

October 30, 2014

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4393 and Docket 4490 - Renewable Energy Procurement Plan
Rhode Island RES RFP Summary
And Request for Confidential Treatment**

Dear Ms. Massaro:

Enclosed in accordance with Rule 1.2(g) of the Commission's Rules of Practice and Procedure are ten copies of a redacted Summary of the request for proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island. This RFP was conducted by The Narragansett Electric Company d/b/a National Grid (National Grid or the Company) pursuant to its Renewable Energy Procurement Plans (Plans) approved by the Commission at its Open Meetings on June 28, 2013 in Docket 4393 and June 30, 2014 in Docket 4490. As part of the Plans, National Grid committed to file with the Commission a summary of the RFP.

National Grid respectfully requests confidential and privileged treatment of the unredacted version of Attachment 1 described below. This attachment contains commercially sensitive market information, the disclosure of which could affect the balance of the renewable energy certificate markets as well as National Grid's ability to negotiate competitive terms with its renewable suppliers. In compliance with Rule 1.2(g), National Grid is providing one complete unredacted copy of the confidential documents in a sealed envelope marked "**Contains Privileged and Confidential Materials – Do Not Release.**" Copies of the confidential, unredacted documents have also been provided to Steve Scialabba representing the Division of Public Utilities and Carriers.

National Grid is hereby filing the following attachment for the Commission's information:

Attachment 1-A confidential summary of the Request for Proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island identifying the key actions taken by National Grid to procure such certificates.

Luly Massaro, Commission Clerk
Docket 4393 – 2014 Renewable Energy Procurement Plan
Docket 4490 – 2015 Renewable Energy Procurement Plan
October 30, 2014
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National Grid has included redacted versions of the RFP Summary for the public record. National Grid will provide copies of the unaccepted bids to the Participating Purchasers that have signed confidentiality agreements with the Company.

Thank you for your attention to this filing. If you have any questions concerning this matter, please contact me at (781) 907-2121.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Raquel Webster", is centered on the page.

Raquel J. Webster

Enclosures

cc: Docket 4393 Service List
Docket 4490 Service List
Steve Scialabba (w/confidential attachments)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION**

2014 Standard Offer Service Procurement Plan and Renewable Energy Supply Procurement Plan)	
)	
)	Docket Nos. 4393 and 4490
2015 Standard Offer Service Procurement Plan and Renewable Energy Supply Procurement Plan)	
)	
)	

**NATIONAL GRID’S MOTION FOR PROTECTIVE TREATMENT
OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure certain confidential, competitively sensitive, and proprietary information submitted in the above-captioned dockets, as permitted by PUC Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(B). National Grid also respectfully requests that, pending entry of that finding, the PUC preliminarily grant National Grid’s request for confidential treatment pursuant to PUC Rule 1.2 (g)(2).

I. BACKGROUND

On October 31, 2014, National Grid filed with the PUC a redacted and confidential (un-redacted) summary of the Company’s request for proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island (October 31 Filing). This summary, labeled as Attachment 1 in the October 31 Filing and titled, *Renewable Energy Certificate Procurement Summary October 2014*, is a confidential summary of the Company’s RFP process to provide NEPOOL-GIS certificates in Rhode Island. Attachment 1 also identifies the key actions National Grid took to

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

procure NEPOOL-GIS certificates. The Company conducted this RFP pursuant to its Renewable Energy Procurement Plans (Plans), which the PUC approved at its Open Meetings on June 28, 2013 in Docket No. 4393 and June 30, 2014 in Docket No. 4490. As part of the Plans, National Grid committed to file with the PUC a summary of the RFP. Attachment 1 contains commercially sensitive market information relating to the Company's RFP, the disclosure of which could affect the balance of the renewable energy certificate markets as well as National Grid's ability to negotiate competitive terms with its renewable suppliers. Because National Grid considers this information as confidential and proprietary, National Grid respectfully requests that the PUC treat the information contained in Attachments 1 as confidential.

