

23 May 2012

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888
Attn: Renewable Energy Resources Eligibility

**RE: BLACK BEAR DEVELOPMENT HOLDINGS, LLC APPLICATION FOR
CERTIFICATION OF ITS ORONO B HYDROELECTRIC PROJECT AS A NEW
RENEWABLE ENERGY RESOURCE**

Dear Ms. Massaro:

Pursuant to the State of Rhode Island's Renewable Energy Act and the Commission's regulations, Black Bear Development Holdings, LLC ("Black Bear") hereby submits the enclosed completed Renewable Energy Resources Eligibility Form and associated appendices requesting that the Commission review and approve Black Bear's Orono B Hydroelectric Project as a new renewable energy resource.

This application is being submitted in conjunction with the Commission's May 17, 2012 approval of the February 17, 2012 Power Purchase Agreement (PPA) by and between Narragansett Electric Company and Black Bear for the energy, capacity and renewable energy credits produced by the Orono B Hydroelectric Project, as amended May 7, 2012 (Docket No. 4319, Order Number 20738).

ADDITIONAL BACKGROUND

The Orono B Hydroelectric Project is a 3.75 MW (nameplate) run-of-river hydroelectric project to be located in Orono, Maine. The new Orono B Project will be constructed adjacent to the existing "Orono A" facility, on an existing dam in the Stillwater Branch of the Penobscot River. The Orono B Project will require the construction of a new intake structure as an "extension" of the existing intake structure for Orono A, and the construction of a new penstock and powerhouse on bedrock in the relatively shallow "edge" of the river channel. The new powerhouse will contain three vertical turbine generators, each with a nameplate rating of 1.25 MW.

The Orono B Project will be separately interconnected to an adjacent Bangor Hydro Electric (“BHE”) distribution substation, which is connected by the BHE 46 kV transmission system to the Graham Substation. The 115 kV interconnection to the NEPOOL Pool Transmission Facilities (“PTF”) is at the Graham Substation.

As required we are submitting an original and three copies of the completed application form. Please be advised that we have also sent the same completed application form and appendices to you via email at lmassaro@puc.state.ri.us. Furthermore, we have sent the completed application form and appendices to the Division of Public Utilities and carriers and to all interested parties listed on the Commission’s website.

We appreciate the Commission’s prompt review of Black Bear’s enclosed application. Please do not hesitate to contact Scott Hall at 207-827-5364, or shall@blackbearhydro.com with any questions.

Sincerely,

BLACK BEAR DEVELOPMENT HOLDINGS, LLC

X 

Daniel R. Revers
President

Enclosures

Xc: S. Hall
J. Chadbourne

RIPUC Use Only	
Date Application Received:	___/___/___
Date Review Completed:	___/___/___
Date Commission Action:	___/___/___
Date Commission Approved:	___/___/___

GIS Certification #: _____

RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM

**The Standard Application Form
Required of all Applicants for Certification of Eligibility of Renewable Energy Resource
(Version 7 – June 11, 2010)**

**STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island**

NOTICE:
When completing this Renewable Energy Resources Eligibility Form and any applicable Appendices, please refer to the State of Rhode Island and Providence Plantations Public Utilities Commission Rules and Regulations Governing the Implementation of a Renewable Energy Standard (RES Regulations, Effective Date: January 1, 2006), and the associated RES Certification Filing Methodology Guide. All applicable regulations, procedures and guidelines are available on the Commission's web site: www.ripuc.org/utilityinfo/res.html. Also, all filings must be in conformance with the Commission's Rules of Practice and Procedure, in particular, Rule 1.5, or its successor regulation, entitled "Formal Requirements as to Filings."

- Please complete the Renewable Energy Resources Eligibility Form and Appendices using a typewriter or black ink.
- Please submit one original and three copies of the completed Application Form, applicable Appendices and all supporting documentation to the Commission at the following address:

Rhode Island Public Utilities Commission
89 Jefferson Blvd
Warwick, RI 02888
Attn: Renewable Energy Resources Eligibility

In addition to the paper copies, electronic/email submittals are required under Commission regulations. Such electronic submittals should be sent to: Luly E. Massaro, Commission Clerk at lmassaro@puc.state.ri.us

