

December 10 , 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4490 and Docket 4556 - Renewable Energy Procurement Plan
Rhode Island RES RFP Summary and Request for Confidential Treatment**

Dear Ms. Massaro:

In accordance with Rule 1.2(g) of the Rhode Island Public Utilities Commission's (PUC) Rules of Practice and Procedure, enclosed are ten copies of a redacted Summary of The Narragansett Electric Company's d/b/a National Grid (National Grid or Company) request for proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island. The Company conducted this RFP pursuant to its Renewable Energy Procurement Plans (Plans), which the PUC approved at its Open Meetings on June 30, 2014 in Docket No. 4490 and July 1, 2015 in Docket No. 4556. As part of the Plans, National Grid committed to file with the PUC 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. Therefore, in accordance with Rule 1.2(g) of the PUC's Rules of Practice and Procedure and R.I.G.L. § 38-2-2(4)(i)(B), I have enclosed a Motion for Protective Treatment of Confidential Information. In compliance with Rule 1.2(g), the Company is providing one complete unredacted copy of the confidential documents in a sealed envelope marked "**Contains Privileged and Confidential Materials – Do Not Release.**" The Company has also provided copies of the confidential, unredacted documents to Steve Scialabba at the Rhode Island Division of Public Utilities and Carriers.

The enclosed document labeled as Attachment 1 is a confidential summary of the RFP process to provide NEPOOL-GIS certificates in Rhode Island. Attachment 1 also identifies the key actions National Grid took to procure NEPOOL-GIS certificates.

Luly Massaro, Commission Clerk
Docket 4490 – 2015 Renewable Energy Procurement Plan
Docket 4556 – 2016 Renewable Energy Procurement Plan
December 10, 2015
Page 2 of 2

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 (401) 784-7288.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer Brooks Hutchinson". The signature is written in a cursive style with a long horizontal flourish at the end.

Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4490 Service List
Docket 4556 Service List
Steve Scialabba (w/confidential attachments)

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

December 10, 2015
Date

**Docket No. 4490 - National Grid – 2015 SOS and RES Procurement Plans
Service List updated 5/1/15**

Name/Address	E-mail Distribution	Phone
Jennifer Brooks Hutchinson, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com ;	401-784- 7667
	Raquel.webster@nationalgrid.com ;	
	Celia.obrien@nationalgrid.com ;	
	Brooke.Skulley@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ; margaret.janzen@nationalgrid.com ;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov ;	401-222- 2424
	Steve.scialabba@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	Joseph.shilling@dpuc.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 ;	617-778- 2467
	mneal@lacapra.com ;	
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780- 2017
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Amy.Dalessandro@puc.ri.gov ;	
Office of Energy Resources Nicholas Ucci Christoper Kearns	Nicholas.ucci@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Danny.Musher@energy.ri.gov ;	

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

December 10, 2015

Date

**Docket No. 4556 - National Grid – 2016 Standard Offer Service (SOS) and Renewable Energy Standard (RES) Procurement Plans
Service List updated 5/29/15**

Name/Address	E-mail Distribution	Phone
Jennifer Brooks Hutchinson, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Jennifer.hutchinson@nationalgrid.com ;	401-784-7667
	Celia.obrien@nationalgrid.com ;	
	James.Ruebenacker@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	margaret.janzen@nationalgrid.com ;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov ;	401-274-4400
	Steve.scialabba@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	Joseph.shilling@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
Richard Hahn LaCapra Associates One Washington Mall, 9 th floor Boston, MA 02108	rhahn@lacapra.com ;	617-778-2467
	mneal@lacapra.com ;	
Michael McElroy Schacht & McElroy P.O. Box 6721 Providence, RI 02940-6721	Michael@McElroyLawOffice.com ;	401-351-4100
Christy Hetherington, Esq. Dept. of Attorney General 150 South Main Street Providence, RI 02903	CHetherington@riag.ri.gov ;	401-274-4400 Ext. 2425
Robert J. Munnely, Jr., Esq. Davis Malm D'Agostine, P.C. One Boston Place – 37 th Floor Boston, MA 02108	Rmunnely@davismalm.com ;	617-367-2500

