

# *Schacht & McElroy*

*Michael R. McElroy  
Robert M. Schacht (retired)*

*Attorneys at Law*

*(401) 351-4100  
fax (401) 421-5696*

*Members of Rhode Island  
and Massachusetts Bars*

*21 Dryden Lane  
Post Office Box 6721  
Providence, RI 02940-6721*

*www.McElroyLawOffice.com  
Michael@McElroyLawOffice.com*

January 16, 2013

Luly Massaro, Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Block Island Power Company – Net Metering

Dear Luly:

As you know, this office represents Block Island Power Company (BIPCo).

Pursuant to the discretion granted to BIPCo in Commission Order No. 11798, BIPCo adopted a reverse (net) metering policy for certain new qualifying alternative energy facilities (QFs) who make specific written requests to BIPCo for net metering. This policy was approved at a meeting of the Block Island Town Council on January 3, 2001, by unanimous vote. The Block Island Town Clerk thereafter sent a letter to the Administrator of the Division informing the Division that the Town had voted to support and endorse BIPCo's net metering policy. Enclosed with that letter to the Administrator of the Division was an excerpt from the minutes of the Town Council's January 3, 2001, meeting endorsing the net metering policy, together with a copy of the policy itself. BIPCo has annually extended its net metering policy by letters written to the Town ever since, and it is currently in effect through December 31, 2013.

Cynthia Wilson, attorney for the Commission, has brought to my attention the fact that this policy was never filed with the Commission. On behalf of BIPCo, I sincerely apologize for not filing this policy and the related correspondence with the Commission. In order to correct that, I am enclosing an original and nine copies of the following:

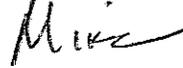
1. The Block Island Power Company reverse (net) metering policy.
2. A copy of the minutes of the Block Island Town Council meeting of January 3, 2001, unanimously endorsing the policy.

3. A copy of a letter from the Town to Thomas F. Ahern dated February 16, 2001, informing the Division that the Town endorsed the policy, and filing the policy (and the Town's minutes) with the Division.
4. A copy of a letter dated February 16, 2001, from the Town to the Department of Energy informing the Department of Energy that the Town Council had endorsed the policy.
5. A package of letters annually extending the policy through and including December 31, 2013.

Either Dr. Casazza or I will make sure that the Commission annually receives copies of any additional letters further extending the policy.

I apologize for not filing this with the Commission sooner. If you have any questions or you need further information, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Cynthia Wilson-Frias  
Albert Casazza

BLOCK ISLAND POWER COMPANY  
REVERSE (NET) METERING POLICY

Pursuant to the discretion granted to Block Island Power Company (BIPCo or company) in PUC Order No. 11798, BIPCo hereby adopts the following reverse (net) metering policy for certain new qualifying alternative energy facilities (QFs), who make a specific written request to BIPCo to be allowed to utilize reverse metering (also known as "net" metering or "single" metering) rather than dual metering. Reverse (or "net") metering occurs when, at any time, more electricity is being generated than consumed by a customer with a QF or fuel cell, the excess flows into the distribution system, and the meter recording usage registers a decrease in the kilowatt hours used. The customer thus receives the retail price for the generated energy. The following limits have been determined to be reasonable by BIPCo and are hereby adopted:

