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February 13, 2015

Via Electronic Mail

Cynthia Wilson-Frias
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Re: Docket No. 4547 – In Re: Petition of WED Coventry One, LLC, et al.

Dear Cindy:

Enclosed for filing in the above-referenced matter is the Answer of The Narragansett Electric Company, d/b/a National Grid to Petition for Dispute Resolution. Hard copies will not be provided unless requested.

Thank you for your attention to this filing. If you have any questions, please feel free to contact me at (401) 274-2000.

Sincerely,

Adam M. Ramos

AMR:cw
Enclosure

cc: Docket No. 4547 Service List (electronically only)

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.: 4547

ANSWER OF THE NARRAGANSETT ELECTRIC COMPANY, D/B/A NATIONAL GRID TO PETITION FOR DISPUTE RESOLUTION

National Grid[1] submits this response to Petitioners 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's (collectively, WED) petition under section 9.2 of Tariff No. RIPUC 2078, The Narragansett Electric Company Standards for Connecting Distributed Generation (the Interconnection Tariff).

I. INTRODUCTION

National Grid has dutifully and properly fulfilled all its obligations under the Interconnection Tariff in connection with the six separate wind energy generation projects proposed by WED. In fact, National Grid has worked diligently with WED to try to achieve interconnection of its proposed 15MW of wind energy. WED, however, has regularly impeded the progress of its own projects by failing to provide necessary information for National Grid to study the system impacts of the proposed interconnection, and by increasing the scope of its project, which originally was presented as a single 1.5MW turbine, and now has expanded to 10 separate 1.5MW turbines with six points of interconnection.

[1] The Narragansett Electric Company d/b/a National Grid (referred to herein as National Grid or the Company).

Despite the difficulties, National Grid and WED have been working together to develop a mutually agreeable resolution to get the projects interconnected. Therefore, this petition is a distraction, filled with baseless requests for relief. Simply put, WED is not entitled to any of the relief it seeks. As demonstrated, *infra*, National Grid has provided all impact studies in a timely manner under the Interconnection Tariff, has no current obligation to provide an executable interconnection agreement, is entitled to charge WED for all System Modifications it has identified as necessary in connection with the proposed interconnection, and has the right to charge for tax gross ups associated with those System Modifications. Additionally, there is no legal or factual basis to (1) order National Grid to allow developers to design and develop the System Modification necessary for interconnection, or (2) require that National Grid interconnect customers within 150 days. Finally, WED has presented no basis to support opening an investigation into whether National Grid can fairly administer the interconnection of renewable energy distributed generation, and, in any event, the dispute resolution process under the Interconnection Tariff is not the proper vehicle for requesting such an investigation.

II. FACTS

National Grid has been working with WED toward interconnection of its wind turbine projects for more than two years. What started out as a single 1.5 MW turbine (COV-1), has now grown to six projects comprised of 10 separate 1.5 MW turbines. Over time, National Grid has responded and reacted to WED's changing project as nimbly as it could. Meanwhile, WED has repeatedly failed to provide additional requested information in a timely manner and made material changes to the nature of its projects that have delayed the various studies that WED has asked National Grid to perform. Nevertheless, National Grid has continued to work as

collaboratively as possible with WED, and the parties continue to make progress toward an interconnection resolution that will allow for interconnection of all 10 WED turbines.

WED's recitation of the facts, however, is incomplete and misstates or mischaracterizes several points.[2]

A. Original WED Application

WED submitted an interconnection application of a single turbine – COV-1 – in January of 2013 and submitted a feasibility study fee on February 27, 2013. Only six days later, on March 5, 2013, National Grid provided a feasibility study for COV-1, which quoted an estimate of $270,502 for the cost of interconnecting COV-1. Under the Interconnection Tariff, a feasibility study provides "an estimate of the cost of interconnecting" that "cannot be relied upon by the applicant for purposes of holding the Company liable or responsible for its accuracy . . . ." Interconnection Tariff, Sheet 4. WED then requested an impact study for COV-1, and National Grid provided WED with an impact study agreement and invoice for the $10,000 fee for that impact study on March 6, 2013 and March 7, 2013, respectively. WED signed the impact study agreement for COV-1 on March 11, 2013, but WED had not yet paid the invoice. WED did not pay the impact study fee for COV-1 until June 21, 2013.