II. LEGAL STANDARD

The PUC's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1 *et seq.* Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of the APRA to treat such information as confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption

applies where disclosure of information would likely either (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001). The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47. National Grid meets the second prong of this test, which applies here.

II. BASIS FOR CONFIDENTIALITY

The Company seeks confidential treatment of the bidding, pricing, and other related market information included in Attachment 1. Release of this type of information would be commercially harmful to the Company and to its customers since potential bidders could use this information in such a way that would impede the Company's ability to obtain the best possible price for its customers. This information is confidential and privileged information of the type that the Company would ordinarily not make public. Moreover, the dissemination of this type of information could impact the Company's ability to obtain advantageous pricing in the future.

III. CONCLUSION

Accordingly, the Company respectfully requests that the PUC grant protective treatment to the confidential RFP information included in Attachment 1 to the Company's October 31 Filing.

WHEREFORE, for the foregoing reasons, the Company respectfully requests that the PUC grant its Motion for Protective Treatment.

Respectfully submitted,

NATIONAL GRID

By its attorneys,

A handwritten signature in blue ink, appearing to read "Raquel Webster", is written over a light blue horizontal line.

Raquel J. Webster, RI Bar # 9064
National Grid
40 Sylvan Road
Waltham, MA 02451
(781) 907-2121

Dated: October 31, 2014

NATIONAL GRID
RENEWABLE ENERGY CERTIFICATE
PROCUREMENT SUMMARY
OCTOBER 2014
FOR THE NARRAGANSETT ELECTRIC COMPANY
FOR THE OBLIGATION YEARS 2014 & 2015

1. RFP Issued

The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”) issued its Request for Proposals (“RFP”) to Provide NEPOOL-GIS Certificates in Compliance with the Rhode Island Renewable Energy Standard (“RES”)¹ on October 2, 2014 directly to the renewable generators who have filed their renewable energy applications for certification with the Rhode Island Public Utilities Commission (“RIPUC”) and organizations that have expressed interest in receiving RFPs from National Grid.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with the Company’s 2014 Renewable Energy Procurement Plan filed on March 1, 2013 (approved June 28, 2013) and the 2015 Renewable Energy Procurement Plan filed on March 3, 2014 (approved June 30, 2014) with the RIPUC and in compliance with the RES. The RIPUC issued a written order for the 2014 Plan on July 2, 2013 (Order No. 21094).

The RFP sought a specified quantity of Renewable Energy Certificates (“RECs”) that comply with the RES to satisfy a portion of National Grid’s Standard Offer Service RES Obligations for the calendar years 2014 and 2015.

The quantity of RECs specified in the Procurement Plans were updated to include reconciled load data through June 30, 2014, initial loads for July and August 2014 and estimated loads for remaining 2014 and 2015 RES obligations. A calculation of the quantities of RECs requested is provided in Exhibit 1.

