

May 22, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Dockets 4277/4288
National Grid's Request for Amendment to the Current Nameplate Capacity Size
Limits for Wind Projects and Declaratory Judgment
Reply Comments

Dear Ms. Massaro:

Pursuant to the procedural schedule established by the Rhode Island Public Utilities Commission ("Commission") in this matter, National Grid¹ submits the following reply to the comments of other parties regarding the Company's request to increase the maximum nameplate capacity for wind projects participating in the upcoming 2013 DG Standard Contracts enrollment.

In administering the 2013 DG Standard Contract enrollments, the Company has attempted to implement the plain language of the DG Standard Contracts Act (the "Act") faithfully and in a non-discriminatory manner. The Act specifically prohibits segmentation of a larger project to submit a smaller portion of that project into the DG enrollment.² Thus, WED/Coventry's proposed development of two 1.5 MW wind turbines at the same site would be considered a single 3.0 MW project under the Act, which would exceed the maximum nameplate capacity for wind projects that was established for the 2013 DG Standard Contract enrollments. As a solution, the Company requested the Commission to increase the current maximum nameplate capacity for wind projects in order to allow the WED/Coventry wind project, and other similarly situated projects, to participate in the 2013 DG Standard Contract enrollments without violating the Act's prohibition on project segmentation.

The Company's treatment of WED/Coventry's two wind turbines as a single project is consistent with the information provided to the Company regarding the project's configuration. The enrollment application submitted by WED/Coventry contains a site map that clearly includes two 1.5 MW wind turbines on the same parcel of land. Moreover, in his February 28, 2013 letter to the Company, WED/Coventry's attorney described the proposed two turbines as a single project.³ The Company could not ignore the reality that the WED/Coventry project would be comprised of two 1.5 MW wind turbines

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

² The anti-segmentation provision is designed to prevent a developer that can benefit from the economies of scale of a larger project from automatically obtaining the ceiling price geared to supporting a smaller-sized project.

³ "WED plans to pursue a distributed generation standard contract, identifying the two turbines as one project in which it intends to net meter 1.5MW from the southerly turbine and seek a distributed generation standard contract for the excess energy generated from the northerly 1.5MW turbine, as provided in Rhode Island General Laws §39-26.2-6(g)." Handy Letter, National Grid's response to COMM 1-1 at Attachment A, p. 2 of 19. (Emphasis Added.)

developed at the same location. The Act contains a specific requirement that a DG project be distinct, and not be a smaller segment of a larger project. R.I.G.L. §39-26.2-3 (6). The Act does not exempt a project that net meters and obtains a DG Standard Contract for the remaining output from the site from the non-segmentation prohibition. If facilities are installed at the same geographical location and involve the same type of renewable energy class, they simply are not separate projects under the Act. Thus under the Act, the WED/Coventry project is considered one project with a total nameplate capacity of 3.0 MW.

The Company also is not alone in its interpretation that a development that has facilities constructed at the same location utilizing the same renewable energy class is a single project under the Act, even though a part of the project is to be used for net metering. In the most recent DG Standard Contracts enrollment, the developer of a solar project that would be used for net metering with the excess production to be sold under a DG Standard Contract submitted its project as a single project in the 101 to 250 kW Solar category. After evaluation, the Company awarded the developer a DG Standard Contract in that category. The project developer's submission of the combined output of the solar project as a single project under the Act is completely consistent with the Act's plain language prohibiting segmentation and with the Act's specific recognition of such a configuration as one project. R.I.G.L. §39-26.2-6(g).

The Company's request to increase the maximum nameplate capacity for wind projects is properly before the Commission. Under its broad authority under Title 39 of the General Laws and under the DG Standard Contracts program scheme created by Act, the Commission exercises supervisory authority over the DG Standard Contract enrollment program. The Act authorizes the DG Standard Contracts Board, or before the Board is constituted the Rhode Island Office of Energy Resources ("OER"), to recommend capacity size limits. However, it does not preclude parties other than the OER from bringing issues, including capacity size limits, to the Commission for consideration and resolution. Accordingly, the Commission has the authority to rule on the Company's request and to revise the nameplate capacity size limits.

In conclusion, the Company believes that the non-segmentation provisions of the Act prohibit allowing the WED/Coventry project from being artificially segmented into two separate projects. Instead, the Company believes that its proposal to increase the maximum wind nameplate capacity for the upcoming second 2013 DG Standard Contract enrollment would provide a solution that would allow the WED/Coventry project to fairly compete for a DG Standard Contract.

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

Very truly yours,



Thomas R. Teehan

cc: Dockets 4277/4288 Service Lists
Steve Scialabba, Division
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Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.



Joanne M. Scanlon
National Grid

May 22, 2013
Date

Docket No. 4288 – Office of Energy Resources Filings: 1) Proposed Distributed Generation (DG) Standard Contract Act Classes and Ceiling Prices; and 2) Proposed DG Standard Contract; and

Docket No. 4277 – National Grid National Grid – Distributed Generation Enrollment Application & Enrollment Process Rules

Service Lists updated 4/30/13

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