Before WED had even requested the feasibility study for COV-1, however, WED submitted an interconnection application of COV-2, which National Grid reviewed and determined was complete on February 25, 2013. On July 3, 2013, after WED paid the impact study fee for COV-1, National Grid representatives met with WED representatives at the site of COV-1 and COV-2. At that meeting, National Grid and WED collectively determined that

[2] WED's discussion of the experiences of other customers in the interconnection process is irrelevant and inappropriate. National Grid disputes WED's characterization of those customer interactions, but will not discuss other customers because to do so would violate the confidentiality that National Grid provides for its customers' information.

National Grid would perform a single impact study for both COV-1 and COV-2, and would provide a single cost estimate from that impact study for both projects. National Grid informed WED at this time that WED would need to sign a separate impact study agreement and pay a separate impact study fee for COV-2 for National Grid to perform this joint study. Three weeks later, on July 22, 2013, National Grid told WED that it would need voltage flicker data to be able to conduct and complete the impact studies for COV-1 and COV-2.

On August 9, 2013, National Grid informed WED that the National Grid engineer assigned to the project was on vacation and that it would provide an impact study agreement for COV-2 once the engineer returned. National Grid also informed WED that the impact study fee for COV-2 would exceed $10,000. Subsequently, on September 23, 2013, National Grid provided the impact study agreement for COV-2, which stated that the impact study fee would be $30,000. On October 2, 2013, National Grid informed WED that WED had to sign the COV-2 impact study agreement, pay the $30,000 fee for COV-2, and provide the requested voltage flicker data before National Grid could issue the impact study. After several reminders from National Grid, WED finally provided voltage flicker data for Goldwind turbines on December 2, 2013. That data, however, was not sufficient for the completion of the study, and WED ultimately provided the necessary voltage flicker data (for Goldwind turbines) on January 16, 2014. However, WED still had not provided a signed impact study agreement for COV-2, nor had it paid the necessary impact study fee. Consequently, although National Grid had completed the impact study, it could not issue it.

It was not until April 4, 2014 that WED provided a signed impact study agreement for COV-2. Two weeks later, on April 18, 2014, National Grid delivered the completed combined impact study for COV-1 and COV-2. Because the total size of the project being studied doubled

(from 1.5 to 3 MWs), and with minimum load in the area less than this larger size, the combined impact study demonstrated that additional significant modifications would be necessary at the substation serving the area to safely and reliably interconnect both turbines. Therefore, National Grid calculated an estimate of $1,126,540 to complete the necessary work to interconnect the two projects. This cost estimate included: (1) the costs to interconnect the turbines at their respective sites, (2) the costs of needed changes at the substation necessary to safely interconnect the turbines (defined in the Interconnection Tariff, Sheet 7, as System Modifications), and (3) tax liability related to capital associated with System Modifications. Additionally, the impact study indicated that the construction timeline to complete the interconnection would be 18-24 months because of the significant substation work that National Grid would need to perform.

WED was dissatisfied with this impact study, and representatives from National Grid and WED met to discuss WED's proposed wind energy projects on May 1, 2014. National Grid and WED reviewed the impact study as well as feasibility studies National Grid had performed for two additional turbines – COV-3 and COV-4. National Grid offered to separate COV-1 and COV-2 and provide separate impact studies. WED, however, declined, and instead indicated its intention to pursue building as many as 9 turbines at once.