1. A customer's usage and generation will be netted for each monthly period. Customers will accumulate any generation credits from day-to-day for one month. At the end of the month, any unused credits will no longer be available to offset usage. No compensation other than kWh usage offset will be paid to the customer.
2. Subject to BIPCo's overall cap as set forth in ¶ 4, reverse metering will be limited to renewable technologies of the requisite ownership, operation and size set forth herein and the requisite type as defined in the Utility Restructuring Act, R.I.G.L. § 39-2-1.2(b): power generation technologies that produce electricity from wind energy, small-scale hydropower plants that do not require the construction of new dams, solar energy, sustainable managed biomass, and fuel cells.
3. Reverse metering shall be limited to (1) residential and public authority BIPCo customers with facilities that have a maximum plate rating equal to or less than 2,500 watts (2.5 kw) located on the customer's premises and used solely to meet the customer's own load, and (2) solar energy facilities in existence on December 20, 2000, owned and operated exclusively by public authorities on public authority property. Commercial BIPCo customers and their facilities shall not be eligible for reverse metering.
4. There will be an overall company cap of two percent (2%) of BIPCo's annual peak, based on its previous calendar year. Once the cap is reached, BIPCo will not allow additional reverse metering, unless the cap is increased by BIPCo due to an increase in BIPCo's annual peak.
5. Reverse metering shall be limited to kWh charges only.
6. The customer's account will be zeroed out each month. If the meter runs net backwards for the month, there will be no payment made to the customer by BIPCo; the customer will only get credit against kWh obtained from BIPCo by the customer. Any excess kWh put into the system over the amount used by the customer in each month will not be compensated for by BIPCo.
7. Only customers of BIPCo are eligible for this program, and the consumer must furnish and install the necessary meter socket and approved wiring consistent with the standards set by the company from time to time consistent with the standards established for renewable energy systems by the International Society of Electronic and Electrical Engineers (IEEE), Underwriter's Laboratory (UL), and the National Electric Code (NEC).
8. The customer must install equipment approved by the company which prevents the flow of electricity into the company's system when the company's supply is out of service.

9. The company shall have the right to disconnect any facility if in the company's opinion the facility interferes or is likely to interfere with the company's service to other customers.
10. Notwithstanding anything set forth herein, no facility will be eligible unless in addition to meeting all of the above requirements, it is also a small power producer or a co-generator meeting the requirements for qualifying co-generation and small power production facilities as defined by the Rhode Island Public Utilities Commission and the rules of the Federal Energy Regulatory Commission.
11. All interconnection costs associated with the facility shall be borne by the customer.
12. The overall cap of two percent (2%) of BIPCo annual peak, based on its previous calendar year, shall apply to the total of all qualifying alternative energy facilities and fuel cells on the BIPCo system on a single meter (i.e. reverse (net) metering).
13. Customers being dual metered will continue to be metered under the previously adopted BIPCo avoided cost policy.

New Shoreham Town Council  
Excerpt from Minutes of Wednesday, January 3, 2001  
Block Island School, High Street  
7:30 p.m.

Present: First Warden Richard B. Kiley, Second Warden Martha A. Ball, Town Council members John T. Savoie, John A. Sisto and Bryan K. Wilson. Also present: Town Manager Nancy O. Dodge, Town Solicitor Merlyn O'Keefe and Town Clerk Fiona Fitzpatrick, who took the minutes.

**Block Island Power Company Proposed Net Metering Tariff**

Mr. Kiley explained he met with Clifford McGinnes and Michael Wagner of the Block Island Power Company, Chris Warfel of Entech Engineering and Kimberley Gaffett of the Block Island Sustainability Coalition earlier in the week. An agreement regarding the net metering tariff was worked out at that meeting and is attached to these minutes. A discussion ensued.

Mr. Wilson made a motion to direct the Clerk to send a letter of endorsement and support for the agreement to the RIDPUC, and the DOE, and copied to Entech and the Block Island Power Company. The motion was seconded by Mr. Savoie.

Those present agreed an annual review of the agreement would be very helpful. A discussion regarding means of measuring the success of the agreement ensued. Chris Warfel wanted the agreement to be contingent upon deciding specific criteria for review, such as how the two per cent cap of peak demand would be measured, while Cliff McGinnes favored going forward with the agreement and working out the review criteria later.

After a discussion, Mr. Wilson made a motion to amend the main motion to add the words "with an understanding that there would be an annual review based on criteria the parties have agreed to work on in the future" Mr. Savoie seconded the amendment.

