

March 2, 2015

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

Re: Docket 4371 - Long-Term Contracting for Renewable Energy Recovery Factor Responses to Division Post Hearing Data Requests – Set 4

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Division's Fourth Set of Post Hearing Data Requests concerning the above-referenced proceeding.

Thank you for your attention to this filing. Please contact me if you have any questions concerning this matter at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4371 Service List
Steve Scialabba, Division
Leo Wold, Esq.

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

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. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission.



March 2, 2015

Joanne M. Scanlon
National Grid

Date

**Docket No. 4371 - National Grid – Tariff Advice Filing to Amend Long-Term Contracting for Renewable Energy Recovery Factor effective 01/01/13
Service List updated 11/21/12**

Name/Address	E-mail Distribution	Phone
Jennifer Brooks Hutchinson, Esq. National Grid 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com	401-784-7288
	Thomas.teehan@nationalgrid.com	
	Celia.obrien@nationalgrid.com	
	Joanne.scanlon@nationalgrid.com	
Jon Hagopian, Esq. Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	jhagopian@ripuc.state.ri.us	401-222-2424
	Dstearns@ripuc.state.ri.us	
	Sscialabba@ripuc.state.ri.us	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	
	Lwold@riag.ri.gov	
	dmacrae@riag.ri.gov	
	jmunoz@riag.ri.gov	
Richard Hahn LaCapra Associates One Washington Mall, 9 th floor Boston, MA 02108	rhahn@lacapra.com	
File an original & 10 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Lmassaro@puc.state.ri.us	401-780-2017
	Cwilson@puc.state.ri.us	
	Adalessandro@puc.state.ri.us	
	Nucci@puc.state.ri.us	
	Anault@puc.state.ri.us	
Christopher Kearns, Program Service Officer RI Office of Energy Resources	DShah@puc.state.ri.us	
	Christopher.Kearns@energy.ri.gov	

Division 4-1

Request:

In the data provided on October 27, 2014 in response to Commission 6-1, please identify the assumed annual megawatt-hours (MWh) of Deepwater Wind's Block Island (DWBI) wind farm utilized by National Grid in calculating the response and the basis for using that level of annual generation.

Response:

The Company utilized an estimated annual output of 105,120 MWh for Deepwater Wind. This estimate is based on the 30 MW project and assumed annual average capacity factor of 40.0%. This is consistent with Appendix Y of the PPA, which states that the Annual Production Target includes a target net capacity factor of 40%.

Division 4-2

Request:

If not done so in the production of the response to Commission 6-1, please provide a projection of the above-market premium of the Deepwater Wind Block Island purchase power agreement assuming the DWBI wind farm operates at a capacity factor of 47% each year. Regarding other assumptions in responding to this request, please be consistent with the response provided to Commission 6-1 for this projection.

Response:

Please see Attachment DIV 4-2.

Note: The above market cost is calculated using market price forecasts for energy, capacity, and RECs provided by ESAI in August 2014. As directed above, the annual output used for the projection was based on 123,516 MWh each year, which is equivalent to a 47% annual capacity factor. All other assumptions are consistent with the projection provided in response to Commission 6-1.

Year	Deepwater Wind 30 MW
	Above Market Cost
2015	\$0
2016	\$0
2017	\$0
2018	\$15,021,159
2019	\$14,954,450
2020	\$16,255,768
2021	\$15,538,795
2022	\$15,475,321
2023	\$15,728,681
2024	\$16,820,472
2025	\$18,451,520
2026	\$20,130,679
2027	\$21,235,550
2028	\$22,206,516
2029	\$23,171,613
2030	\$24,058,244
2031	\$25,187,687
2032	\$26,241,377
2033	\$27,343,539
2034	\$28,547,679
2035	\$29,736,058
2036	\$31,015,107
2037	\$32,286,072
Total	\$439,406,288
NPV (7%, 2015)	\$172,088,162

Division 4-3

Request:

Similar to Division Request 4-2, for Deepwater Wind's Block Island project, please provide the same information as requested by Commission 6-2 regarding total contract cost and National Grid's annual financial remuneration, except using an assumed capacity factor of 47%. Please provide total dollars over the contract term as well as yearly data.

Response:

Please see Attachment DIV 4-3.

As directed above, the annual output used for the projection was based on 123,516 MWh each year, which is equivalent to a 47% annual capacity factor. All other assumptions are consistent with the projections provided in response to Commission 6-1 and 6-2.

Year	Deepwater Wind 30 MW	
	Contract Cost	Remuneration
2015	\$0	\$0
2016	\$0	\$0
2017	\$0	\$0
2018	\$29,112,721	\$800,600
2019	\$30,131,666	\$828,621
2020	\$31,186,275	\$857,623
2021	\$32,277,794	\$887,639
2022	\$33,407,517	\$918,707
2023	\$34,576,780	\$950,861
2024	\$35,786,968	\$984,142
2025	\$37,039,511	\$1,018,587
2026	\$38,335,894	\$1,054,237
2027	\$39,677,651	\$1,091,135
2028	\$41,066,368	\$1,129,325
2029	\$42,503,691	\$1,168,852
2030	\$43,991,321	\$1,209,761
2031	\$45,531,017	\$1,252,103
2032	\$47,124,602	\$1,295,927
2033	\$48,773,963	\$1,341,284
2034	\$50,481,052	\$1,388,229
2035	\$52,247,889	\$1,436,817
2036	\$54,076,565	\$1,487,106
2037	\$55,969,245	\$1,539,154
Totals	\$823,298,492	\$22,640,709
NPV (7%, 2015)	\$329,853,883	\$9,070,982