B. The Evolution of WED's Proposed Projects

Since National Grid provided the combined impact study for COV-1 and COV-2, WED and National Grid have been in regular communication about WED's plans to develop wind energy, and WED's proposal for its developments has been ever evolving. Following the May 1, 2014 meeting, WED has been pursuing a plan to develop at least 7 turbines simultaneously. By July 1, 2014, it became clear that WED intended to construct and interconnect 10 separate

1.5MW turbines on two separate circuits in the area. The full scope of the project now includes six separate points of interconnection for the ten turbines:

ENTITY	TURBINES
WED Coventry One, LLC	COV-1 – 1.5MW
WED Coventry Two, LLC	COV-2 – 1.5MW COV-2A – 1.5 MW COV-2B – 1.5 MW
WED Coventry Three, LLC	COV-3 – 1.5 MW
WED Coventry Four, LLC	COV-4 – 1.5 MW
WED Coventry Five, LLC	COV-5 – 1.5 MW
WED Coventry Six, LLC	COV-6 – 1.5 MW COV-6A – 1.5 MW COV-6B – 1.5 MW

National Grid has attempted to work with WED to facilitate the development and interconnection of these projects, and National Grid continues to do so. WED, however, has delayed that process by continually altering the details of the projects, failing to provide requested data in a timely manner, and pursuing efforts to interconnect individual turbines while simultaneously insisting that National Grid provide a study for the interconnection of all ten turbines together.

In this vein, WED provided complete revised applications for all ten turbines on August 6, 2014, and executed an impact study agreement for the interconnection of all ten turbines on August 15, 2014 to the existing 12.47kV electric distribution circuits in the area. However, during the combined study kick-off meeting on September 11, 2014, National Grid requested certain data specific to the newly proposed turbines, including additional voltage flicker data that it needed to complete the impact study. Therefore, National Grid notified WED that the study would be on hold until such time as WED provided the requested data. WED did not provide the

requested data until October 9, 2014 – effectively delaying progress on the impact study for one month. Once WED provided the requested voltage flicker data, National Grid had several meetings with WED in an effort to progress the projects and complete the impact study. National Grid representatives met with WED representatives on at least three occasions between October 15, 2014 and November 14, 2014, and also held a separate phone call with WED's principal on December 8, 2014. During these meetings and this phone call, National Grid and WED had open dialogue about additional steps that needed to be taken on both sides to complete the impact study and facilitate the interconnection of the ten turbines. Some of the issues discussed during these meetings included: (1) the need for Vensys (the turbine manufacturer) to provide the turbines' UL 1541.1 Listing information[3] and complete an active anti-islanding study, (2) the need for a temporary overvoltage study, (3) whether to move the point of interconnection for one of the turbines to a different point of interconnection, and (4) the need for a transmission planning study for ISO-NE.

National Grid provided a completed impact study for all ten of WED's proposed turbines on December 18, 2014. That impact study indicated that the electric system could only sustain interconnection of seven of the ten turbines to the existing 12.47kV electric distribution system in the area due to the study results showing voltage excursions beyond allowable limits and power quality issues for neighboring customers if all ten turbines were allowed to interconnect.

C. Current Status of WED Projects

WED was dissatisfied with the results of the combined impact study for the ten turbines. Since National Grid issued the ten-turbine impact study, National Grid and WED have been in regular contact – through phone calls and in-person meetings – discussing ways to facilitate the

[3] This would provide for various additional protection functionalities, as well as aid in anti-islanding. Unfortunately, the turbine vendor could not provide this Listing.

interconnection of all ten turbines at the least cost to WED. These meetings and discussion also have included representatives from the turbine manufacturer – Vensys. These discussions have included the possibility of building a sub-transmission circuit to facilitate connection of WED's turbines, as well as providing turbine generation output data for the Vensys turbines to be used in the projects (as opposed to the Goldwind turbine data previously provided). Throughout this process, National Grid has clearly communicated that: (1) whatever process the parties agreed to pursue for interconnection would require an additional study; and (2) National Grid is committed to completing any necessary study as quickly as possible, particularly given that National Grid already has received most of the data needed for the study.

