STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PETITION OF WED COVENTRY ONE, LLC, WED COVENTRY TWO, LLC, WED COVENTRY THREE, LLC, WED COVENTRY FOUR, LLC, WED COVENTRY FIVE, LLC, and WED COVENTRY SIX, LLC	Docket No.

PETITION FOR DISPUTE RESOLUTION

This is a petition brought by WED Coventry One, LLC, WED Coventry Two, LLC, WED Coventry Three, LLC, WED Coventry Four, LLC, WED Coventry Five, LLC and WED Coventry Six, LLC (collectively Petitioners) against the Narragansett Electric Company dba National Grid (NGrid or Respondent) to resolve disputes related to interconnection pursuant to section 9.2 of the Narragansett Electric Company's Standards for Connecting Distributed Generation, RIPUC #2078" (the "Tariff). Petitioners assert that NGrid is: 1) overdue to issue its impact studies to Petitioners for all of these projects pursuant to R.I. Gen. Laws §39-26.3-3(d) and 16 U.S.C. 824(e) and 16 U.S.C. §2621; 2) overdue to interconnect Coventry 1 and 2 pursuant to section 3.4 of the Tariff and 16 U.S.C. 824(e) and 16 U.S.C. §2621; 3) inappropriately and illegally charging Petitioners for the cost of system upgrades benefitting other customers pursuant to section 5.4 of the Tariff and 16 U.S.C. 824(e) and 16 U.S.C. §2621; and 4) unfairly and improperly administering the interconnection of distributed generation of renewable energy pursuant to R.I. Gen Laws §§39-1-1(a)(1)-(2); 39-1-1(c); 39-1-27.6; 31-9-3; 31-9-11 and 16 U.S.C. 824(e) and 16 U.S.C. §2621. Petitioners seek the Commission's investigation of interconnection rates and charges pursuant to R.I. Gen. Laws §39-1-3(a), prompt resolution of any violations of law and the Tariff, and an investigation of whether NGrid's interest in transmission, distribution and natural gas presents a conflict of interest making them unable to fairly and properly administer the interconnection of distributed generation of

renewable energy in a just, reasonable and non-discriminatory manner. The parties have attempted good faith negotiation pursuant to section 9.1 of the Tariff but have not been able to resolve these disputes.

Facts

1. COV1 and COV2

WED Coventry One, LLC intends to construct a 1.5 megawatt (MW) wind turbine that will be located at 210 Piggy Lane – RI Plat 310, Lot 9 in Coventry, Rhode Island ("COV 1") and will net meter some of the produced electricity to the Town of Coventry pursuant to a municipal net metering finance arrangement and intends to enter a contract with Respondent for the sale of the rest of the electricity from that turbine. WED Coventry Two, LLC intends to build three 1.5MW turbines on separate property off of Piggy Lane in Coventry (COV2, 2A and 2B) all of which are expected to be net metered to a public entity. WED Coventry One, LLC applied to respondent for interconnection of COV1 on January 8, 2013. WED Coventry Two, LLC applied to respondent for interconnection of COV2 on January 8, 2013.

Respondent completed a feasibility study for COV 1 on March 5, 2013, estimating an interconnection cost of $270,502 to interconnect COV 1 to Defendant's distribution system, or approximately $180 per kilowatt. WED Coventry One, LLC competed for a Distributed Generation Standard Contract (DG Contract) for the sale of electricity, renewable energy credits (RECs) and capacity from COV1 pursuant to R.I. Gen. Laws §39-26.2-1, et seq (the Act). Respondent contended that COV1 was not eligible for such a DG Contract because it was larger than the 1.5MW class category established for wind turbines when combined with the adjacent turbine planned by WED Coventry Two, LLC (COV2) that was not proposed for inclusion in the DG Contract application for COV1. After administrative litigation, on June 28, 2013, the Rhode Island Public Utilities

Commission (PUC) rejected Respondent's position and ordered Respondent to enter a DG Contract with WED Coventry One, LLC for COV1. PUC Docket 4277/4288, Order 21087.

