

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :  
D/B/A NATIONAL GRID TARIFF ADVICE FILING : DOCKET NO. 4276  
TO AMEND STANDARDS FOR CONNECTING :  
DISTRIBUTED GENERATION, R.I.P.U.C. NO. 2007 :

REPORT AND ORDER

On June 29, 2011, 2011 R.I. Pub. Laws 144 (“DG Interconnection Law”) was enacted, setting forth “certain standards and other provisions for the processing of [renewable distributed generation interconnection] applications...to assure that the application process assists in the development of renewable generation resources in a timely manner.”<sup>1</sup> The DG Interconnection Law set forth a specific application process and fee schedule for The Narragansett Electric Company d/b/a National Grid (“National Grid” or “Company”) and Applicants to follow.<sup>2</sup> This law was one of a package of bills which were introduced during the 2011 General Assembly session and which became law. The purpose of the various pieces of legislation was to further encourage the development of renewable generation in Rhode Island.<sup>3</sup>

On August 26, 2011, National Grid filed with the Public Utilities Commission (“Commission”) a Tariff Advice filing to Amend the Company’s Standards for Connecting Distributed Generation (“DG Standards”), to incorporate the rules and fees set forth in the DG Interconnection Law. In its filing letter, the Company listed the affected areas of the then-

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<sup>1</sup> 2011 R.I. Pub. Laws 144.

<sup>2</sup> Applicant is defined in the law as “an electric distribution customer or distributed generation developer who submits an application to the electric distribution company for the installation of a renewable distributed generation interconnection to the distribution system for a renewable distributed generation project that, as contemplated, meets the eligibility requirements for net metering contained within title 39 or the eligibility requirements for a standard contract contained within title 39.” 2011 R.I. Pub. Laws 144.

<sup>3</sup> In the DG Interconnection Law, it states, “The general assembly hereby finds and declares that the expeditious completion of the application process for renewable distributed generation is in the public interest.” 2011 R.I. Pub. Laws 144. In the Net Metering legislation, it states, in part, “The purpose of this chapter is to facilitate and promote installation of customer-cited, grid-connected generation of renewable energy....” 2011 R.I. Pub. Laws 147. In the DG Standard Contract legislation, it states, in part, “The purpose of this chapter is to facilitate and promote installation of grid-connected generation of renewable energy....” 2011 R.I. Pub. Laws 143.

existing DG Standards. National Grid specifically explained the two main areas affected, noting that the DG Interconnection Law includes a timetable and fee schedule for a Feasibility Study and Impact Study.

National Grid summarized both studies, explaining that a Feasibility Study is a high-level project assessment that includes an estimate of the cost of interconnecting to the distribution system. It is not based on an engineering study, but on past experience and judgment of National Grid and the Company cannot be held liable for the estimate as long as it was provided in good faith. This study must be provided by the Company within thirty (30) days of receiving a request and applicable fee from an Applicant. The fee ranges from \$0 to \$2,500.<sup>4</sup> An Impact Study, conversely, is a cost estimate resulting from an engineering study with a probability of accuracy of plus or minus 25% which can be relied upon by the Applicant. Again, as long as the cost estimate was made in good faith, the Company cannot be held liable. The cost of an Impact Study ranges from \$0 to \$10,000 and is due within ninety (90) days after receipt of the applicable fee.<sup>5</sup>

Following a pre-hearing conference, a Notice to Solicit Comments was issued by the Commission on September 26, 2011, seeking comments regarding the proposed DG Standards tariff. Comments were due by October 14, 2011. The Commission received comments from People's Power & Light ("PP&L") and the Division of Public Utilities and Carriers ("Division"). PP&L expressed concern with various terms used within the proposed DG Standards tariff.<sup>6</sup> Noting that National Grid's proposed tariff appeared to include all of the provisions required by the DG Interconnection Law, the Division expressed concern with the way the new statutory fee schedule had been incorporated into the existing DG Standards tariff, suggesting that the way the

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<sup>4</sup> National Grid Filing Letter 8/26/11 at 2.

<sup>5</sup> *Id.*

<sup>6</sup> PP&L's Comments 10/14/11.

proposed tariff was written, the fees would actually be higher than under the existing tariff which would be inconsistent with the intent of the law. Additionally, the Division maintained that there is no need for a sunset provision in the proposed tariff.<sup>7</sup>

On October 31, 2011, National Grid filed Revised Amended DG Standards in order to respond to the Division's concerns. National Grid also corrected a typographical error noted by PP&L. On November 3, 2011, the Commission, through a Memorandum, provided PP&L and the Division an opportunity to provide supplemental comments, if necessary, to advise the Commission if National Grid's Revised Amended DG Standards filing was responsive to the concerns stated in their respective initial comments. The Division did not file further comments. However, on November 16, 2011, PP&L submitted comments setting forth its outstanding concerns.<sup>8</sup>

At an Open Meeting held on November 30, 2011, the Commission considered the Revised Amended DG Standards filed by National Grid on October 31, 2011 and found that they are consistent with the DG Interconnection Law. With regard to the outstanding comments from PP&L, the first noted that the Revised Amended DG Standards tariff, like the statute, incorporates the term "good faith" in terms of applying cost estimates to applicants. PP&L was seeking a definition of "good faith" which is not included in the tariff. The Commission finds that the tariff accurately incorporates the statutory language and that the Commission finds the use consistent with the specific language contained in the DG Interconnection Law.