Vensys provided wind generation data for its turbines in advance of a scheduled January 15 meeting with WED. National Grid applied that data and found that even with the new data the interconnection of the turbines would cause voltage quality problems. The parties resolved that (1) WED would provide new generation data, (2) National Grid would assess the possibility of bringing into the area a 23kV source for interconnection, and (3) National Grid would move forward as expeditiously as possible, although it could not commit in writing to a requested 30-day timeframe to provide an interconnection service agreement to WED.[4] The Company expects that bringing in a higher voltage source (23 kV versus 12.47 kV) might alleviate the voltage issues seen in the studies interconnecting to the existing lower voltage distribution system in the area.

On January 26, 2015, a National Grid representative spoke with WED's principal and promised to provide a new study for interconnection of all ten turbines to the 23kV circuit within 30 days of WED providing certain additional necessary information. On January 30, 2015,

[4] This request from WED stipulated that other issues WED has raised with National Grid would "go away" if National Grid complied with this demand, which involved numerous other issues unrelated to the specific technical interconnection issues associated with WED's turbines.

National Grid provided written confirmation that it had received the necessary information and that it was moving forward with preparation of the impact study for connection to a 23kV sub-transmission circuit. The written confirmation explained precisely what System Modifications National Grid would be studying to provide an estimate, including both an overhead and underground extension of the circuit. National Grid stated it would "endeavor to provide the 23kV interconnection Impact Study and estimates of both options as soon as possible." Since then, National Grid has remained in contact with WED regarding the progress of the study, as well as about WED's communications with ISO-NE.[5] National Grid also has communicated with WED about ways in which WED can reduce the cost of System Modifications and is willing to work with WED in this regard, so long as any proposed cost-reduction measures (such as WED performing excavation work for an underground circuit) do not conflict with National Grid's legal obligations.

In the meantime, National Grid and WED have executed three separate distributed generation standard power purchase agreements (PPA) for three separate turbines – COV-1, COV-3, and COV-4. The parties executed the COV-1 PPA on August 2, 2013. Under that PPA, WED paid a performance guarantee deposit of $46,905. Under the terms of that PPA, COV-1 must achieve output demonstration of its ability to produce electricity within 18 months of the date the parties executed the PPA. If it fails to do so, WED forfeits the performance guaranty deposit – a requirement driven by law and not National Grid. See R.I. Gen. Laws § 39-26.2-7(2)(iv). Thus, because WED did not achieve output demonstration by February 2, 2015 for COV-1, it has forfeited the $46,905 performance guarantee deposit.[6] Additionally, WED and

[5] On February 4, 2015, National Grid informed WED that it had initiated the transmission planning study per WED's request.

[6] On January 2, 2015, WED moved to intervene in Dockets 4277 and 4288 and filed an objection to National Grid's compliance filing in those dockets, which include the Company's report on the distributed generation contract

National Grid executed the PPAs for COV-3 and COV-4 on December 17, 2014, paying two separate performance guarantee deposits of $45,570 each. National Grid has every expectation that it can perform all its obligations under the Interconnection Tariff necessary to achieve interconnection of all ten proposed WED turbines by June of 2016[7] as long as (1) the parties continue to work together, (2) there are no further significant project scope changes, (3) there are no significant delays outside the Company's control, such as permitting issues, etc., and (4) WED agrees to comply with various ISO-NE requirements for the size of the generator projects proposed.

III. ARGUMENT

WED has made five separate requests for relief in its petition. First, WED has asked the PUC to order National Grid to "[i]mmediately issue corrected Impact Studies and enter Interconnection Agreements" for all ten turbines. Second, WED claims that the PUC should order National Grid to interconnect all ten turbines within 150 days, or show cause why that cannot be done 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 . . . ." Third, WED asks the PUC to order National Grid "to provide a reasonable estimate of the cost of interconnecting [the turbines] or allow the projects to design, engineer and construct the interconnection in consultation with National Grid[.]" Fourth, WED asks the PUC to prohibit National Grid from charging for taxes associated with System Modifications until resolution of the propriety of the tax charges in Docket 4483. Fifth, WED

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enrollments for the third enrollment period. The basis for WED's objection was an assertion that COV-1 should have been awarded a new distributed generation PPA in the third enrollment. This objection is baseless. At the time of that enrollment, WED already was under a PPA for COV-1. WED's attempts to terminate that contract were ineffectual because it refused to agree to surrender its performance guarantee deposit. Given that the COV-1 project already was the subject of another distributed generation PPA, it could not have been awarded a different contract in the third enrollment period.

