

Schacht & McElroy

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August 12, 2014

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

Re: Block Island Power Company – Net Metering – Docket No. 4387

Dear Luly:

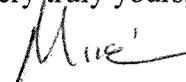
As you know, this office represents Block Island Power Company (BIPCo).

As requested by Commission Legal Counsel, Cynthia Wilson-Frias, enclosed are an original and nine copies of BIPCo's Net Metering Policy, revised effective January 1, 2014, together with an additional amendment that was voted on by BIPCo's Board of Directors on April 28, 2014.

On December 17, 2013, Albert R. Casazza, President of BIPCo, sent a draft copy of this revised Net Metering Policy to John Spirito of the Division. A copy of the letter to Mr. Spirito is also enclosed.

If you have any questions or you need any further information, please do not hesitate to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Cynthia Wilson-Frias, Esq.
John Spirito, Esq.
Leo Wold, Esq.
Albert R. Casazza, M.D.

Block Island Power Company

P.O. Box 518 – Block Island, RI 02807

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December 17, 2013

Mr. John Spirito, Jr., Esq.
Chief Legal Counsel
R.I. Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

Dear Mr. Spirito:

I am enclosing a draft copy of BIPCo's new net metering policy for your comment. As you are well aware, there has been considerable debate and consternation among various factions of town's people concerning our policy.

This new policy intends to address some of their concerns by increasing the size and amount of allowed installations, treating all net metering customers similarly, and reimbursing all net metering customers for some of the excess electricity that is delivered to our system. I think this policy does not hurt the rate payers who are not net metering nor does it pose a significant financial problem to BIPCo.

I certainly would appreciate any comment you may make. We hope to submit this policy to the Town of New Shoreham by January 1. All of us at BIPCo wish you and your family a most joyous holiday season.

Sincerely yours,

Albert R. Casazza, President

BLOCK ISLAND POWER COMPANY

Net Metering Policy, revised effective January 1, 2014

Approved, BIPCo Board of Directors, December, 2013

1. The Board of Directors of the Block Island Power Company (BIPCo) hereby modifies BIPCo's voluntary Net Metering Policy as follows, effective January 1, 2014 for a period of one (1) year.
2. Eligible Installations: All installations that use renewable energy resources as defined in R.I.G.L. § 39-26.4-2(1) are eligible for net metering if they are:
 1. privately owned and located on parcels for that customer's residential use, and
 2. conforming to Block Island Ordinances, including all Planning and Zoning requirements, and Block Island's Comprehensive Plan, and
 3. certified by the Town Building Inspector that the installation is proper, and
 4. Total wattage by plate of all units does not exceed 3% of BIPCo's yearly peak.
3. The Block Island Post Office Building is an eligible grandfathered installation.
4. No installations that service commercial customers are allowed to be net metered.
5. All installations must have "smart meters" that will allow BIPCo to measure the amount of electricity delivered and received. (NOTE: The three existing windmills have dual meters because of their age and configuration but function in the same manner as the newer smart meters and will be considered to be smart meters for this purpose).
6. All accounts will be reconciled monthly.
7. The total capacity of the current, non grandfathered accounts plus future installations of all types may not exceed 3% of BIPCo's previous year's peak. Once the cap is reached, BIPCo will not allow additional net metering, unless the cap is increased by BIPCo due to an increase in BIPCo's net peak.
8. Net metering credits- "Excess Renewable Net Metering Credit" means a credit that applies to the eligible net metering systems for that portion of the renewable self-generator's production of electricity beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the renewable self-generator's own consumption at the eligible net metering system site during the applicable billing period. Such excess renewable net metering credit shall be equal to BIPCo's avoided cost rate, which BIPCo declares to be the fuel charge for that month. The applicable billing period is monthly. Such credits may be

paid by BIPCo or accumulated to offset future bills at the discretion of the ratepayer.

9. The customer must install equipment approved by BIPCo which prevents the flow of electricity into BIPCo's system when BIPCo's supply is out of service.
10. BIPCo shall have the right to disconnect any facility if in BIPCo's opinion the facility interferes or is likely to interfere with BIPCo's service to other customers.
11. All interconnection costs associated with the facility shall be borne by the customer.

The Board of Directors met in the afternoon of April 28, 2014. Messrs. McGinnes, Milner and Casazza were present.

The Net Metering policy was amended to remove the wattage of three grandfathered windmills from the wattage cap. This change was agreed unanimously.