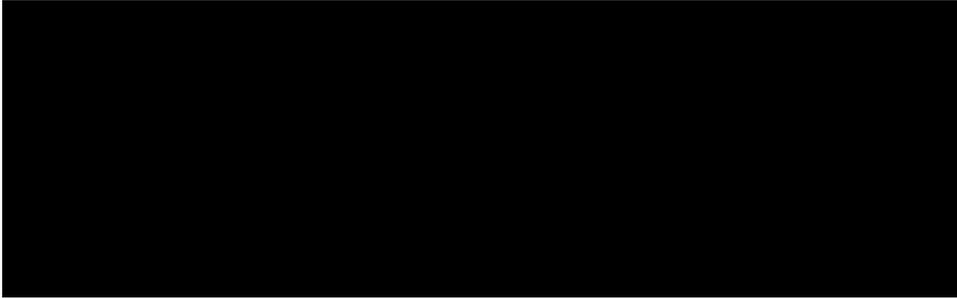
2. Key RFP Dates

The RFP was issued on October 26, 2011.

Respondent Proposal Information and proposed contract modifications were received on November 8, 2011.

¹ R.I.G.L. § 39-26-1, et seq., Renewable Energy Standard.

Pricing was received on November 15, 2011 from [REDACTED] suppliers. The bidders were:



A summary of the bids received is found in Exhibit 2.

Respondents were informed of awards on November 15, 2011

3. **Contract Submissions**

[REDACTED] submitted contract comments to National Grid in the form of proposed revisions to the Certificate Purchase Agreement. These comments were similar to previous agreements with bidders.

4. **Award of New Renewable RECs**

[REDACTED] provided offers to sell National Grid RECs from new renewable resources. Exhibit 3 is an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 3, the RFP process selected the bids that provided the lowest cost up to the quantity required and did not perform any adjustment for non-price benefits.

5. **Award of Existing Renewable RECs**

[REDACTED] provided offers to sell National Grid RECs from existing renewable resources. Exhibit 4 provides an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 4, the RFP process selected the bids that provided the lowest cost up to the quantity required and did not perform any adjustment for non-price benefits.

6. **Summary of Award**

On November 15, 2011, National Grid spoke with the Division Staff to review the REC bids. The Division Staff concurred with the Company that the RFP process was successful in selecting the lowest bids.

Exhibit 5 is a list of the winning bidders by REC type and year. National Grid expects to purchase a total of [REDACTED] RECs at a cost of [REDACTED]. The following is a summary of the RECs procured in this RFP.