[7] The deadline for WED to achieve output demonstration of the COV-3 and COV-4 projects is June 17, 2016.

asks the PUC to conduct an investigation into whether National Grid can fairly administer the interconnection of distributed generation of renewable energy.

WED's petition is not clear as to the obligations under the Interconnection Tariff with which it claims National Grid did not comply. WED appears to argue that: (1) the Interconnection Tariff requires that National Grid must interconnect a distributed generation project within 150 days of the interconnection application; (2) the System Modifications National Grid proposed to charge to WED are necessary to serve National Grid's customers, as opposed to necessary only for the safe interconnection of WED's turbines; and (3) National Grid is precluded from charging WED for taxes during the pendency of a dispute over whether those taxes are appropriate in a separate docket. Additionally, WED contends that National Grid might have some undefined conflict of interest in administering the interconnection of distributed generation renewable energy because it has an "interest in transmission, distribution and natural gas . . . ."

Each of these requests for relief and complaints is without merit.

A. <u>National Grid Has Timely Provided All Requested Impact Studies</u>

National Grid has provided all studies requested by WED in a timely manner, and National Grid is not overdue to interconnect any of WED's turbines under the timelines prescribed by the Interconnection Tariff.

The Interconnection Tariff provides timeframes for the provision of each type of study following an interconnection application. For impact studies for renewable distributed generation projects, the Interconnection Tariff sets a 90-calendar day timeframe. *See* Interconnection Tariff, Sheet 23, Table 1. That timeframe can be extended by mutual agreement. *See* Interconnection Tariff, Sheet 25, Note 1. That timeframe, however, is extended whenever a

delay in the process is caused by the "Interconnecting Customer[.]" *See* Interconnection Tariff, Sheet 17 & Sheet 25, Note 1. Notably, "[t]he Company clock is stopped when awaiting information from Customers." *See* Interconnection Tariff, Sheet 17. National Grid has provided all requested impact studies for WED's projects within the required time period, after accounting for delays caused by WED.

National Grid received a signed impact study agreement for COV-1 with payment on June 21, 2013. On July 3, 2013 only 12 days into the process, it was agreed between WED and National Grid that the COV-1 impact study would be combined with the COV-2 impact study. Accordingly, WED and National Grid agreed that the impact study for COV-1 would be delayed to coincide with the impact study for COV-2. National Grid did not receive the signed impact study agreement and fee for the COV-2 project until April 4, 2014. Fourteen days later, National Grid produced the combined impact study. Thus, National Grid's clock, under the Interconnection Tariff, to provide that impact study only ran for 26 of the 90 permissible days before National Grid provided the completed impact study.

Subsequently, WED requested a combined impact study for all 10 of its proposed turbines.[8] National Grid received that signed impact study agreement on August 15, 2014. However, on September 11, 2014, National Grid advised WED that it needed WED to provide additional data before it could complete the impact study. At that point, only 27 days of the 90-day clock had run. WED did not provide the requested data until October 9, 2014. After October 9, National Grid requested additional further data from WED on October 15, October 31, and November 7, 2014. Thus, only six more days of the 90-day clock had run – for a total of

[8] It is impossible to assess each of WED's projects separately when analyzing the impact on the Company's electric distribution system. WED has clearly indicated that it wants a plan for the interconnection of all 10 turbines. While each project can have a separate Interconnection Agreements and be treated separately for purposes of qualification for a Standard DG Contract and/or for Net Metering, the design and construction of the necessary facilities for interconnection must be assessed holistically, taking into account the impact of all 15MW on the electric system.

33 days. WED provided the last of the additional requested information on November 26, 2014. National Grid provided the completed impact study WED requested on December 19, 2014. Thus, only an additional 23 days passed before National Grid issued the study. Accordingly, National Grid used only 56 of the 90 days allotted to it to complete the study of all ten turbines.

