

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

**IN RE: THE NARRAGANSETT ELECTRIC :
COMPANY d/b/a NATIONAL GRID : DOCKET NO. 4542
RENEWABLE ENERGY GROWTH FACTOR :**

REPORT AND ORDER

On December 30, 2014, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed its Renewable Energy Growth Factor (RE Growth Factor) for the period April 1, 2015 through March 31, 2016, pursuant to R.I. Gen. Laws § 39-26.6-25.¹ The filing provided an estimate of the expenses National Grid expects to incur during the initial year of the RE Growth Program as well as a Performance Based Incentive and remuneration to the Company, all of which are recoverable through a fixed monthly charge assessed on all distribution customers during the year.² This filing is made three months prior to the beginning of the initial program year and then reconciled each year thereafter, within three months after the end of each program year at which time a new factor is proposed.³

In its current filing, the Company proposed delaying implementation of the RE Growth Factor until July 1, 2015, until it could predict its expenses with certainty.⁴ The testimony asserted that the proposed tariffs, proposed solicitation and enrollment process rules, and ceiling price recommendations submitted by the Distributed Generation Board

¹ All filings in this docket are available at the PUC offices located at 89 Jefferson Boulevard, Warwick, Rhode Island or at <http://www.ripuc.org/eventsactions/docket/4542page.html>.

² Renewable Energy Growth Filing Joint Pre-filed Direct Testimony at 6-7 (Dec. 30, 2014).

³ R.I. Gen. Laws § 39-26.6-5.

⁴ Joint Pre-filed Direct at 7.

had not yet been approved by the Commission.⁵ It also noted that National Grid was still planning for resources, system modifications, training, and various other activities related to the implementation and administration of the RE Growth Program.⁶ Although it requested additional time to complete its estimates, the Company provided an estimate of \$1.6 million in expenses, \$0.6 million of which was Performance Based Incentive, which would result in a \$0.17 increase per month to the bill of an average residential standard offer service customer using 500 kWh per month.⁷

On May 22, 2015, National Grid filed a Supplemental Renewable Energy Growth Filing with estimated RE Growth Program expenses and a proposed RE Growth Factor for the period July 1, 2015 through March 31, 2016.⁸ The Supplemental Filing updated the Company's estimate of costs incurred in implementing and administering the RE Growth Program from \$1.6 million to \$1.7 million, resulting in an impact to the average residential customer using 500 kWh per month of \$0.18.⁹

The various components of the \$1.7 million estimate included the approximately \$0.6 million of Performance Based Incentive payments; approximately \$1.2 million of implementation and administrative costs such as billing and systems; the Distributed Generation Board and labor expense; \$1,054 of meter investment; and \$11,000 estimated remuneration, which is 1.75% of annual value of Performance Based Incentive paid to distributed generation projects that National Grid is statutorily entitled to collect.¹⁰ In addition to proposing a \$0.17 RE Growth Factor for the Residential classes, National

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* at 11, 19.

⁸ Supplemental Renewable Energy Growth Filing Joint Pre-filed Direct Testimony (May 22, 2015).

⁹ *Id.* at 3.

¹⁰ *Id.* at 4-7, Sch. NG-1-Supplemental.

Grid proposed 1) \$0.26 for the C-02 Small Commercial class, 2) \$2.46 for G-02 Large Commercial class, 3) \$17.78 for B/G-32 Industrial class, 4) \$347.07 for B/G-62 Industrial class, 5) \$347.07 for X-01 Electric Propulsion class, and 6) \$0.07 for Streetlighting.¹¹

On June 18, 2015, the Division of Public Utilities and Carriers (Division) filed a memorandum stating that the filing of the RE Growth Factors complied with the law and recommending that they go into effect July 1, 2015. The Division reserved its right to further review the reasonableness of the costs and make recommendations regarding that subsequent review.¹²

At an Open Meeting held on June 29, 2015, based on the recommendation of the Division, the PUC voted to approve National Grid's proposed RE Growth Factors for effect on July 1, 2015 through March 31, 2016.

Accordingly, it is

(22502) ORDERED:

The Narragansett Electric Company d/b/a National Grid's proposed 2015 Renewable Energy Growth Factors, as filed on May 22, 2015 for effect July 1, 2015 through March 31, 2016, are approved. Based on the information provided and the recommendation of the Division, the Commission found the factors proposed to be reasonable and consistent with the statute.

¹¹ Supplemental Renewable Energy Growth Filing Joint Pre-filed Direct Testimony at 7.

¹² Division Mem. (June 18, 2015).

EFFECTIVE JULY 1, 2015 IN WARWICK, RHODE ISLAND PURSUANT TO AN OPEN MEETING DECISION ON JUNE 29, 2015. WRITTEN ORDER ISSUED AUGUST 5, 2016.

PUBLIC UTILITIES COMMISSION




Margaret E. Curran, Chairperson

Paul J. Roberti, Commissioner*


Herbert F. DeSimone, Jr., Commissioner

*Commission Roberti did not participate in this decision.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.