Michael F. Horan, Esq. Law Office of Michael F. Horan	office@horanlawoffice.com ;	401-725-7368
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2017
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Amy.Dalessandro@puc.ri.gov ;	
Office of Energy Resources Nicholas Ucci Christopher Kearns	Nicholas.ucci@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Danny.Musher@energy.ri.gov ;	

NATIONAL GRID
RENEWABLE ENERGY CERTIFICATE
PROCUREMENT SUMMARY
DECEMBER 2015
FOR THE NARRAGANSETT ELECTRIC COMPANY
FOR THE OBLIGATION YEARS 2015 & 2016

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 November 25, 2015 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 2015 Renewable Energy Procurement Plan filed on March 3, 2014 (approved June 30, 2014) and the 2016 Renewable Energy Procurement Plan filed on March 2, 2015 (approved July 1, 2015) with the RIPUC and in compliance with the RES. The RIPUC issued a written order for the 2015 Plan on February 23, 2015 (Order No. 21826).

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 2015 and 2016.

The quantity of RECs specified in the Procurement Plans were updated to include reconciled load data through July 31, 2015, initial loads for August thru October 2015 and estimated loads for the remainder of 2015 and 2016 RES obligations. A calculation of the quantities of RECs requested is provided in Exhibit 1.

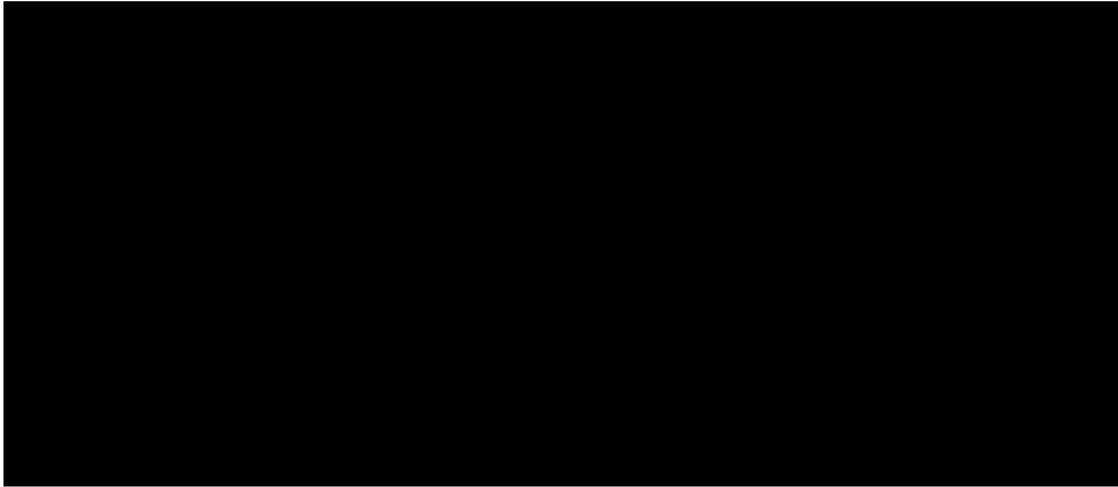
2. Key RFP Dates

The RFP was issued on November 25, 2015.

Respondent Proposal Information and proposed contract modifications were received on December 4, 2015.

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

Pricing was received on December 8, 2015 from [REDACTED] suppliers. The bidders were:



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

The respondents were informed of awards on December 8, 2015.

3. Contract Submissions

[REDACTED] bidders 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] bidders 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.

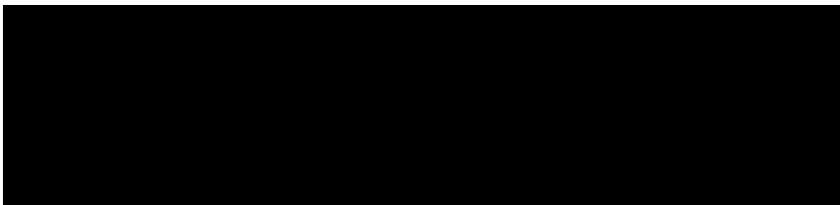
5. Award of Existing Renewable RECs

[REDACTED] bidders 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 December 9, 2015, National Grid shared the REC bids with the Rhode Island Division of Public Utilities and Carriers, Office of Energy Resources, and the Economic Development Corporation.