Now, WED is asking for a new impact study that analyzes interconnection of all ten turbines based on different data and different interconnection processes. On January 30, 2015, National Grid committed to completing this study on an expedited basis, but it is under no obligation to do so under the Interconnection Tariff; WED has not entered into a new impact study agreement. Additionally, National Grid has run additional analyses of its previous impact study based on additional data provided by WED and its turbine vendor – Vensys. National Grid is simply not overdue with respect to any requested study by WED. Accordingly, there is no basis to order National Grid to issue any impact studies.

B. <u>WED Is Not Yet Entitled To Receive Interconnection Service Agreements</u>

The Interconnection Tariff contemplates that an interconnecting customer will receive an Interconnection Service Agreement after completion of "any necessary studies." *See* Interconnection Tariff, Sheet 16. Once the "necessary studies" are complete, the Interconnection Tariff calls for National Grid to "send the Interconnecting Customer an executable Interconnection Service Agreement **including a quote for any required System Modifications** . . . ." *See Id.* (emphasis added). WED's responses to the impact studies provided by National Grid, however, make it clear that all the "necessary studies" have not been completed. In response to each of the impact studies National Grid has provided, WED has rejected the costs for System Modifications set forth within them. Rather than indicating that it is ready to proceed to an Interconnection Service Agreement, WED has consistently questioned the validity of the

impact studies provided and engaged in further discussions with National Grid about changes to the proposed projects that necessitate another study. Even now, National Grid and WED are working together to complete a new study that incorporates a new sub-transmission circuit to facilitate interconnection of the turbines. There is no basis in the Interconnection Tariff to require National Grid to provide an Interconnection Service Agreement to WED for each of its projects at this time.

Moreover, even if National Grid was to provide Interconnection Service Agreements for WED's turbines, those agreements would contain National Grid's quote for the cost of System Modifications. WED already has indicated that it is unwilling to accept the amount National Grid has quoted. It would, therefore, be futile for National Grid to send Interconnection Service Agreements to WED that would contain price quotes that National Grid knows WED will reject. In fact, such action would likely be counterproductive as National Grid and WED continue to work together to forge a mutually agreeable solution for the interconnection of each of WED's turbines.

C. The System Modifications Identified By National Grid Are Necessary Only If WED's Turbines Are Interconnected.

Each of the impact studies National Grid has provided to WED for interconnection of its wind turbine projects has included necessary System Modifications to achieve interconnection. The Interconnection Tariff is clear and unambiguous in its requirement that owners of distributed generation projects must pay the costs for electrical system upgrades – System Modifications – that are necessary only because of the proposed interconnection of the new distributed generation project. *See* Interconnection Tariff, Sheet 39, § 5.3. The System Modifications identified in the impact studies that National Grid has performed for the WED projects all fall within this clear and unambiguous rule. They are not, as WED incorrectly and without support contends,

necessary to provide service to National Grid's customers. These System Modifications are only necessary to support the additional electrical load that will be carried by the system if the WED wind turbines are interconnected to the system. National Grid can safely serve all the customers on the circuits to which WED seeks to interconnect without making any system upgrades if the WED turbines are not interconnected. The Interconnection Tariff, therefore, is clear – WED must pay for these System Modifications.

WED's contention that System Modifications that replace equipment that is more than 30 years old must be made to serve customers is baseless. There is no standard, rule, regulation, or any other authority that supports WED's assertion that electrical system equipment that is in service for 30 years must be replaced or upgraded. WED makes no attempt to support this position, but baldly asserts its truth. In fact, the age of the equipment that would need to be upgraded or replaced has nothing to do with the need to perform the System Modifications. National Grid has assessed its electrical system and determined that if WED does not interconnect its wind turbines it does not need to make any of the System Modifications it proposed to charge to WED; the age of the equipment notwithstanding. National Grid monitors the performance of its electrical system equipment and upgrades it as needed to account for changes in the electrical load served by various circuits, as well as to repair or replace equipment as it exceeds its useful life.[9] Simply put, the System Modifications National Grid has identified in connection with WED's proposed projects are all costs for which WED is responsible under the Interconnection Tariff.

