

October 27, 2011

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket No. 4288**  
**Distributed Generation Standard Contracts Act Classes and Ceiling Prices for 2011;**  
**Distributed Generation Standard Contract**  
**National Grid Comments**

Dear Ms. Massaro:

National Grid submits the following comments on the two filings in this docket.

**Distributed Generation Standard Contracts Act Classes and Ceiling Prices**

In its report, Rhode Island Office of Energy Resources (“OER”) has proposed targets with an all-solar “contingency” if no wind projects are in the enrollment, in order to meet the statutory targets for 2011. In that situation, the 1.5 MW target for wind projects would be spread among the three solar classes as follows.

Small solar 10-150 kW	1.0 MW
Small solar 151-500 kW	1.5 MW
Large solar 501-5000 kW	2.5 MW

Although the Distributed Generation Standard Contracts Act (the “Act”) would arguably allow for some oversubscription of the enrollment’s solar targets because of “lumpiness” in project sizes, strictly speaking it does not appear to allow for the OER’s “contingency” approach in the event no wind projects are included in the enrollment, but instead would allow for an adjustment of the targets in the next enrollment. In keeping with the Act, National Grid would prefer that the original schedule including wind be used exclusively, and that any unused wind class target be added to next year’s minimum target.

In the alternative, should the Commission find that OER’s “contingency” concept is a permissible in order to achieve the 5 MW target, National Grid believes it would be more appropriate to cascade any unused wind amount first to the large solar class, then to the 151-500 kW solar class, and then to the smallest solar size class, rather than the proposed alternative schedule. Doing so would ensure that the least cost solar resources being offered receive contract support first.

In describing the minimum long-term contract capacity, the OER’s report on page seven mistakenly states that nameplate capacity is to be “divided” by the capacity factor, rather than multiplied. Later on page 19, however, the text correctly quotes the long term contracting standard, and uses the phrase “adjusted by the capacity factor.”

On page eight, the report incorrectly suggests that the attributes of projects under the long-term contracting standard could not count towards obligations contained in the Renewable Energy Standard (“RES”). In contrast, the report broadly addresses how the three statutes are to work together, and on page 17, the number of RECs estimated to be generated by the projects from each enrollment is compared to the annual increase in RES requirements for Standard Offer Service. To clarify, National Grid points out that the long-term contracting standard explicitly defines “eligible renewable energy resource” as those resources meeting the requirements of the renewable energy standard. Further, the long-term contracting standard explicitly provides that energy and RECs purchased under contracts may be used to meet the requirements of Standard Offer Service. See R.I.G.L. § 39-26.1-9 (9).

### **Distributed Generation Standard Contract**

As the Standard Contract report states, the Standard Contract Working Group did reach consensus that the Standard Contract, as filed, fulfilled the statutory requirements established by the Act. The report went further to indicate that there was “a strong belief among many working group participants that the Standard Contract work should continue and that the effectiveness of the Standard Contract should be monitored and reviewed by the working group on a quarterly basis.” It is appropriate that this was not characterized as a consensus position. National Grid clearly agrees that after the initial enrollment any substantive problems identified by National Grid, OER, the Board, and distributed generation developers should be addressed promptly. However, an “open-ended” commitment to monitor and review the contract on a quarterly basis could be a recipe for turning a “standard contract” into an evolving one. Moreover, the Act does not explicitly provide for this type of ongoing review, or even for continued existence of the Working Group.

Rather, under the Act, National Grid, as the electric distribution company, has the responsibility for the administration of the enrollment program. National Grid has endeavored to develop a contract form for the competitive solicitation process, which requires relatively few project specific modifications. As the report points out, the product of the Working Group is a significant modification of the most recent of those contracts (Orbit Energy, Rhode Island), as approved by the Commission, incorporating the specific requirements of the Act. This effort also included significant changes from established contracting practices, as a way of easing administrative burdens on developers of small projects. To have quarterly reviews potentially resulting in multiple contract forms of the Distributed Generation standard contract would not be a constructive step for administration of the overall long term contracting program.

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,



Thomas R. Teehan

cc: Docket 4288 Service List  
Leo Wold, Esq.  
Jon Hagopian, Esq.  
Steve Scialabba, Division

## Certificate of Service

I hereby certify that a copy of the cover letter and / or any materials accompanying this certificate has been electronically transmitted, sent via U.S. mail or hand-delivered to the individuals listed below.