On August 2, 2013, WED Coventry One, LLC and Respondent executed a DG Contract for COV1 (the Contract). In the Contract, Respondent committed to pay a price of $148 per MWh for the electricity, renewable energy credits and capacity from COV1. The Distributed Generation Standard Contract Board set the ceiling price for the Contract at an amount sufficient to fund the projected cost of developing a 1.5MW wind turbine and a rate of return on investment. The pricing model assumed that Respondent would charge a total interconnection cost of $100 per kilowatt for interconnection of a 1.5MW wind turbine to the distribution system. The Contract required Plaintiff to pay a non-refundable Performance Guarantee Deposit of $46,905, as required by the Act. The Contract required that COV1 must be operating within eighteen months of execution of the Contract, or else the Contract would be terminated and WED Coventry One, LLC would forfeit its Performance Guarantee Deposit to ratepayers, pursuant to the Act. On June 16, 2013, WED Coventry One, LLC applied for an impact study for COV1, sending NGrid a check for $10,000.

On January 15, 2014, Wind Energy Development, LLC (WED), filed a petition with the PUC contending, among other things, that Respondent was charging WED projects an interconnection tax from which they were exempt under federal law, overcharging WED projects for the cost of interconnection, and not complying with the mandated schedules for the interconnection feasibility and impact study processes. PUC Docket 4483. On April 2, 2014, WED Coventry Two, LLC signed an impact study agreement for COV2 and paid the $10,000 fee. At that time, the parties resolved that the impact of COV1 and COV2 would be studied again, this time together.

On April 17, 2014, Defendant sent Plaintiff a joint Impact Study for WED COV 1 and WED COV 2. NGrid had determined that it was feasible to interconnect COV and COV2 to the 12.47kV

distribution system at Coventry 54 substation. The Company required prepayment of an estimated interconnection cost of $1,126,540 for the two projects, or approximately $375 per kilowatt, almost four times the amount of interconnection cost projected for the DG Contract price and almost twice the estimated cost of interconnecting COV1 as first provided in the Feasibility Study. $907,000 of the quoted interconnection cost of COV1 and COV2 was for "System Modifications to the Company EPS" including "Engineering, design, construction and testing for revenue metering, feeder modifications, reclosers, disconnect switches, and remote stations modifications." $22,400 of the quoted interconnection cost was for "Interconnecting Customer Interconnection Facilities" including "engineering review and acceptance, and compliance verification of the ICIFs including all required drawings and equipment spec reviews, relay settings, and construction." $197,140 of the quoted interconnection cost was for the interconnection tax currently under dispute in Docket 4483.

Respondent's Interconnection Tariff provides that Respondent may not charge Petitioners the cost of improvements to the Company's EPS that are needed to service other customers and can only charge for system modifications necessary to allow for safe operation of the Project with Respondent's distribution system. Tariff §5.4, Sheet 39. The EPS servicing COV1 and COV2 is more than forty years old and if it had been properly maintained and upgraded it would be well able to accommodate the requested interconnections for COV1 and COV2 without these expensive system modifications.

The Impact Study for COV1 and COV2 estimated a schedule of eighteen to twenty-four months to complete the system modifications necessary to interconnect COV1 and COV2. Defendant's Interconnection Tariff allows a maximum time of 150 days for Defendant to complete its most lengthy and stringent interconnection process, the "Standard Process." The Tariff, §3.4, Sheet 17.

WED Coventry One, LLC and WED Coventry Two, LLC cannot operate COV1 and COV2 until the projects are interconnected. Respondent's position that it would take eighteen to twenty four months to make the system modifications necessary to interconnect COV1 and COV2 forces COV1 to miss its contractual deadline to deliver power from COV1, resulting in forfeiture of COV1's paid performance guaranty deposit. Respondent's price to interconnect COV1 and COV2 made the DG Contract for COV1 economically unsustainable. Given the results of the Impact Study, WED Coventry One, LLC asked Respondent to extend the production deadline or terminate the contract and refund the deposit, but Respondent refuses to do either. It has now been over 600 days since WED Coventry One, LLC and WED Coventry Two, LLC first applied to interconnect COV1 and COV2 and Respondent has yet to complete the standard interconnection process or give them an Interconnection Agreement.