Next, PP&L sought clarification that the provision in the tariff on Sheet 6 that states "...the Company's Net Metering Provision, R.I.P.U.C. No. 2075, as amended and superseded from time to time..." does not give the Company unilateral discretion to change its policies

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<sup>7</sup> Division's Comments pp 1-2.

<sup>8</sup> PP&L's Supplemental Comments, *See infra*, pp. 3-5.

without Commission approval. The Commission notes that National Grid must always seek approval prior to changing its tariffs and may not act in a manner that is contrary to its Commission-approved tariffs.

Next PP&L raised an issue with a provision on Sheet 9 which states, “The crossing of a public way by the Interconnecting Customer with any equipment is prohibited due to public safety reasons.” PP&L argued that “there should not be a presumption that crossing a public way is inherently unsafe. Not all public ways are equal in terms of presenting a concern for public safety.” PP&L argues there should be a statutory cite instead. In researching this issue, the Commission has not found a clear statutory prohibition. However, under the various definitions of R.I.G.L. § 39-1-2, allowing a DG facility to use its own equipment to cross a public way may cause that facility to become a public utility. Additionally, under R.I.G.L. § 39-2-1.4, “Subject to compliance with applicable rules governing [cogeneration and small power production], public utilities shall provide transmission or distribution service to enable a retail customer to transmit electrical power generated by the customer at one location to the customer’s facilities at another location, if the commission finds that the provision of this service, and the charges, terms, and other conditions associated with the provision of this service, are not likely to result in higher cost electric service to the utility’s general body of retail and wholesale customers or adversely affect the adequacy or reliability of electric service to all customers.” Therefore, while there is no statutory language that directly addresses this issue, once equipment begins crossing a public way, the question arises as to whether the owner of the equipment becomes a public utility. Also, it appears the General Assembly may intend for National Grid to use its equipment to facilitate certain types of DG. Thus, the Commission will not amend or

delete this provision at this time. If there are statutory changes in the future, National Grid can file to amend its tariff.

Next, PP&L suggests that the definition of “Net Metering” on Sheet 6 of the proposed tariff is not consistent with the statutory definitions. The tariff defines Net Metering as “Customers of the Company who, pursuant to the provisions of the Company’s Net Metering Provision, R.I.P.U.C. No. 2075, as amended and superseded from time to time, are eligible to receive Renewable Generation Credits and Excess Renewable Generation Credits, as applicable, as defined in R.I.P.U.C. No. 2075, Section II.” Under R.I.G.L. § 39-26.4-2(8) “Net metering” means using electricity generated by an eligible net metering system for the purpose of self-supplying power at the eligible net metering system site and thereby offsetting consumption at the eligible net metering system site through the netting process established in this chapter. Under R.I.G.L. § 39-26.4-2(9) “Net metering customer” means a customer of the electric distribution company receiving and being billed for distribution service whose distribution account(s) are being net metered.<sup>9</sup> It does not appear to the Commission that the tariff language is inconsistent with the statutory language, but rather, that National Grid has attempted to combine both definitions into one in the tariff and has incorporated the Net Metering Tariff into the DG Interconnection Standards for ease of reference and for efficiency in the future such that a change to the Net Metering Tariff will not require a change to the DG Tariff. The Commission does not find this to be inappropriate.

Therefore, based on the foregoing discussion and the Division’s review of National Grid’s filings, the Commission finds that the Revised Amended Standards are in compliance with the provisions of the DG Interconnection Law.

Accordingly, it is hereby

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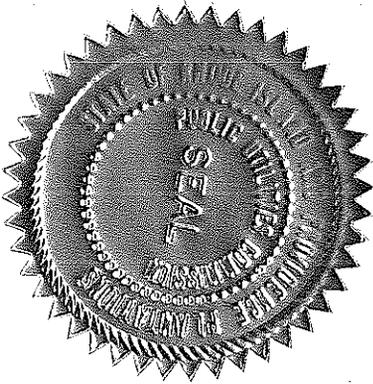
<sup>9</sup> PP&L Supplemental Comments; 2011 R.I. Pub. Laws 147.

(20610) ORDERED:

1. Narragansett Electric Company d/b/a National Grid's Tariff R.I.P.U.C. No. 2007, Revised Amended Standards for Connecting Distributed Generation, filed on October 31, 2011, is hereby approved.

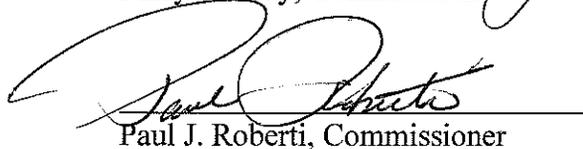
EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 30, 2011  
PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED JANUARY  
5, 2012.

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

\*Chairman Germani concurs but is unavailable for signature.

**NOTICE OF RIGHT OF APPEAL** PURSUANT TO R.I.G.L. SECTION 39-5-1, ANY PERSON AGGRIEVED BY A DECISION OR ORDER OF THE COMMISSION MAY, WITHIN SEVEN DAYS (7) DAYS FROM THE DATE OF THE ORDER, PETITION THE SUPREME COURT FOR A WRIT OF CERTIORARI TO REVIEW THE LEGALITY AND REASONABLENESS OF THE DECISION OR ORDER.