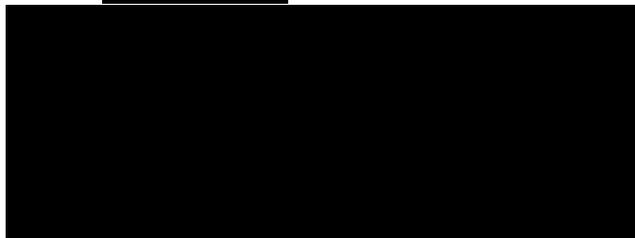


EXHIBIT 1
CALCULATION OF REQUESTED RECs

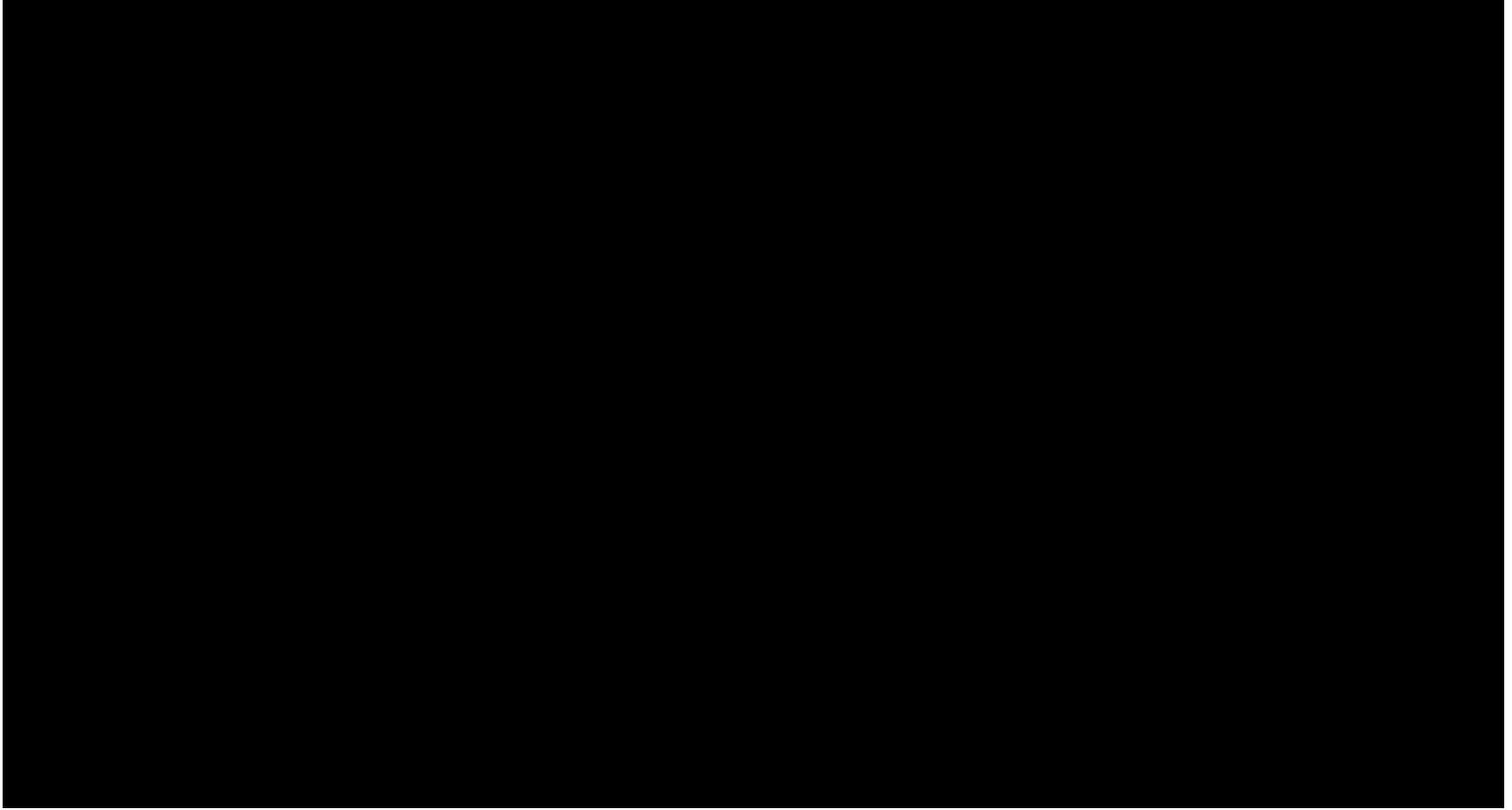


EXHIBIT 2