- In addition to filing with the Commission, Applicants are required to send, electronically or electronically and in paper format, a copy of the completed Application including all attachments and supporting documentation, to the Division of Public Utilities and Carriers and to all interested parties. A list of interested parties can be obtained from the Commission's website at www.ripuc.org/utilityinfo/res.html.
- Keep a copy of the completed Application for your records.
- The Commission will notify the Authorized Representative if the Application is incomplete.
- Pursuant to Section 6.0 of the RES Regulations, the Commission shall provide a thirty (30) day period for public comment following posting of any administratively complete Application.
- Please note that all information submitted on or attached to the Application is considered to be a public record unless the Commission agrees to deem some portion of the application confidential after consideration under section 1.2(g) of the Commission's Rules of Practice and Procedure.
- In accordance with Section 6.2 of the RES Regulations, the Commission will provide prospective reviews for Applicants seeking a preliminary determination as to whether a facility would be eligible prior to the formal certification process described in Section 6.1 of the RES Regulations. Please note that space is provided on the Form for applicant to designate the type of review being requested.
- Questions related to this Renewable Energy Resources Eligibility Form should be submitted in writing, preferably via email and directed to: Luly E. Massaro, Commission Clerk at lmassaro@puc.state.ri.us

SECTION I: Identification Information

- 1.1 Name of Generation Unit (sufficient for full and unique identification): ***Orono B Hydroelectric Project***
- 1.2 Type of Certification being requested (check one):
X Standard Certification Prospective Certification (Declaratory Judgment)
- 1.3 This Application includes: (Check all that apply)¹
- APPENDIX A: Authorized Representative Certification for Individual Owner or Operator
 - X APPENDIX B: Authorized Representative Certification for Non-Corporate Entities Other Than Individuals
 - APPENDIX C: Existing Renewable Energy Resources
 - APPENDIX D: Special Provisions for Aggregators of Customer-sited or Off-grid Generation Facilities
 - APPENDIX E: Special Provisions for a Generation Unit Located in a Control Area Adjacent to NEPOOL
 - APPENDIX F: Fuel Source Plan for Eligible Biomass Fuels
- 1.4 Primary Contact Person name and title: ***Scott D Hall – Vice President, Environmental & Business Services***
- 1.5 Primary Contact Person address and contact information:
Address: ***Black Bear Hydro Partners, LLC, PO Box 276, Milford, ME 04461***
Phone: ***207-827-5364*** Fax: ***207-827-4102***
Email: ***shall@blackbearhydro.com***
- 1.6 Backup Contact Person name and title: ***Jon Chadbourne, Vice President, Risk Management***
- 1.7 Backup Contact Person address and contact information:
Address: ***ArcLight Capital Partners, LLC, 200 Clarendon Street, 55th Floor, Boston, MA 02116***
Phone: ***617-531-6397*** Fax: ***617-867-4698***
Email: ***jchadbourne@arclightcapital.com***
- 1.8 Name and Title of Authorized Representative (*i.e.*, the individual responsible for certifying the accuracy of all information contained in this form and associated appendices, and whose signature will appear on the application):

¹ Please note that all Applicants are required to complete the Renewable Energy Resources Eligibility Standard Application Form and all of the Appendices that apply to the Generation Unit or Owner or Operator that is the subject of this Form. Please omit Appendices that do not apply.

Daniel R. Revers, President

Appendix A or B (as appropriate) completed and attached? Yes No N/A

1.9 Authorized Representative address and contact information:

Address: ***Black Bear Development Holdings, LLC, c/o ArcLight Capital Partners, LLC, 200 Clarendon St, 55th Floor, Boston, MA 02116***

Phone: ***617-531-6300*** Fax: ***617-867-4698***

Email: ***drevers@arlightcapital.com***

1.10 Owner name and title: ***Black Bear Development Holdings, LLC***

1.11 Owner address and contact information:

Address: ***c/o ArcLight Capital Partners, LLC, 200 Clarendon St, 55th Floor, Boston, MA 02117***

Phone: ***617-531-6397*** Fax: ***617-567-4698***

Email: ***jchadbourne@arlightcapital.com***

1.12 Owner business organization type (check one):

Individual

Partnership

Corporation

Other: ***Limited Liability Company***

1.13 Operator name and title: ***Black Bear Hydro Partners, LLC***

1.14 Operator address and contact information:

Address: ***Davenport St, PO Box 276, Milford, ME 04461***

Phone: ***207-827-5364*** Fax: ***207-827-4102***

Email: ***shall@blackbearhydro.com***

1.15 Operator business organization type (check one):

Individual

Partnership

Corporation

Other: ***Limited Liability Company***

SECTION II: Generation Unit Information, Fuels, Energy Resources and Technologies