[9] National Grid's proactivity on this point is demonstrated by its recently announced project to upgrade the electrical system serving Aquidneck Island. Indeed, National Grid includes yearly system upgrades on an as-needed basis for its electrical system throughout the state.

D. National Grid Is Entitled To Charge WED For Taxes Associated With System Modifications.

The Interconnection Tariff expressly instructs National Grid to inform the interconnecting customer of its policy regarding collection of tax gross ups. It is National Grid's policy to collect tax gross ups in connection with System Modifications. The propriety of charging a tax in connection with System Modifications is the subject of ongoing proceedings in Docket 4483, and the PUC has not issued any order directing National Grid to cease charging the tax during the pendency of that docket. Moreover, WED has not obtained any interim relief that impacts the right of National Grid to collect its taxes. The mere fact that the tax is subject to another proceeding is not a basis to order National Grid to not charge the tax until the other docket is resolved.

E. The Interconnection Tariff Calls For National Grid to Perform All System Modifications Necessary For Interconnection.

The Interconnection Tariff contemplates that National Grid will "complete[] System Modifications" that are required to achieve interconnection of a distributed generation project. *See*, *e.g.*, Interconnection Tariff, Sheet 16. This makes sense because National Grid has all the knowledge about the architecture of its electrical system as a whole and the impact that modifications to portions of that electrical system will have on the rest of the system. National Grid is solely responsible for the reliability of the electric system. It would be unduly burdensome if third parties were given a blanket right to design, engineer, and construct their interconnection facilities and System Modifications. National Grid would have to monitor every step of the process to ensure that the third-party work was not compromised. Third parties do not have the benefit of that institutional knowledge, and would not have all the necessary information to safely perform any necessary System Modifications. National Grid's existing

proven methodology for designing, engineering, and constructing system improvements has a demonstrated track record of safely modifying the electric system without undue disruption to customers.[10] It is neither permitted by the Interconnection Tariff nor practically feasible to grant developers of distributed generation projects carte blanche to design, engineer, and construct System Modifications necessary to interconnect a project.

F. The Interconnection Tariff Does Not Require National Grid To Interconnect Projects Within 150 Days.

WED's contention that the Interconnection Tariff requires National Grid to complete the interconnection of distributed generation projects within 150 days from the date of application is demonstrably false and a mischaracterization of the time periods prescribed in the tariff.

First, in practice, the 150-day time period has always been treated and understood by everyone involved in the interconnection process to be the time from application to delivery of an interconnection agreement.[11] It is practically impossible for National Grid to interconnect large projects that require system modifications within 150 days. Rather, the 150-day time period is clearly intended to allow for all necessary studies to take place before National Grid delivers an Interconnection Service Agreement. The language of the Interconnection Tariff supports this interpretation.

Table 1 of the Interconnection Tariff sets forth the time periods for each of the interconnection processes. *See* Interconnection Tariff, Sheet 23. National Grid has: (1) 3 days to acknowledge receipt of the application, (2) 10 days to review the application for completeness, (3) 30 calendar days to complete a feasibility study, (4) 90 calendar days to complete an impact

[10] Moreover, National Grid evaluates circumstances where private parties can safely provide value by performing some of this work, and, in fact, is working with WED on a plan that would allow WED to do some of the work as a cost-reduction measure for the interconnection of its 10 turbines.

[11] Notably, WED ignores that the 150-day time limit in the Interconnection Tariff refers to "business days under normal work conditions." *See* Interconnection Tariff, Sheet 17. Thus, the time-period would actually be close to 200 calendar days, accounting for weekends and holidays.