\_\_\_\_\_  
Joanne M. Scanlon

10/27/2011

Date

**Docket No. 4288 – Office of Energy Resources Filings: 1) Proposed Distributed Generation (DG) Standard Contract Act Classes and Ceiling Prices for 2011; and 2) Proposed DG Standard Contract Service List updated 10/25/11**

<b>Name/Address of Parties in Docket</b>	<b>E-mail Address</b>	<b>Phone/FAX</b>
Peter Lacouture, Esq. Robinson & Cole LLP One Financial Plaza, Suite 1430 Providence, RI 02903-2485	<a href="mailto:placouture@rc.com">placouture@rc.com</a>	401-709-3314
John A. Langlois, Esq. Dept. of Administration	<a href="mailto:John.Langlois@doa.ri.gov">John.Langlois@doa.ri.gov</a>	401-222-4889
Kenneth Payne RI Office of Energy Resources One Capitol Hill Providence, RI 02908-5850	<a href="mailto:Kenneth.Payne@energy.ri.gov">Kenneth.Payne@energy.ri.gov</a>	401-574-9125
	<a href="mailto:Joyce.discuillo@energy.ri.gov">Joyce.discuillo@energy.ri.gov</a>	
Thomas R. Teehan, Esq. National Grid 280 Melrose St. Providence, RI 02907	<a href="mailto:Thomas.teehan@us.ngrid.com">Thomas.teehan@us.ngrid.com</a>	401-784-7667 401-784-4321
	<a href="mailto:Joanne.scanlon@us.ngrid.com">Joanne.scanlon@us.ngrid.com</a>	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov</a>	401-222-2424 401-222-3016
	<a href="mailto:Sscialabba@ripuc.state.ri.us">Sscialabba@ripuc.state.ri.us</a>	
	<a href="mailto:Dstearns@ripuc.state.ri.us">Dstearns@ripuc.state.ri.us</a>	
	<a href="mailto:Acontente@ripuc.state.ri.us">Acontente@ripuc.state.ri.us</a>	
Jon Hagopian, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:jhagopian@riag.ri.gov">jhagopian@riag.ri.gov</a>	
	<a href="mailto:mcorey@riag.ri.gov">mcorey@riag.ri.gov</a>	
	<a href="mailto:dmacrae@riag.ri.gov">dmacrae@riag.ri.gov</a>	
Jerry Elmer, Esq.	<a href="mailto:jelmer@clf.org">jelmer@clf.org</a>	401-351-1102

Conservation Law Foundation 55 Dorrance Street Providence, RI 02903	<a href="mailto:akullenberg@clf.org">akullenberg@clf.org</a>	Ext. 12
Richard Hahn Lacapra Associates 1 Washington Mall, 9th floor Boston, MA 02108	<a href="mailto:rhahn@lacapra.com">rhahn@lacapra.com</a>	
	<a href="mailto:apereira@lacapra.com">apereira@lacapra.com</a>	
<b>File an original &amp; 10 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	<a href="mailto:Lmassaro@puc.state.ri.us">Lmassaro@puc.state.ri.us</a>	401-780-2107
	<a href="mailto:Adalessandro@puc.state.ri.us">Adalessandro@puc.state.ri.us</a>	401-941-1691
	<a href="mailto:Anault@puc.state.ri.us">Anault@puc.state.ri.us</a>	
	<a href="mailto:Dshah@puc.state.ri.us">Dshah@puc.state.ri.us</a>	
<b>Interested Public/Parties</b>		
Laurence W. Ehrhardt	<a href="mailto:LARRY4REP@aol.com">LARRY4REP@aol.com</a>	
Chris Kearns, Alteris, Inc.	<a href="mailto:ckearns@alterisinc.com">ckearns@alterisinc.com</a>	
Kristie Caltabiano, Tecta Solar	<a href="mailto:kcaltabiano@tectamerica.com">kcaltabiano@tectamerica.com</a>	
Alan Shoer, Esq.	<a href="mailto:AShoer@apslaw.com">AShoer@apslaw.com</a>	
Julian Dash, RIEDC	<a href="mailto:jdash@riedc.com">jdash@riedc.com</a>	
Karina Lutz	<a href="mailto:karina@ripower.org">karina@ripower.org</a>	401-497-5968
Stephan Wollenberg	<a href="mailto:stephan@ripower.org">stephan@ripower.org</a>	617-524-3950
Seth Handy, Esq.	<a href="mailto:seth@handylawllc.com">seth@handylawllc.com</a>	
Paul Raducha	<a href="mailto:paulraducha@gmail.com">paulraducha@gmail.com</a>	
Kevin Stacom	<a href="mailto:Kevin.stacom@gmail.com">Kevin.stacom@gmail.com</a>	
Fred Unger, Hartwood Group	<a href="mailto:unger@hrtwd.com">unger@hrtwd.com</a>	
Robert J. Tomey, Conanicut Energy LLC	<a href="mailto:conanicutenergy@cox.net">conanicutenergy@cox.net</a>	
Michelle Mulcahy, Alteris, Inc.	<a href="mailto:mmulcahy@alterisinc.com">mmulcahy@alterisinc.com</a>	
Omay Elphick, Alteris, Inc.	<a href="mailto:oelphick@alterisinc.com">oelphick@alterisinc.com</a>	
Kirt Mayland	<a href="mailto:dkm@soltasenergy.com">dkm@soltasenergy.com</a>	
Brian Dunphey	<a href="mailto:bdunphygcts@gmail.com">bdunphygcts@gmail.com</a>	
Christopher Kearns, Governor's Policy Office	<a href="mailto:Christopher.Kearns@governor.ri.gov">Christopher.Kearns@governor.ri.gov</a>	