

October 21, 2011

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4277 - Distributed Generation Enrollment and Enrollment Process Rules Responses to Commission Data Requests (Set 3)

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Commission's Third Set of Data Requests issued on October 17, 2011 in the above-referenced proceeding.

Thank you for your attention to this matter. If you have any questions regarding this filing, please feel free to contact me at (401) 784-7667.

Very truly yours,



Thomas R. Teehan

Enclosures

cc: Steve Scialabba
Leo Wold, Esq.

¹ The Narragansett Electric Company d/b/a National Grid.

Commission 3-1

Request:

Does the Company intend to revise its proposed DG Enrollment Application and Process rules to replace the phrase “R.I. load zone” with “The Narragansett Electric Company ISO-NE load zone”?

Response:

Yes.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-2

Request:

Section 2.2 of the Company's Enrollment Process Rules requires that project owners must have submitted an Interconnection application. As part of the Interconnection application, will project owners be required to submit an application for an impact study, pursuant to R.I.G.L. §39-26.3-3(b) (The Distributed Generation Interconnection Act)? If yes, will this requirement be in addition to the feasibility study required by Sections 2.2 and 2.3 of the Company's DG Enrollment Process Rules?

Response:

Project owners would be required to have a completed impact study as part of the interconnection process, if the project is to proceed to construction. For the enrollment process, submission of a request for an impact study is not required, since a feasibility study is adequate. If an impact study has been completed at the time of the enrollment application, however, this would clearly be acceptable in lieu of the feasibility study, since it is the more comprehensive study.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-3

Request:

If renewable energy developers are required to submit an application for an impact study, in addition to a feasibility study, in order to participate in the enrollment process, does the Company wish to modify its response to Commission 2-6 which states, “There are only two minimum threshold requirements: a credible schedule for completion of the project within 18 months of contract execution, and submittal of an interconnection application and a completed interconnection feasibility study.”

Response:

As indicated in response to COMM 3-2, for the enrollment process, submission of a request for an impact study is not required, since a feasibility study is adequate. An impact study would be acceptable in lieu of the feasibility study, since it is the more comprehensive study. The Company is agreeable to changing the enrollment application to allow for either the feasibility study or the impact study to meet the threshold requirement. The revised Section is as follows, with an added sentence in underline.

2.2 Interconnection Progress Prior to Enrollment

The Act requires that the distributed generation facility owner be liable for the cost of interconnection, and sufficient progress in the interconnection process must be made prior to the enrollment. Project owners must have submitted an Interconnection application and have a completed Feasibility study as defined in the Rhode Island Distributed Generation Interconnection Act and The Narragansett Electric Company Standards for Connecting Distributed Generation, and must provide copies with this application for enrollment. If the project has a completed Impact study, this would also be acceptable, since it is a more comprehensive study.

The response to Commission 2-6 could therefore be changed as follows.

“There are only two minimum threshold requirements: a credible schedule for completion of the project within 18 months of contract execution, and submittal of an interconnection application and either a completed interconnection feasibility study or an impact study.”

Commission 3-4

Request:

Please state whether the following statement is true or false. Neither the Distributed Generation Interconnection Act nor the Distributed Generation Standard Contracts Act specifically require applicants seeking to participate in the distributed generation enrollment process to submit an application for a feasibility study.

Response:

Although the Distributed Generation Standard Contracts Act does not specifically reference an application for a feasibility study, it requires that applicants provide, inter alia, information regarding permitting, financial feasibility, and ability to build. R.I.G.L. § 39-26.2-6 (a). In analyzing applications, the Company is to review the applications based on those projects that appear to be furthest along in development and are likely to be deployed. R.I.G.L. § 39-26.2-6 (b). The enrollment application requirement that an applicant submit a completed Feasibility study allows the Company to comply with those statutory provisions. Moreover, the Distributed Generation Interconnection Act specifically defines an “Applicant” under that statute as one who seeks to interconnect to the distribution system for a renewable distributed generation project that meets the eligibility requirements for a standard contract. R.I.G.L. § 39-26.2-2(1) Thus, the two statutory provisions were intended to work together to allow for an applicant in the standard contract enrollment process to provide the Company with threshold information necessary to indicate that the proposed project is able to be built and is financially feasible. Also please see response to COMM 3-5.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-5

Request:

If the Company believes the feasibility study is required by law, please provide the specific citation to the R.I. General Laws that establishes this requirement.

Response:

The feasibility study is not specifically required by law, however, the Distributed Generation Standard Contracts Act, Section 39-26.2.6 (a) does require that applications “allow for additional information relative to the permitting, financial feasibility, ability to build, and timing for deployment.” Further, Section 39-26.2.6 (d) states “if there are more projects than what is specified for a class target at the same price, the electric distribution company shall review the applications submitted and select first those projects that appear to be the furthest along in development and likely to be deployed. Those projects that are likely to be deployed on the earliest timelines shall be selected.”

National Grid believes that it is appropriate to view the Distributed Generation Interconnection Act and the Distributed Generation Standard Contracts Act as working together. The option for a feasibility study was added to the interconnection process specifically to provide an early indication of the interconnection feasibility and cost. It is appropriate, therefore, to rely on this study, in part, in making the above determinations.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-6

Request:

Please state whether the following statement is true or false. Section 2.2 of the Company's proposed Distributed Generation Enrollment Process Rules requires applicants to submit an application for a feasibility study.