WED Coventry One, LLC has been damaged by the delayed interconnection and supply of electricity from COV1. The Town of Coventry is also damaged by the delayed interconnection of COV1 because it is unable to access energy under contract to be provided from that project. WED Coventry Two, LLC is damaged by the delayed interconnection and generation of electricity from COV2.

In response to concerns COV1 and COV2 raised with National Grid regarding the interconnection of these two turbines, National Grid reassured the projects that if they wanted to interconnect additional turbines to these circuits there would be additional capacity based on the proposed improvements to the distribution system. In large part due to the magnitude of the proposed cost of interconnecting COV1 and COV2 and in response to National Grid's suggestion, Wind Energy Development resolved to develop eight additional turbines on this and one other circuit in

Coventry, so that the cost of National Grid's proposed system upgrades could be spread among more turbines, making them cost effective.

II. COV2A through COV6

WED Coventry Two, LLC plans two additional 1.5MW turbines for construction on property located at 0000 Victory Highway in Coventry (COV2A and COV2B). WED Coventry Three, LLC has planned a 1.5MW wind turbine for construction on property located at 5555 Flat River Road in Coventry (COV3) that has applied for a DG Standard Contract. WED Coventry Four, LLC plans a 1.5MW turbine for construction on property located at 000 Flat River Road in Coventry (COV4). WED Coventry Five, LLC plans a 1.5MW turbine for construction on property located at 000 Flat River Road in Coventry (COV4). WED Coventry Five, LLC plans a 1.5MW turbine for construction on property located at Assessors Plat Map 304, Lot 2 in Coventry (COV5). WED Coventry Six, LLC plans three 1.5MW turbines for construction on property located at 00000 Victory Highway (Assessors Plot 303, Lot 003) (COV6), 00000 Perry Hill Road (Assessors Plat 310, Lot 018) (COV6A) and 2301 Victory Highway (Assessors Plat 304, Lot 003) (COV6B) all in Coventry. All of the proposed projects, COV1 through COV6B, interconnect at two substations that will provide adequate interconnection capacity for these projects per National Grid. The interconnection impacts to one of those substations was fully studied with the impact study for COV1 and COV2.

WED Coventry Two, LLC applied to Respondent for interconnection of COV2A and 2B on August 4, 2014. WED Coventry Three, LLC applied to Respondent to interconnect WED3 on August 27, 2013. WED Coventry Four, LLC applied to Respondent to interconnect WED4 on September 13, 2013. WED Coventry Five, LLC applied to Respondent to interconnect WED5 on July 29, 2014. WED Coventry Six, LLC applied to Respondent to interconnect WED6 on August 4, 2014. WED2 through WED6 filed complete applications for impact studies with Respondent for COV2A,

COV2B, COV3, COV4, COV5, COV6, COV6A and COV6B on August 15, 2014. In all, these projects paid an additional $65,000 for the study of interconnections on two circuits. One of those circuits had already been studied for the interconnection of COV1 and COV2. NGrid closed out an alleged DTT line issue for WED3 through WED6 on September 11, 2014, but then Respondent continued to raise issues regarding the DTT line. On November 4, 2014, NGrid sent Petitioners correspondence that the impact studies for these projects would be complete within one week. WED3 through WED6 sent NGrid ramp up information for the turbines (which are the same make and model for all projects) on November 11, 2014, the manufacturer confirmed that information upon NGrid's request November 17, 2014 and responded to another, repeated question about ramp up on November 21, 2014.

On December 18, 2014, Respondent issued its joint impact study for all ten turbines planned in Coventry. The impact study used load data and power ramp rates from the Goldwind turbine previously developed in North Kingstown despite the more accurate data that had been provided for the Vensys turbines planned to be used in Coventry. Based on load characteristics studied for the wrong make of turbine, National Grid determined that no more than three turbine could be interconnected to the 12.47kV distribution system at Coventry substation 54, a contradiction of National Grid's position that the investment in upgrades contemplated in the first impact study would accommodate the proposed additional load on that circuit. As a result of that new conclusion, National Grid rejected the interconnection of three of the four turbines evaluated for interconnection on the 12.47kV distribution system at Coventry substation 54.