Ayes 5                      Nays 0

The amended motion called for a vote was: "to direct the Clerk to send a letter of endorsement and support for the agreement, with an understanding that there would be an annual review based on criteria the parties have agreed to work on in the future, to the RIDPUC (Division), and the DOE, with copies to Entech and the Block Island Power Company."

Ayes 5                      Nays 0



Office of the Town Clerk

Telephone (401) 466-3200 • Fax (401) 466-3219

TOWN of NEW SHOREHAM P.O. DRAWER 220  
BLOCK ISLAND, RHODE ISLAND 02807-0220

February 16, 2001

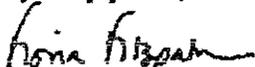
Thomas F. Ahern, Administrator  
Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick RI 02888

Dear Mr. Ahern:

The New Shoreham Town Council met Monday, January 3, 2001 and voted to support and endorse the Block Island Power Company's Reverse (Net) Metering Policy. Also present at the meeting were Clifford McGinnes of Block Island Power Company, and Chris Warfel and Kimberley Gaffett of the Block Island Sustainability Coalition. The Town Council's endorsement includes an understanding that the policy will be reviewed annually, and that specific criteria to judge the success of the policy will be established in the future by representatives of Block Island Power Company, the Town Council, and the Block Island Sustainability Coalition.

A copy of the agreement and an excerpt from the minutes of the January 3, 2001 meeting are attached to this letter.

Very truly yours,

  
Fiona Fitzpatrick, CMC  
Town Clerk

cc: ✓ Mr. Clifford McGinnes, Block Island Power Company  
Mr. Christopher Warfel, Entech Engineering



Office of the Town Clerk

Telephone (401) 466-3200 • Fax (401) 466-3219

TOWN of NEW SHOREHAM P.O. DRAWER 220  
BLOCK ISLAND, RHODE ISLAND 02897-0220

February 16, 2001

Richard Michaud  
DOE Room 675  
JFK Federal Building  
One Congress Street  
Boston MA 02203-0002

Dear Mr. Michaud:

The New Shoreham Town Council met Monday, January 3, 2001 and voted to support and endorse the Block Island Power Company's Reverse (Net) Metering Policy. Also present at the meeting were Clifford McGinnes of Block Island Power Company, and Chris Warfel and Kimberley Gaffett of the Block Island Sustainability Coalition. The Town Council's endorsement includes an understanding that the policy will be reviewed annually, and that specific criteria to judge the success of the policy will be established in the future by representatives of Block Island Power Company, the Town Council, and the Block Island Sustainability Coalition.

A copy of the agreement and an excerpt from the minutes of the January 3, 2001 meeting are attached to this letter.

Very truly yours,

Fiona Fitzpatrick, CMC  
Town Clerk

cc: ✓ Mr. Clifford McGinnes, Block Island Power Company  
Mr. Christopher Warfel, Entech Engineering

# Block Island Power Company

P.O. BOX 518 - BLOCK ISLAND, RI 02807  
(401) 466-5851 FAX (401) 466-5068



September 6, 2002

Martha Ball, First Warden  
Town of New Shoreham  
Block Island, RI 02807

Dear Martha,

Kindly accept our apologies for failing to provide the report on net metering at an earlier date.

Having had more than one year to review our net metering program, please be advised of the following:

During our busy summer season the amount of electricity produced by alternative photo voltaic energy sources has had an effect that we have not had the technology to measure. However, technology has come to our attention which may provide BIPCo with the ability to measure the impact in the future. We therefore agree to extend the program until 12-31-03 at which time we shall attempt to determine what impact there is on BIPCo and report back to you thereafter.

BIPCo's peak demand increased by 10% during this season's usage. Therefore, based on paragraph 4 of our policy, the overall cap will be automatically increased by that percentage.