SUMMARY OF BIDS RECEIVED

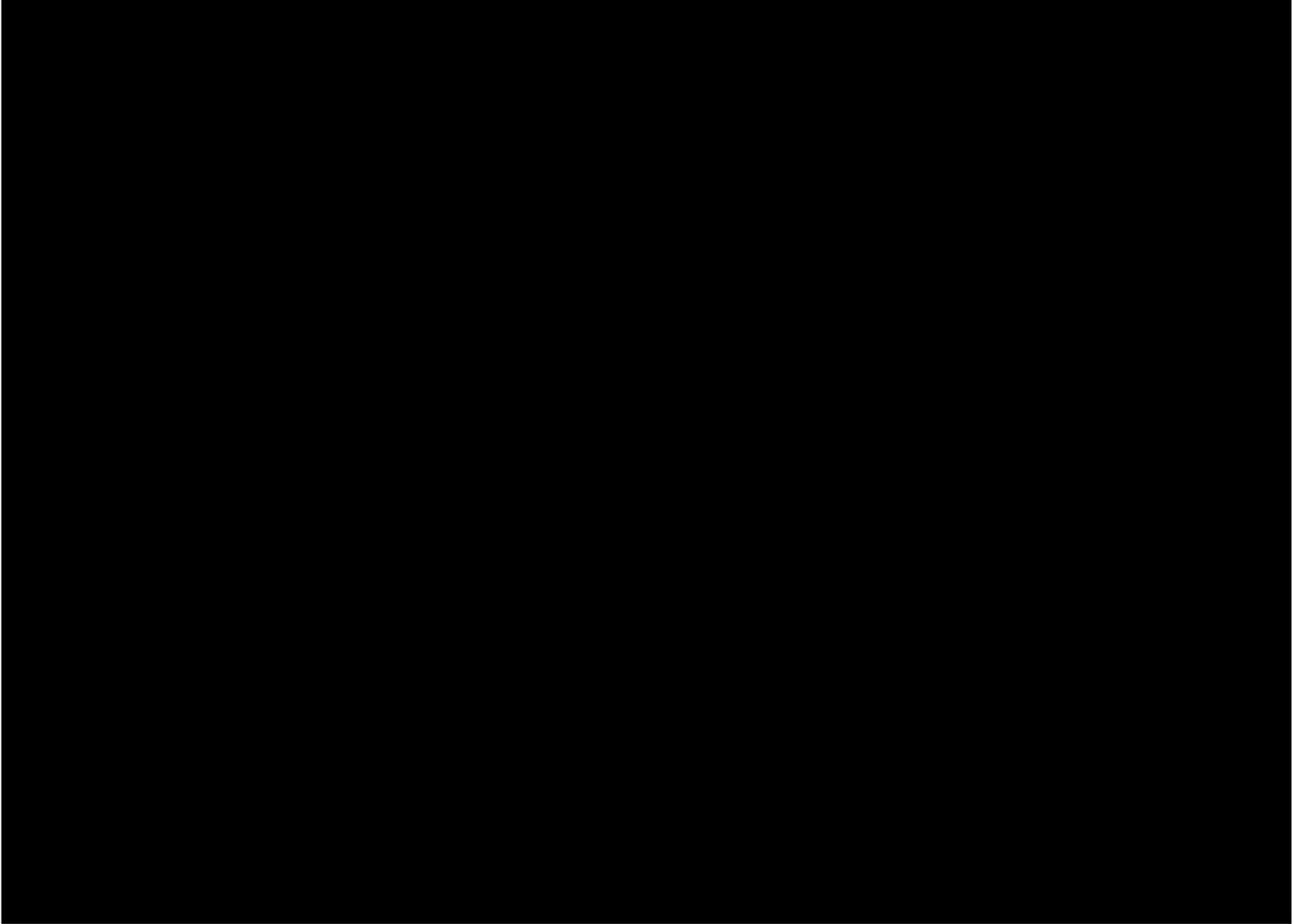


EXHIBIT 3
ANALYSIS OF NEW RENEWABLE REC BIDS
BID STACK

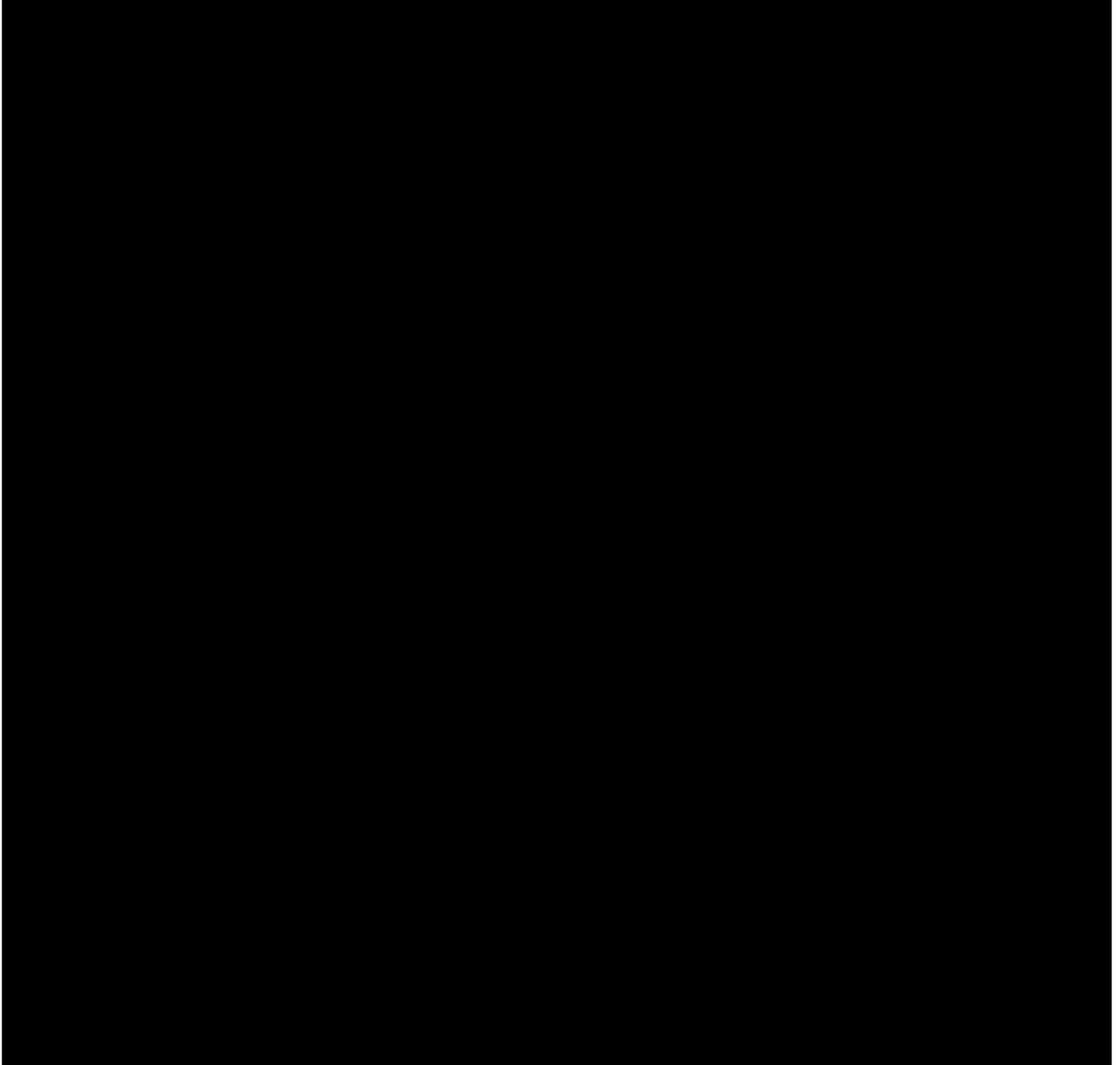