Response:

True. Section 2.2 requires the submission of an interconnection application, and a completed feasibility study. This feasibility study must be requested at the time of the interconnection application.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-7

Request:

Please state whether the following statement is true or false. Section 2.2 of the Company's proposed Distributed Generation Enrollment Process Rules requires applicants to submit an application for an impact study.

Response:

False.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-8

Request:

Please state whether the following statement is true or false. Section 2.3 of the Company's proposed Distributed Generation Enrollment Process Rules requires applicants to submit an application for a feasibility study.

Response:

True. Section 2.3 requires the submission of an interconnection application, and a completed feasibility study.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-9

Request:

Please state whether the following statement is true or false. Section 2.3 of the Company's proposed Distributed Generation Enrollment Process Rules requires applicants to submit an application for an impact study.

Response:

False.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-10

Request:

In response to Commission 1-6, the Company states, “Because interconnection feasibility is a key factor in evaluating projects, National Grid has made the interconnection application and the interconnection feasibility study a mandatory requirements in the enrollment application.” Contrary to National Grid’s position, however, the legislature has declared that the two studies are *not* mandatory.

Specifically, R.I.G.L. §39-26.3-3(b) states, “An applicant for a renewable distribution generation interconnection must submit an application to the electric distribution company for an impact study... The applicant may request a feasibility study prior to requesting an impact study, but the applicant is not required to do so and may submit an application for an impact study without having obtained a feasibility study.” (emphasis added)

Unless the Company revises Sections 2.2 and 2.3 of the DG Enrollment Process Rules, and any other provision contained in the DG Enrollment Process Rules that would require applicants to submit *both* an impact study *and* a feasibility study, it is asking the Commission to approve an enrollment process that is in violation of the Distributed Generation Interconnection Act. Please explain how the Company intends to correct this flaw.¹

Response:

National Grid does not believe that its approach to the enrollment process is in violation of the Distributed Generation Interconnection Act. A system impact study is a standard requirement of ISO-NE and distribution company interconnection requirements, and the Distributed Generation Interconnection Act appropriately makes this study mandatory. The applicant for Renewable DG interconnection may, however, request a feasibility study prior to requesting an impact study. It is appropriate that the feasibility study be optional, because the applicant may in some cases wish to proceed directly to the impact study.

The requirement for an interconnection feasibility study was included in the DG Enrollment Process Rules because it available to applicants for DG enrollment, and provides an early indication of interconnection feasibility. A determination of interconnection feasibility is important to both the applicant and to National Grid’s evaluation of enrollment applications.

¹ Sections 1.2.2(a) and (b) of the Company’s DG Enrollment Process Rules, by way of reference to “the minimum threshold requirements”, would also be reasonably construed to require applicants to submit both an impact study and a feasibility study.

Commission 3-10 (continued)

(See responses to Commission 1-6.) If available, an impact study could be substituted for the feasibility study, since it is a more comprehensive study. The company has proposed a change to the Enrollment Application to clarify this point. See Response to COMM 3-3

An alternative approach would have been to require the impact study, since that is clearly required by the Distributed Generation Interconnection Act. While this requirement would have provided a more definitive indication of a project's development progress, it would have been a more onerous requirement, and required longer lead times before an enrollment period

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-11

Request:

In the Company's response to Commission 1-6, it stated that it asked OER to distribute a bulletin (Attachment COMM 1-6) to renewable energy project developers apparently explaining the interconnection feasibility study that is not required by statute. Was this bulletin distributed on September 26, 2011? If not, then on what date (day, month and year) was this bulletin (Attachment COMM 1-6) distributed?

Response:

This bulletin was distributed by OER in an email of October 6, 2011. National Grid understands that OER made this distribution as comprehensive as possible.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-12

Request:

Please identify the specific renewable energy project developers that received a copy of COMM 1-6, including the name and address of the renewable energy project developers, and/or the name and address of the individual, if applicable representing the renewable energy project developer.

Response:

See response to first set of OER data requests. National Grid could provide the email addresses from OER's transmittal, but has no further information.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-13

Request:

Through what medium were the renewable energy project developers given notice of COMM 1-6? For example, was COMM 1-6 posted on a website, or was it delivered by regular mail to renewable energy project developers?

Response:

See response to 3-11.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-14

Request:

Please provide the website, and web link if possible, on which the bulletin explaining the feasibility study requirement (COMM 1-6) was posted.

Response:

See response to 3-11.

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-15

Request:

For how many days, weeks, was COMM 1-6 posted on the website?

Response:

See response to 3-11

Prepared by or under the supervision of: Madison N. Milhous, Jr.

Commission 3-16

Request:

The Company's response to Commission 1-5 did not explain how the Company will determine whether a project provides direct and indirect employment benefits. The Company's response stated it would only consider information provided by the applicant. Please explain what criteria or standard(s) the Company intends to use in determining whether the information provided by the applicant meets the requirement of providing direct and indirect economic benefits.

Response:

The response to commission 1-5 was intended to indicate that the Company would rely solely on the information provided by the applicant. Section 13 of Appendix A specifically asks for estimates of the number and duration of construction jobs, and the number of direct and indirect jobs during operation.

Prepared by or under the supervision of: Madison N. Milhous, Jr.