2.1 ISO-NE Generation Unit Asset Identification Number or NEPOOL GIS Identification Number (either or both as applicable): ***ISO-NE Resource ID # 38083; NEPOOL GIS # to be provided upon RI Certification.***

2.2 Generation Unit Nameplate Capacity: ***3.75 MW***

2.3 Maximum Demonstrated Capacity: ***4.167 MW***

2.4 Please indicate which of the following Eligible Renewable Energy Resources are used by the Generation Unit: (Check ALL that apply) – *per RES Regulations Section 5.0*

- Direct solar radiation
- The wind
- Movement of or the latent heat of the ocean
- The heat of the earth
- Small hydro facilities
- Biomass facilities using Eligible Biomass Fuels and maintaining compliance with all aspects of current air permits; Eligible Biomass Fuels may be co-fired with fossil fuels, provided that only the renewable energy fraction of production from multi-fuel facilities shall be considered eligible.
- Biomass facilities using unlisted biomass fuel
- Biomass facilities, multi-fueled or using fossil fuel co-firing
- Fuel cells using a renewable resource referenced in this section

2.5 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility’s aggregate capacity does not exceed 30 MW. – *per RES Regulations Section 3.32*

← check this box to certify that the above statement is true

N/A or other (please explain) _____

2.6 If the box checked in Section 2.4 above is “Small hydro facilities”, please certify that the facility does not involve any new impoundment or diversion of water with an average salinity of twenty (20) parts per thousand or less. – *per RES Regulations Section 3.32*

← check this box to certify that the above statement is true

N/A or other (please explain) _____

2.7 If you checked one of the Biomass facilities boxes in Section 2.4 above, please respond to the following:

A. Please specify the fuel or fuels used or to be used in the Unit: _____

B. Please complete and attach Appendix F, Eligible Biomass Fuel Source Plan.

Appendix F completed and attached? Yes No N/A

- 2.8 Has the Generation Unit been certified as a Renewable Energy Resource for eligibility in another state's renewable portfolio standard?
 Yes No If yes, please attach a copy of that state's certifying order.
 Copy of State's certifying order attached? Yes No N/A

SECTION III: Commercial Operation Date

Please provide documentation to support all claims and responses to the following questions:

- 3.1 Date Generation Unit first entered Commercial Operation: ***TBD, but per contract, prior to 12/31/2013.***

If the commercial operation date is after December 31, 1997, please provide independent verification, such as the utility log or metering data, showing that the meter first spun after December 31, 1997. This is needed in order to verify that the facility qualifies as a New Renewable Energy Resource.

Documentation attached? Yes No N/A

- 3.2 Is there an Existing Renewable Energy Resource located at the site of Generation Unit?

Yes
 No

- 3.3 If the date entered in response to question 3.1 is earlier than December 31, 1997 or if you checked "Yes" in response to question 3.2 above, please complete Appendix C.

Appendix C completed and attached? Yes No N/A

- 3.4 Was all or any part of the Generation Unit used on or before December 31, 1997 to generate electricity at any other site?

Yes
 No

- 3.5 If you checked "Yes" to question 3.4 above, please specify the power production equipment used and the address where such power production equipment produced electricity (attach more detail if the space provided is not sufficient):

SECTION IV: Metering

- 4.1 Please indicate how the Generation Unit's electrical energy output is verified (check all that apply):

ISO-NE Market Settlement System

- Self-reported to the NEPOOL GIS Administrator
 - Other (please specify below and see Appendix D: Eligibility for Aggregations):
-

Appendix D completed and attached? Yes No N/A

SECTION V: Location

5.1 Please check one of the following that apply to the Generation Unit:

- Grid Connected Generation
- Off-Grid Generation (not connected to a utility transmission or distribution system)
- Customer Sited Generation (interconnected on the end-use customer side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the end-use customer)

5.2 Generation Unit address: **18 Broadway, Orono, ME 04473**

5.3 Please provide the Generation Unit’s geographic location information:

A. Universal Transverse Mercator Coordinates: _____

B. Longitude/Latitude: **44° 52’ 55.07” N / 68° 39’ 50.43” W**

5.4 The Generation Unit located: (please check the appropriate box)

- In the NEPOOL control area
- In a control area adjacent to the NEPOOL control area
- In a control area other than NEPOOL which is not adjacent to the NEPOOL control area ← *If you checked this box, then the generator does not qualify for the RI RES – therefore, please do not complete/submit this form.*

5.5 If you checked “In a control area adjacent to the NEPOOL control area” in Section 5.4 above, please complete Appendix E.