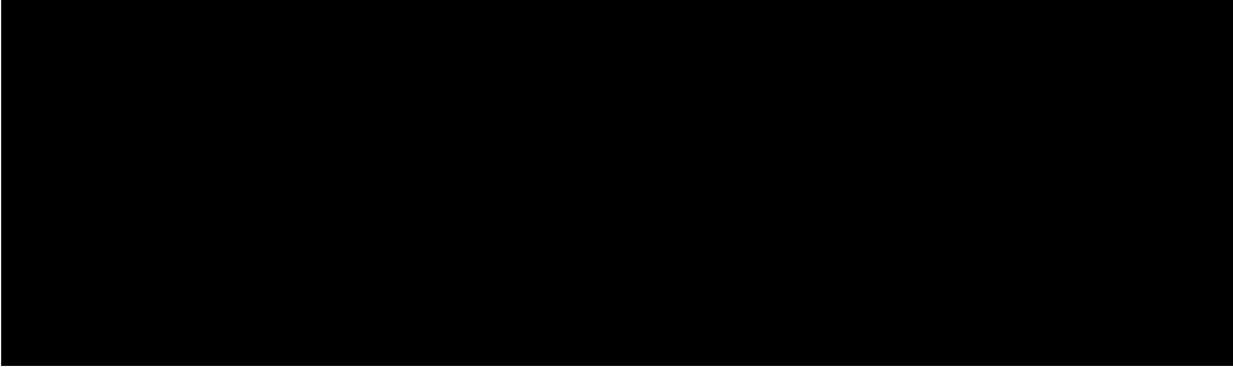
2. Key RFP Dates

The RFP was issued on October 2, 2014.

Respondent Proposal Information and proposed contract modifications were received on October 23, 2014.

¹ R.I.G.L. § 39-26-1, et seq., Renewable Energy Standard.

Pricing was received on October 28, 2014 from [REDACTED] suppliers. The bidders were:



A summary of the bids received is found in Exhibit 2.

The respondents were informed of awards on October 28, 2014.

3. **Contract Submissions**

[REDACTED] submitted contract comments to National Grid in the form of proposed revisions to the Certificate Purchase Agreement. These comments were similar to previous agreements with the bidders.

4. **Award of New Renewable RECs**

[REDACTED] provided offers to sell National Grid RECs from New renewable resources. Exhibit 3 provides an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 3, the RFP process selected the bids that provided the lowest cost up to the quantity required and did not perform any adjustment for non-price benefits.

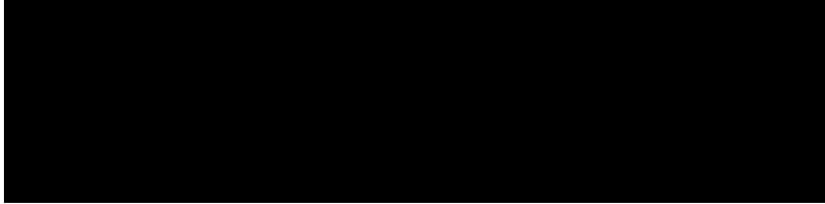
5. **Award of Existing Renewable RECs**

[REDACTED] provided offers to sell National Grid RECs from Existing renewable resources. Exhibit 4 provides an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 4, the RFP process selected the bids that provided the lowest cost up to the quantity required and did not perform any adjustment for non-price benefits.

6. **Summary of Award**

On October 28, 2014, National Grid shared the REC bids with Division Staff for review.

Exhibit 5 is a list of the winning bids by REC type and year. National Grid expects to purchase a total of [REDACTED] RECs at a cost of [REDACTED]. The following is a summary of the RECs procured in this RFP.



7. Procurement Process Analysis

National Grid received offers for [REDACTED] in this RFP. As a result, the Company awarded [REDACTED] New RECs for 2014. With this RFP, the Company estimates it has procured [REDACTED] of the New RECs needed to meet its estimate of the 2014 New REC obligation ([REDACTED] from the current and previous purchases and [REDACTED] from RECs provided by Long-Term Contracts²). The Company will know its exact 2014 RES obligation in April 2015 when the reconciled load volumes for December 2014 are calculated. The Company will then know if it [REDACTED] before the close of the trading period on June 15, 2015 using the approved methods as described in its procurement plan.

Also, the Company awarded [REDACTED] New RECs for 2015, which represents approximately [REDACTED] of the estimated 2015 RES obligation. The Company anticipates [REDACTED] of the 2015 RES New obligation will be met with New RECs provided via Long-Term Contracts and the remaining [REDACTED] through future RFPs.

The Company awarded [REDACTED] Existing RECs for 2014. At the conclusion of this solicitation, the Company estimates it has procured [REDACTED] of the Existing RECs needed to meet its estimate of the 2014 Existing REC obligation. The Company will procure the remaining [REDACTED] through future REC RFPs or through other market interactions as detailed in its procurement plan after the 2014 reconciled load volumes are calculated in April 2015. The Company does not procure its entire Existing REC obligation before the reconciled loads are published because the RES regulations do not allow the banking of Existing RECs. Thus, the final purchased amounts must be equal to the calculated final obligation to avoid buying more Existing RECs than necessary.