The new impact study requires prepayment of an estimated cost of $5,166,918 to interconnect three turbines to Coventry substation 54 (despite approval of only one turbine for interconnection there) and $7,592,626 to interconnect four turbines at Coventry substation 63, for a total of

$12,759,544. Of that total, $12,718,344 is for system improvements, including installation of reconductor and line extensions and substation upgrade work. In contrast, the Company proposes only $41,200 as the cost of the customer interconnection facilities. The Company proposes to pass through a total tax of $2,320,780 for these proposed interconnections.

The new impact study did not provide even an estimated schedule for the completion of this interconnection work. Now Respondent is proposing to refer COV1 through COV6 to ISO for additional approval processes before Respondent grants interconnection, despite that Petitioners resolve ISO jurisdictional issues (if any) directly with ISO.

Petitioners' COV2 through COV6 development projects are harmed by National Grid's inaccurate impact study that disallows interconnection of three of the proposed turbines, proposes to charge the projects almost $13 million for system upgrades (including an interconnection tax under dispute in Docket 4483) and refusal to commit to a schedule for the interconnections.

III. History of Interconnection Administration

Church Community Housing, a non-profit housing corporation, planned a wind project to offset electricity costs at its low-income housing project in Tiverton, Rhode Island and offer an environmentally conscious housing choice in Rhode Island. They attended numerous interconnection planning meetings with Respondent, working closely to plan the installation pursuant to Rhode Island's net metering law. Church Community Housing initially planned to distribute electricity to the housing units but based on the amendments to Rhode Island's net metering law and the Tariff, and in close consultation with National Grid, they opted to send energy to the grid in exchange for renewable generation credits to be applied toward consumption at the project. Respondent produced an interconnection feasibility study for the project. Church Community Housing proceeded with the project, ordering their turbine. When they applied to National Grid for an interconnection agreement

National Grid announced a "new policy" under which it refused to consider the turbine a net metering project because its onsite load did not equal at least twenty five percent (25%) of the turbine's nameplate capacity. The turbine sat on the ground for many months at great cost to housing development. Church Community Housing was forced to litigate this obstruction before the Division of Public Utilities and Carriers in Docket D-10-126. National Grid ultimately settled, allowing the project to net meter.

NEO Energy proposed a 500kw anaerobic digestion distributed generation standard contract project in the Quonset Business Park. The ceiling price for the distributed generation program assumed an interconnection cost of $150,000. In May 2013, Respondent produced a feasibility study estimated interconnection cost of $161,000 for the project. In August 2013, the Impact Study required substation upgrades at an estimated interconnection cost of $500,000 to $900,000, significantly exceeding the cost of the generating equipment for the project. The project was no longer economically viable and had to withdraw from the distributed generation program.

The Commission is aware of the interconnection issues raised in Docket 4483, some of which remain unresolved.

IV. §9.1 Consultation

Petitioners sent Respondent a draft of this Petition on December 8, 2014, seeking good faith negotiation of a resolution prior to filing. On December 11, 2014, Petitioners provided the requested information and performance guaranty deposits to enroll COV3 and COV4 in the distributed generation standard contract program. On December 11, 2014, John Kennedy of National Grid, sent Petitioners an email saying:

> Thank you again for the real time wind speed/generation information captured from the NK Green wind interconnection, it was critical to perform the long term dynamic modeling that was needed to accurately understand the impact of the proposed project to other customers fed from the electric distribution system in the area. The results showed significant voltage issues

> with all 15MW's of wind generation operating as currently proposed and showed that the wind generation cannot be fed from the existing electric distribution system in the area, without extensive mitigation in the form of significant conductor size upgrades or a brand new sub-transmission circuit brought to the wind turbine PCCs.
>
> Based on today's review, our engineers are now working to complete the Impact Study by Tuesday, end of business so that we can review results with your team on Wednesday of next week if you are available. We are still running additional models to complete the study and I will provide for your review in advance of meeting as soon as I am able to. To further study the interconnection of the 15MWs and all 6 points of interconnection we would need to advance to a Detailed Study as provided within the tariff and will review this option when we meet next week also. This additional study can incorporate any new generation data (at a fixed ramp rate) based on expected wind speed (from the NK Green data) if the manufacturer of the wind turbines is able to provide. This new data could potentially assist in mitigating the voltage concerns we are finding.