Appendix E completed and attached? Yes No N/A

SECTION VI: Certification

- 6.1 Please attach documentation, using one of the applicable forms below, demonstrating the authority of the Authorized Representative indicated in Section 1.8 to certify and submit this Application.

Corporations

If the Owner or Operator is a corporation, the Authorized Representative shall provide **either**:

- (a) Evidence of a board of directors vote granting authority to the Authorized Representative to execute the Renewable Energy Resources Eligibility Form, **or**
- (b) A certification from the Corporate Clerk or Secretary of the Corporation that the Authorized Representative is authorized to execute the Renewable Energy Resources Eligibility Form or is otherwise authorized to legally bind the corporation in like matters.

Evidence of Board Vote provided? Yes No N/A

Corporate Certification provided? Yes No N/A

Individuals

If the Owner or Operator is an individual, that individual shall complete and attach APPENDIX A, or a similar form of certification from the Owner or Operator, duly notarized, that certifies that the Authorized Representative has authority to execute the Renewable Energy Resources Eligibility Form.

Appendix A completed and attached? Yes No N/A

Non-Corporate Entities

(Proprietorships, Partnerships, Cooperatives, etc.) If the Owner or Operator is not an individual or a corporation, it shall complete and attach APPENDIX B or execute a resolution indicating that the Authorized Representative named in Section 1.8 has authority to execute the Renewable Energy Resources Eligibility Form or to otherwise legally bind the non-corporate entity in like matters.

Appendix B completed and attached? Yes No N/A

6.2 Authorized Representative Certification and Signature:

I hereby certify, under pains and penalties of perjury, that I have personally examined and am familiar with the information submitted herein and based upon my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties, both civil and criminal, for submitting false information, including possible fines and punishment. My signature below certifies all information submitted on this Renewable Energy Resources Eligibility Form. The Renewable Energy Resources Eligibility Form includes the Standard Application Form and all required Appendices and attachments. I acknowledge that the Generation Unit is obligated to and will notify the Commission promptly in the event of a change in a generator's eligibility status (including, without limitation, the status of the air permits) and that when and if, in the Commission's opinion, after due consideration, there is a material change in the characteristics of a Generation Unit or its fuel stream that could alter its eligibility, such Generation Unit must be re-certified in accordance with Section 9.0 of the RES Regulations. I further acknowledge that the Generation Unit is obligated to and will file such quarterly or other reports as required by the Regulations and the Commission in its certification order. I understand that the Generation Unit will be immediately de-certified if it fails to file such reports.

Signature of Authorized Representative:

SIGNATURE:

X 

DATE:

5/23/12

President

(Title)

APPENDIX B
(Required When Owner or Operator is a Non-Corporate Entity
Other Than An Individual)

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

RENEWABLE ENERGY RESOURCES ELIGIBILITY FORM
Pursuant to the Renewable Energy Act
Section 39-26-1 et. seq. of the General Laws of Rhode Island

RESOLUTION OF AUTHORIZATION

Resolved: that *Daniel R. Revers*, named in Section 1.8 of the Renewable Energy Resources Eligibility Form as Authorized Representative, is authorized to execute the Application on the behalf of *Black Bear Development Holdings, LLC*, the Owner or Operator of the Generation Unit named in section 1.1 of the Application.

SIGNATURE:

X *[Signature]*

DATE:

5/23/2012

Commonwealth of
State: Massachusetts

County: Suffolk

(TO BE COMPLETED BY NOTARY) I, Elisabeth A. Wallace as a notary public, certify that I witnessed the signature of the above named Daniel R. Revers and that said person stated that he/she is authorized to execute this resolution, and the individual verified his/her identity to me, on this date: May 23rd, 2012.

SIGNATURE:

[Signature]

DATE:

5/23/12

My commission expires on: 11/21/14

NOTARY SEAL



Elisabeth A. Wallace
 Notary Public
 Commonwealth of Massachusetts
 My Commission Expires
 November 21, 2014

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: REVIEW OF PURCHASE POWER
AGREEMENT BETWEEN NARRAGANSETT
ELECTRIC COMPANY d/b/a NATIONAL GRID
AND BLACK BEAR DEVELOPMENT HOLDINGS, LLC.