Finally, the Company awarded [REDACTED] Existing RECs for 2015. The Company estimates it has procured [REDACTED] of its 2015 Existing REC obligation with the remaining [REDACTED] to be procured in future solicitations.

Exhibit 6 is a graphical summary of:
- the number of RECs procured in this RFP;

² Contracts entered to comply with the Long-Term Contracting Standards for Renewable Energy Act and the Distributed Generation Standards Contract Act.

- the number of RECs procured prior to the RFP (previous RFPs, previous unsolicited purchases through brokers, RECs banked from previous compliance year);
- RECs forecasted to be provided via Long-Term Contracts; and
- the estimated balance of RECs that must be procured to satisfy the RES obligations.

Exhibit 7 summarizes the amount of RI RES-compliant RECs created within the NEPOOL Generator Information System (“GIS”) for 2014 to date, as well as for 2012 and 2013.³ Exhibit 8 lists the Tier 1 Renewable Portfolio Standards (“RPS”) obligation percentages in the New England states. Some states have very similar RPS eligibility requirements to those in other states. This allows certain RECs to be qualified to satisfy RPS obligations in multiple states. These classes are often referred to as Tier 1 RECs. These RECs are the most widely traded in the region and often have similar prices.

Since the last RES Procurement Summary filing on January 27, 2014, National Grid has not accepted any unsolicited offers for 2014 or 2015 RI New RECs.

³ <http://www1.nepoolgis.com/myModule/rpt/myrpt.asp?r=107&TabName=RPS>

EXHIBIT 1
CALCULATION OF REQUESTED RECs

EXHIBIT 2
SUMMARY OF BIDS RECEIVED

EXHIBIT 3
ANALYSIS OF NEW RENEWABLE REC BIDS
BID STACK

EXHIBIT 4
ANALYSIS OF EXISTING RENEWABLE REC BIDS
BID STACK

EXHIBIT 5
SUMMARY OF WINNING BIDS

EXHIBIT 6
REC PROCUREMENT PLAN STATUS

EXHIBIT 7
GIS CERTIFICATE STATISTICS REPORTS

Quarter	RI RES Eligible	# Certificates				Quarter	RI RES Eligible	# Certificates			
2012 Q1	NEW	381,871				2012 Q1	EXISTING	553,816			
2012 Q2	NEW	336,979				2012 Q2	EXISTING	521,248			
2012 Q3	NEW	350,028				2012 Q3	EXISTING	280,746			
2012 Q4	NEW	427,644				2012 Q4	EXISTING	484,798			
		1,496,522						1,840,608			
Quarter	RI RES Eligible	# Certificates				Quarter	RI RES Eligible	# Certificates			
2013 Q1	NEW	504,373				2013 Q1	EXISTING	554,470			
2013 Q2	NEW	520,286				2013 Q2	EXISTING	605,281			
2013 Q3	NEW	491,361				2013 Q3	EXISTING	453,402			
2013 Q4	NEW	645,566				2013 Q4	EXISTING	366,911			
		2,161,586						1,980,064			
Quarter	RI RES Eligible	# Certificates	Year Over Year Change	Year Over Year Change %		Quarter	RI RES Eligible	# Certificates	Year Over Year Change	Year Over Year Change %	
2014 Q1	NEW	723,822	219,449	44%	vs 2013 Q1	2014 Q1	EXISTING	463,152	(91,318)	-16%	
2014 Q2	NEW	658,045	137,759	26%	vs 2013 Q2	2014 Q2	EXISTING	604,267	(1,014)	0%	
2014 TOTAL		1,381,867	357,208	35%	vs total through 2013 Q2	2014 TOTAL		1,067,419	(92,332)	-8%	