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 the [REDACTED] in this RFP. As a result, the Company awarded [REDACTED] New RECs for 2015. With this RFP, the Company estimates it has procured [REDACTED] of the New RECs needed to meet its estimate of the 2015 New REC obligation ([REDACTED] from the current and previous purchases and [REDACTED] from RECs provided by Long-Term Contracts²).

Also, the Company awarded the [REDACTED] New RECs for 2016, which represents approximately [REDACTED] of the estimated 2016 RES obligation. The Company anticipates [REDACTED] of the 2016 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 REC's for 2015. With this RFP, the Company estimates it has procured [REDACTED] of the Existing RECs needed to meet its estimate of the 2015 Existing REC obligation.

Finally, the Company awarded [REDACTED] Existing RECs for 2016. The Company estimates it has procured [REDACTED] of its 2016 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;
- 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 2015, as well as for 2012 through 2014.³

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

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

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 May 1, 2015, National Grid has not accepted any unsolicited offers for 2015 or 2016 RI RECs.

EXHIBIT 1
CALCULATION OF REQUESTED RECs

REDACTED DOCUMENT

Attachment 1
National Grid: Page 6 of 12
Docket No. 4490
Docket No. 4556

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

REDACTED DOCUMENT

Attachment 1
National Grid: Page 9 of 12
Docket No. 4490
Docket No. 4556

EXHIBIT 5
SUMMARY OF WINNING BIDS

EXHIBIT 6
REC PROCUREMENT PLAN STATUS

EXHIBIT 7
GIS CERTIFICATE STATISTICS REPORTS

Quarter	RI RES Eligible	# Certificates
2012 Q1	NEW	381,871
2012 Q2	NEW	336,979
2012 Q3	NEW	350,028
2012 Q4	NEW	427,644
		1,496,522

Quarter	RI RES Eligible	# Certificates
2012 Q1	EXISTING	553,816
2012 Q2	EXISTING	521,248
2012 Q3	EXISTING	280,746
2012 Q4	EXISTING	484,798
		1,840,608

Quarter	RI RES Eligible	# Certificates
2013 Q1	NEW	504,373
2013 Q2	NEW	520,286
2013 Q3	NEW	491,361
2013 Q4	NEW	645,566
		2,161,586

Quarter	RI RES Eligible	# Certificates
2013 Q1	EXISTING	554,470
2013 Q2	EXISTING	605,281
2013 Q3	EXISTING	453,402
2013 Q4	EXISTING	366,911
		1,980,064

Quarter	RI RES Eligible	# Certificates
2014 Q1	NEW	723,822
2014 Q2	NEW	658,045
2014 Q3	NEW	625,980
2014 Q4	NEW	786,165
		2,794,012

Quarter	RI RES Eligible	# Certificates
2014 Q1	EXISTING	463,152
2014 Q2	EXISTING	604,267
2014 Q3	EXISTING	420,021
2014 Q4	EXISTING	499,963
		1,987,403

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 %
2015 Q1	NEW	793,612	69,790	10%	vs 2014 Q1	2015 Q1	EXISTING	487,617	24,465	5%
2015 Q2	NEW	749,764	91,719	14%	vs 2014 Q2	2015 Q2	EXISTING	567,453	(36,814)	-6%
2015 TOTAL		1,543,376	161,509	12%	vs total through 2014 Q2	2015 TOTAL		1,055,070	(12,349)	-1.16%

EXHIBIT 8
NEW ENGLAND TIER 1 RPS OBLIGATIONS

	RI**	MA*	NH	ME	CT
2010	2.50%	5.00%	1.00%	3.00%	7.00%
2011	3.50%	6.00%	2.00%	4.00%	8.00%
2012	4.50%	7.00%	3.00%	5.00%	9.00%
2013	5.50%	8.00%	3.80%	6.00%	10.00%
2014	6.50%	9.00%	5.00%	7.00%	11.00%
2015	6.50%	10.00%	6.00%	8.00%	12.50%
2016	8.00%	11.00%	6.90%	9.00%	14.00%
2017	9.50%	12.00%	7.80%	10.00%	15.50%
2018	11.00%	13.00%	8.70%	10.00%	17.00%

* Includes the Solar Carve-Out SREC I and SREC II Minimum Standards

** 2015 % for RI changed to reflect RI PUC decision to delay the RES increase for 2015 by one year as a result of the information provided in PUC Docket 4404 - Review into the Adequacy of Renewable Energy Supplies