DOCKET NO. 4319

ORDER

WHEREAS, on February 17, 2012, Narragansett Electric Company, d/b/a National Grid (“National Grid” or “Company”) entered into a Power Purchase Agreement (“PPA” or “Black Bear PPA”) with Black Bear Development Holdings, LLC. (“Black Bear”) and the same was filed with the Commission on March 19, 2012; and,

WHEREAS, the Company executed the PPA pursuant to R.I.G.L. §39-26.1-3 which requires the Company to annually solicit and enter into long-term contracts with renewable energy developers subject to Commission approval; and,

WHEREAS, R.I.G.L. §39-26.1-1 et seq. (the Long-Term Contracting Standard) requires the Company to enter into long-term contracts for 90 megawatts of power from newly developed renewable energy resources by 2013; and,

WHEREAS, the Company’s process and procedures for soliciting long-term contracts for renewable energy was approved by the Commission on June 17, 2010.¹ On June 30, 2011, the Company issued its second solicitation for proposals from renewable energy developers to enter into long-term contracts for the purchase of capacity, energy and attributes from newly developed renewable energy resources; and,

WHEREAS, the Black Bear Hydro Orono B Project (“Orono B Project”) was one of the two highest ranked projects in the June 30, 2011 solicitation and was the best combination of price and project size; and,

¹ Docket 4150: written Order issued December 1, 2010.

WHEREAS, the Black Bear PPA had an initial bundled energy price of \$99/MWh in the initial year of operation based on the ISO-NE Rhode Island zone, adjusted annually by a 2% escalation factor; however, on May 7, 2012 the Black Bear PPA was amended to change the contractual delivery point to the Maine delivery point and to revise other provisions, as appropriate, to conform with this amendment; and,

WHEREAS, the bundled energy price of the amended PPA is \$91/MWh in the initial year of operation based on the ISO-NE Maine zone, adjusted annually by a 2% escalation factor; and,

WHEREAS, the pricing of the amended Black Bear PPA is estimated to be approximately \$8.4 million below the projected market price on a net present value basis over the term of the fifteen-year contract; and,

WHEREAS, the Orono B Project is the first hydroelectric project to be selected pursuant to the Long-Term Contracting Standard and will diversify the Company's current portfolio of renewable energy resources; and,

WHEREAS, the Orono B Project is a 3.75MW nameplate run-of-river hydroelectric project to be located in Orono, Maine. The project will be constructed adjacent to the existing Orono A facility on an existing dam in the Stillwater Branch of the Penobscot River, and it will contain three vertical turbine generators, each with a nameplate rating of 1.25MW at a power factor of 0.90; and,

WHEREAS, the Orono B Project will interconnect to an adjacent Bangor Hydro distribution substation which is connected by the Bangor Hydro 46kV transmission system to the Graham substation. The Graham Substation is the location for the 115kV interconnection to the NEPOOL Pool Transmission Facilities; and,

WHEREAS, the Orono B Project will provide clean, renewable energy without producing greenhouse gas emissions or associated waste. Through the use of existing dam structures, the Orono B Project will take advantage of otherwise unused river flows and be equipped with all the necessary environmental protective measures including but not limited to fish passage facilities; and,

WHEREAS, the Orono B Project is scheduled for completion prior to December 31, 2013; and,

WHEREAS, the Orono B Project qualifies as a newly developed renewable energy resources pursuant to R.I.G.L. §39-26.1-2(6);

WHEREAS, the Orono B Project will contribute 3.57 MW of contract capacity and meets 50% of the Company's 90MW requirement;²

WHEREAS, following public notice, the Commission held a hearing on May 11, 2012 wherein representatives of National Grid and Black Bear testified regarding the major terms and provisions of the Black Bear PPA and answered questions posed by the Commission. The Division of Public Utilities and Carriers also testified regarding the Black Bear PPA; and,

WHEREAS the Commission's authority to review this PPA is governed by the Long-Term Contracting Standard codified at Title 39, Chapter 26.1 of the R.I. General Laws. Pursuant to Chapter 26.1, Title 39 of the R.I. General Laws, the Commission's review of the Black Bear PPA is limited to three questions. First the Commission must determine whether the PPA is commercially reasonable as that term is defined in R.I.G.L. §39-26.1-2(1). Next, the Commission must decide whether the requirements for the annual solicitation have been met, and finally, the Commission must decide whether the PPA is consistent with the purposes of Chapter

² R.I.G.L. §39-26.1-3(c)(2).

26.1, Title 39 of the R.I. General Laws.³ The Commission unanimously finds that the Company had met its burden with respect to all three questions.