EXHIBIT 4
ANALYSIS OF EXISTING RENEWABLE REC BIDS
BID STACK

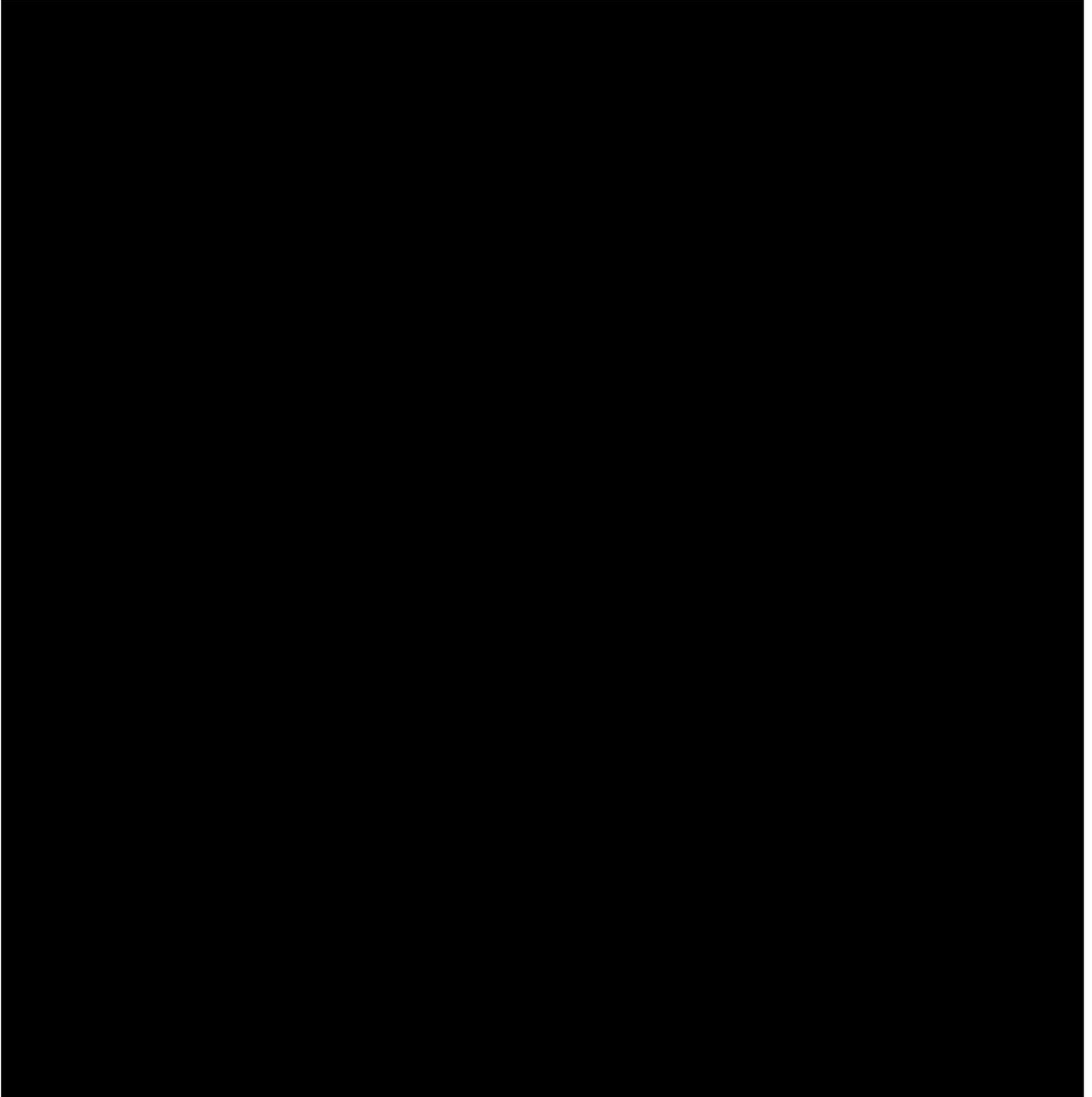


EXHIBIT 5
SUMMARY OF WINNING BIDS