Very Truly Yours,

CR McGinnis

# Schacht & McElroy

Robert M. Schacht  
Michael R. McElroy

Attorneys at Law

(401) 351-4100  
fax (401) 421-5696

Members of Rhode Island  
and Massachusetts Bars

21 Dryden Lane  
Post Office Box 6721  
Providence, Rhode Island 02940-6721

email: RMSchacht@aol.com  
McElroyMik@aol.com

February 19, 2004

Nancy Dodge, Esq.  
Town Manager  
Block Island Town Hall  
P.O. Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company

Dear Nancy:

As you know, I represent Block Island Power Company (BIPCO).

First, as you and I recently discussed, BIPCO would like to set up our annual meeting with the council for any time after Cliff McGinnes returns from vacation, which will be March 29, 2004, or after. Please give me a call with some suggested dates so that we can set up the meeting. Jerry Edwards will not be present at the meeting. If for any reason you feel that having Jerry Edwards at the meeting is a necessity, then we will need to set the meeting up for sometime after Jerry returns from Arizona, which I understand will be May 5, 2004.

Second, I am pleased to inform the town that BIPCO has agreed to extend its reverse (net) metering policy for another year, through December 31, 2004.

Third, BIPCO has not yet been able to identify technology to measure the effect of the net metering program on BIPCO. We are open to suggestions from the town council and/or the municipal energy committee of the council regarding technology which may be available to assess the impact of the program.

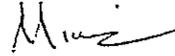
Fourth, BIPCO's peak demand increased to 3775 KW during this past year. Therefore, based on paragraph four of the net metering policy, the 2% cap will be automatically adjusted.

Fifth, as you know, we have been discussing having an open house to view the completed substation. This has been postponed in the past because of weather conditions and other

reasons. We would suggest that the open house be held after Cliff returns on March 29, 2004. If it is convenient, we could combine the open house with our annual town council meeting.

Please get back to me at your earliest convenience.

Very truly yours,

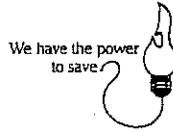


Michael R. McElroy

cc: BIPCO owners  
Walter E. Edge, CPA

# Block Island Power Company

P.O. BOX 518 - BLOCK ISLAND, RI 02807  
(401) 466-5851 FAX (401) 466-5068



January 20, 2005

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company – Net Metering

Dear Nancy,

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year, through December 31, 2005.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 3,775 kw during this past year.

Finally, as you know, BIPCo has been trying to identify technology to measure the effect of the net metering program on BIPCo. In this regard, BIPCo has determined that it will be necessary for any new customers wishing to net meter to install at their expense an internal consumption meter and give BIPCo reasonable access to the meter on a regular basis so that BIPCo can regularly read the meter and hopefully begin to measure (at least in part) the effect of the net metering program on BIPCo. This requirement will go into effect immediately.

If you have any questions, please feel free to call.

Very truly yours,

*Cliff McGinnes*

Clifford R. McGinnes  
Chief Operating Officer

Cc: Michael R. McElroy, Esq.  
Town Council

# Block Island Power Company

P.O. BOX 518 - BLOCK ISLAND, RI 02807  
(401) 466-5851 FAX (401) 466-5068



January 19, 2006

Nancy Dodge, Esq.  
Town Manager  
P.O. Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company – Net Metering

Dear Nancy:

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year, through December 31, 2006.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 3,840 kw during this past year.

As you know, BIPCo has been trying to identify technology to measure the effect of the net metering program on BIPCo. In this regard, BIPCo determined last year that it was necessary for any new customers wishing to net meter to install at their expense an internal consumption meter and give BIPCo reasonable access to the meter on a regular basis so that BIPCo can regularly read the meter and hopefully begin to measure (at least in part) the effect of the net metering program on BIPCo. This requirement will continue in effect.

If you have any questions, please feel free to call.

Very truly yours,

  
Albert Casazza  
President

cc: Michael R. McElroy, Esq.