WHEREAS, the R.I. General Assembly defines the term “commercially reasonable” as follows:

“...terms and pricing that are reasonably consistent with what an experienced power market analyst would expect to see in transactions involving newly developed renewable energy resources. Commercially reasonable shall include having a credible project operation date, as determined by the commission, but a project need not have completed the requisite permitting process to be considered commercially reasonable. If there is a dispute about whether any terms or pricing are commercially reasonable, the commission shall make the final determination after evidentiary hearings.”⁴

WHEREAS, the primary witness for the Division of Public Utilities and Carriers, Richard S. Hahn, testified that the Black Bear PPA is commercially reasonable and recommended approval. He testified that the Orono B Project was the most highly ranked project in the Company’s June 30, 2011 solicitation and that the pricing of the Black Bear PPA was significantly below market. He testified that the Black Bear PPA had a credible operation date; and.

WHEREAS, the Company’s pre-filed testimony and Summary Report on National Grid’s Second Solicitation for Long-Term Contracts for Renewable Energy, filed March 2, 2012, demonstrate that the Company has met the requirements for the annual solicitation, having selected the Black Bear Hydro Orono B Project from seven other bidders.⁵

WHEREAS, the final prong to be met in this analysis is whether the PPA is consistent with the purposes of Title 39, Chapter 26.1 of the General Laws entitled Long-Term Contracting

³ R.I.G.L. §39-26.1-3(b).

⁴ R.I.G.L. §39-26.1-2(1).

⁵ National Grid 1, Exhibit 3 (Summary Report on Second Solicitation, March 2, 2012).

Standard for Renewable Energy. The legislative purpose of the Long-Term Contracting Standard is set forth in R.I.G.L. §39-26.1-1 as follows:

“The purpose of this chapter is to encourage and facilitate the creation of commercially reasonable long-term contracts between electric distribution companies and developers or sponsors of newly developed renewable energy resources with the goals of stabilizing long-term energy prices, enhancing environmental quality, creating jobs in Rhode Island in the renewable energy sector, and facilitating the financing of renewable energy generation within the jurisdictional boundaries of the state or adjacent state or federal waters or providing direct economic benefit to the state.”

WHEREAS, the Black Bear PPA calls for the construction of a 3.75 MW run-of-river hydroelectric project located in Orono, Maine. In executing the Black Bear PPA, National Grid agrees to purchase renewable energy, capacity and RECs from Black Bear Development Holdings, LLC at \$91/MWh in the initial year, adjusted annually by a 2% escalation factor, for a period of 15 years. The record in this docket reveals that the Black Bear PPA is expected to provide direct economic benefit to the State of Rhode Island by way of significant pricing benefits and/or cost savings delivered to ratepayers as a result of the PPA. This is based on the undisputed testimony that the net present value of the difference between the contract cost and the market forecast is approximately \$8.4M below market over the term of the fifteen-year contract.⁶

WHEREAS, the Commission finds, based on the record, that National Grid has fulfilled the requirements for the annual solicitation provided in R.I.G.L. §39-26.1-3; and

WHEREAS, the Commission finds, based on the record, that the Black Bear PPA fulfills the legislative goals of promoting long-term contracts for renewable energy, stabilizing long-term energy prices and providing direct economic benefit to the State of Rhode Island; and,

⁶ National Grid 3, Exhibit 2.

WHEREAS, the Commission finds, based on the record, that the Black Bear PPA is commercially reasonable and otherwise complies with all relevant policies and provisions of Title 39, Chapter 26.1 of the R.I. General Laws.

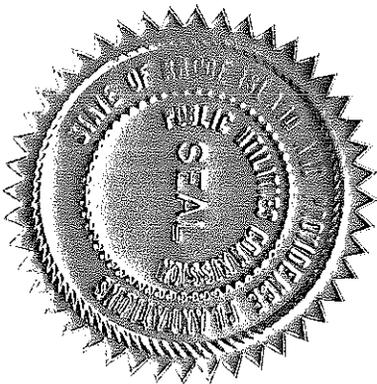
ACCORDINGLY, it is

(20738) ORDERED:

1. The Power Purchase Agreement between the Narragansett Electric Company, d/b/a National Grid and Black Bear Development Holdings, LLC, dated February 17, 2012, as amended on May 7, 2012, complies with all relevant policies and provisions of the R.I. General Laws, including without limitation R.I.G.L. §39-26.1 et seq., and the same is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON MAY 11, 2012 PURSUANT TO A BENCH DECISION. WRITTEN ORDER ISSUED MAY 17, 2012.

PUBLIC UTILITIES COMMISSION





Elia Germani, Chairman



Mary E. Bray, Commissioner



Paul J. Roberti, Commissioner