# nationalgrid

Thomas R. Teehan Senior Counsel

May 27, 2010

## VIA HAND DELIVERY & ELECTRONIC MAIL

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

#### RE: Docket 4150 - Long-Term Contracts for Renewable Energy Projects National Grid Responses to Commission Data Requests

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's<sup>1</sup> responses to the Commission's First Set of Data Requests, which were issued May 24, 2010 in the above-captioned proceeding. Included are responses to all data requests in the first set except for Commission Data Request 1-3, which will be filed shortly.

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,

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Thomas R. Teehan

Enclosure

cc: Leo Wold, Esq. Steve Scialabba, Division

<sup>&</sup>lt;sup>1</sup> Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company")

#### Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically and/or sent via U.S. Mail to the individuals listed below. Ten (10) copies of this filing were hand delivered to the RI Public Utilities Commission.

May 27, 2010

Joanne M. Scanlon National Grid Date

Docket No. 4150 National Grid – Long-Term Contracting for Renewable Energy Projects Pursuant to R.I.G.L. Section 39-26.1 et seq. Service List updated 3/19/10

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#### Request:

Today, National Grid confirmed that it has signed a contract with Ridgewood. Please provide the nameplate capacity, capacity factor, and result of the calculation in accordance with R.I.G.L. § 39-26.1-2(7).

## Response:

The projected annual energy output is 239,002 MWh per year, which is equivalent to a net annual capacity of 32.098 MW, and an availability of 85 percent. This projection accounts for both variation in ambient temperature, and the expected availability.

The above projection is 27.28 MW of contract capacity in accordance with R.I.G.L. § 39-26.1-2(7), which is 30.3 percent of the minimum long-term contracting capacity.

## Request:

Please indicate what percentage of the minimum long-term contract capacity is fulfilled by the Ridgewood contract, if approved.

#### Response:

At a contract capacity of 27.28 MW, this project represents 30.3 percent of the 90 MW requirement.

#### Request:

Please explain how the chart provided on page 14 of the draft RFP will allow National Grid to meet the annual minimums set forth in R.I.G.L. § 39-26.1-3(c)(2) assuming National Grid did not have sufficient long term contracts in place at the start of the solicitation period.

## Response:

The phased schedule found in R.I.G.L. § 39-26.1-3(c)(2) sets targets for an electric distribution company to "enter into" long-term contracts by December 30 of each year. If each segment of the RFP schedule after submission of proposals runs the full allotment of days, the schedule set out in this chart would enable National Grid to complete the solicitation process and the negotiation and execution of contracts by December 30 of each year. The contracts would then be filed with the Commission for approval.

Based on experience with the Massachusetts solicitation process, and on recent negotiations with Deepwater Wind and the Rhode Island Landfill Gas Generation Project, National Grid believes that this schedule is realistic. This would mean that Commission approval would occur after the contracts were executed but in time to inform the next solicitation process.

#### Request:

Please indicate the date upon which National Grid will know (a) if it will be unable to negotiate any commercially reasonable contracts under the 2010 solicitation and/or (b) if it will not enter into any solar contracts in 2010.

#### Response:

In the schedule set out on page 14 of the RFP, negotiation and execution of contracts is planned for completion within 120 days of bid submission. This would be 155 days from issuance of the RFP, and, assuming the RFP was issued on July 1, this date would fall on December 1. There would be two components to the complete evaluation of bids that are received — a pricing component and a non-price component, ultimately including contract terms and conditions. Shortly after bids are received, the Company should be in a position to perform a threshold evaluation of the commercial reasonableness of the pricing component of the bids that are received.