# Block Island Power Company

P.O. BOX 518 - BLOCK ISLAND, RI 02807  
(401) 466-5851 FAX (401) 466-5068



January 3, 2007

Nancy Dodge, Esq.  
Town Manager  
P.O. Drawer 220  
Block island, RI 02897

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year, through December 31, 2007.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 4050 kw during 2006.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Very truly yours,

  
Albert R. Casazza  
President

Copy: Mr. Michael McElroy  
Mr. David Milner

***BLOCK ISLAND POWER COMPANY, INC.***

PO BOX 518, BLOCK ISLAND, RI 02807

Tel: 401-466-5851, Fax 401-466-5068

January 3, 2008

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year through December 31, 2008.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 4025kw during 2007.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her own expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

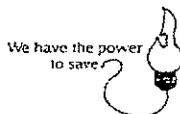
If you have any questions, please feel free to call.

Sincerely yours,

Albert R. Casazza  
President

# Block Island Power Company

P.O. BOX 518 - BLOCK ISLAND, RI 02807  
(401) 466-5851 FAX (401) 466-5068



December 30, 2008

Nancy Dodge, Esq.  
Town Manager  
P.O. Drawer 220  
Block island, RI 02897

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year, through December 31, 2009.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, pleased be advised that BIPCo's peak demand was approximately 4000 kw during 2008.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Very truly yours,

  
Albert R. Casazza  
President

Copy: Mr. Michael McElroy  
Mr. David Milner

***BLOCK ISLAND POWER COMPANY, INC.***

PO BOX 518, BLOCK ISLAND, RI 02807

Tel: 401-466-5851, Fax 401-466-5068

December 21, 2009

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year through December 31, 2010.

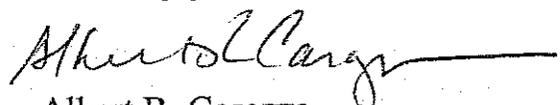
However, this policy will apply only to those residents who provide a written report from the town building inspector stating that he has inspected the installation and such installation is in compliance with the town's regulations.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 3670kw during 2009.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her own expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Sincerely yours,



Albert R. Casazza  
President

***BLOCK ISLAND POWER COMPANY, INC.***

PO BOX 518, BLOCK ISLAND, RI 02807

Tel: 401-466-5851, Fax 401-466-5068

December 28, 2010

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year through December 31, 2011.

As stated previously, this policy will apply only to those residents who provide a written report from the town building inspector noting that he has inspected the installation and such installation is in compliance with the town's regulations.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 3930kw during 2010.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her own expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Sincerely yours,

Albert R. Casazza  
President

***BLOCK ISLAND POWER COMPANY, INC.***

PO BOX 518, BLOCK ISLAND, RI 02807

Tel: 401-466-5851, Fax 401-466-5068

December 12, 2011

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year through December 31, 2012.

As stated previously, this policy will apply only to those residents who provide a written report from the town building inspector noting that he has inspected the installation and such installation is in compliance with the town's regulations.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 4040kw during 2011.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her own expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Sincerely yours,

Albert R. Casazza  
President

***BLOCK ISLAND POWER COMPANY, INC.***

PO BOX 518, BLOCK ISLAND, RI 02807

Tel: 401-466-5851, Fax 401-466-5068

December 13, 2012

Nancy Dodge, Esq.  
Town Manager  
PO Drawer 220  
Block Island, RI 02807

Re: Block Island Power Company Net Metering

I am pleased to inform the Town that BIPCo has agreed to extend its reverse (net) metering policy for another year through December 31, 2013.

With regard to the 2% cap provision in paragraph 4 of the net metering policy, please be advised that BIPCo's peak demand was 4150 kw during 2012.

BIPCo's policy requires that any new customer wishing to net meter must install at his/her own expense an internal consumption meter and provide BIPCo with reasonable access to that meter on a regular basis.

If you have any questions, please feel free to call.

Sincerely yours,

Albert R. Casazza  
President