A "Detailed Study" is included as part of the Standard Process defined in the Tariff, which process is to be completed within 150 days. On December 18, National Grid issued the revised impact study, denying interconnection of three of the proposed turbines and requiring prepayment of almost $13 million in interconnection costs. National Grid has communicated its intent to refer COV1-6 to ISO-NE's interconnection process (Operating Procedure 14) for projects exceeding 5MW in size despite the fact that none of the proposed projects exceed 5MW in size and ISO-NE staff have made it clear to COV1-6 that it does not have jurisdiction over the interconnection of these projects.

In an attempt to seek a collaborative resolution of these interconnections, COV1-6 committed the turbine manufacturer and engineering staff to meet with National Grid's engineering staff in order to evaluate the correct turbine information and to reconsider a plan to efficiently and cost effectively interconnect these turbines. The teams spent a day in the field evaluating interconnection options and have continued the consultation in additional meetings and calls. As a result of those consultations, COV1-6 proposed to design, engineer and construct the interconnection of the ten proposed turbines at its own cost. The proposed plan includes the installation of approximately twelve miles of conduit and the construction of a new substation that would then be given to National Grid. The estimated

budget for this project is approximately $4 million. The proposal allows National Grid to produce its own construction estimate for the planned interconnection and to control the construction if the estimate is reasonable. National Grid refuses to commit its team to collaborate in the proposed process pursuant to a committed schedule for interconnection of the Coventry projects. National Grid insists on the commencement of a new impact study subject to a new and undetermined schedule.

COV1-6 have participated in the tariff revision workshops conducted for the revision of National Grid's interconnection tariff as mandated in Docket 4483. National Grid has not accepted or incorporated amendments proposed by COV1-6 to ensure timely and reasonably priced interconnections. Instead, National Grid has proposed amendments that largely serve its own interests regarding the interconnection of these projects including an amendment of the time frames required for interconnection and incorporation of its position on ISO-NE jurisdiction and its discretion to refer projects to ISO-NE for interconnection review.

Conclusion & Requested Relief

Respondent is in violation of the deadlines for interconnection studies and interconnection. Respondent is improperly assessing Petitioners the costs of system improvements that are necessary for adequate service to its customers. Moreover, Respondent has demonstrated an inability to fairly and properly administer the interconnection of distributed generation of renewable energy. Therefore, Petitioners ask the Commission for the following relief:

1. Order Respondent to Immediately issue corrected Impact Studies and enter Interconnection Agreements for COV1 through COV6; and

2. Order Respondent to either interconnect COV1 through COV6 within 150 days of receipt of the Interconnection Application for those projects or show cause why any of these projects have not, cannot or will not be interconnected within that amount of time and provide a binding schedule for interconnection of COV1 through COV6 as soon as possible, if necessary allowing COV1-6 to design, engineer and manage their own interconnections on their own schedule, using qualified personnel and subject to Respondent's timely review and approval; and

3. Order Respondent to provide a reasonable estimate of the cost of interconnecting COV1 through COV6 or allow the projects to design, engineer and construct the interconnection in consultation with National Grid; and

4. Order Respondent not to charge an interconnection tax to this project until the question of whether such a tax is owed is resolved in Docket 4483; and

5. Investigate and determine whether NGrid's interest in transmission, distribution and natural gas present a conflict of interest making them unable to fairly and properly administer the interconnection of distributed generation of renewable energy in Rhode Island and, if so, issue any Orders necessary to either resolve the conflict or ensure fair and proper administration, including, but not limited to, consideration of an order to amend the existing Tariff so that developers can design, engineer and manage their own interconnections at their own cost, using qualified personnel and subject to Respondent's timely review and approval; and

6. Provide any other relief the Commission deems reasonable.

WED COVENTRY ONE, LLC, WED COVENTRY TWO, LLC, WED COVENTRY THREE, LLC, WED COVENTRY FOUR, LLC, WED COVENTRY FIVE, LLC, and WED COVENTRY SIX, LLC

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CERTIFICATE OF SERVICE

I hereby certify that on January 16, 2015, I delivered a true copy of the foregoing document to National Grid by electronic mail.