study, (5) 30 days to complete a detailed study, and (6) 15 days to send an executable agreement. *See id.* Simply adding those time periods together results in a 175-day period before delivery of an executable agreement. Under the Standard Process, after delivery of the executable Interconnection Service Agreement, National Grid must provide a work management design, procure materials, schedule and construct any necessary System Modifications, and the interconnecting customer must complete installation of the distributed generation project, which requires additional time. *See* Interconnection Tariff, Sheet 16. Additionally, the Interconnection Tariff grants rights to National Grid if the interconnecting customer does not commence construction of the project within 12 months, and/or does not complete construction of the project within 24 months. *See* Interconnection Tariff, Sheet 17. Moreover, given that it is practically impossible to complete certain System Modifications or construction of generating facilities within 150 days, it would be an absurd result to interpret the Interconnection Tariff to impose such a requirement. *See Town of N. Kingston v. Albert*, 767 A.2d 659, 662 (R.I. 2001) (stating rule that courts should not interpret statutes to reach an absurd result). Consequently, it is only reasonable to interpret the Interconnection Tariff to impose the 150-day time period as the maximum amount of time from application to delivery of an executable Interconnection Service Agreement.

However, even assuming for the sake of argument that the 150-day time period described in the Interconnection Tariff does set the outside time limit for interconnection of a project, under the plain language of the tariff, that time period has not expired for National Grid to interconnect the WED wind turbines. As noted below, all time periods in the Interconnection Tariff are put on hold as the result of delays caused by the interconnecting customer – in this

case WED. WED has repeatedly caused delays that are ongoing that prevent the projects from getting to the point of interconnection.

The Interconnection Tariff sets forth a clear understanding that the time periods prescribed within it will extend in connection with more complicated projects like those proposed by WED. For example, the Interconnection Tariff provides that:

- "[A]ll times in the Interconnection Tariff reference Company business days under normal work conditions." Interconnection Tariff, § 3.0, Sheet 10;
- "The Company clock is stopped when awaiting information from Customers. Any delays caused by Customer will interrupt the applicable clock." *See* Interconnection Tariff, Sheet 17;
- "The timelines in Table 1 will be affected if ISO-NE determines that a system impact study is required. This will occur if the Interconnecting Customer's Facility is greater than 5MW and may occur if the Interconnecting Customer's Facility is greater than 1 MW. *See* Interconnection Tariff, § 3.3(c), Sheet 16;
- "The Interconnecting Customer shall pay all System Modification costs as set forth in Section 5.0." *See* Interconnection Tariff, Sheet 9; and
- "Authorization to interconnect will be provided once the Interconnecting Customer has met all terms of the interconnection process . . . ." *See* Interconnection Tariff, Sheet 9.

The Interconnection Tariff is clear on two key points here that demonstrate that any clock that is applicable to reaching interconnection for the WED projects is not currently running. First, WED is not entitled to authorization to interconnect until it has "met all terms of the interconnection process[.]" *See id.* Thus, WED must meet all its obligations under the Interconnection Tariff before National Grid has an obligation to authorize it to interconnect.

Second, the Interconnection Tariff clearly describes payment of the costs of necessary System Modifications as an obligation of the interconnecting customer. To date, WED has not been willing to make the required payments for System Modifications. National Grid, therefore, has been unable to move forward with making the System Modifications necessary to interconnect the WED turbines. The delay in making those System Modifications is a delay caused by WED. Thus, any timelines for reaching interconnection of and of the WED projects under the Interconnection Tariff have been extended by WED-created delay and will continue to be extended until WED has paid for all such System Modifications. *See* Interconnection Tariff, Sheet 17.

G. WED Has Presented No Basis For An Investigation Into Whether National Grid Fairly Administers The Interconnection Of Renewable Energy Distributed Generation.

WED's contention that National Grid has unfairly and improperly administered the interconnection of distributed generation renewable energy is baseless and belied by the facts. First, whether National Grid has fairly administered the interconnection of distributed generation projects is not a proper subject for the dispute resolution process under the Interconnection Tariff. This process is intended to address disputes that arise over specific projects and the manner in which they proceed through the various processes outlined in the Interconnection Tariff (*i.e.*, the Simplified Process, the Expedited Process, and the Standard Process). A dispute over which process a project must go through or a dispute over whether National Grid has appropriately performed its obligations in connection with any of the processes is properly addressed through the dispute resolution process. Broad allegations about the overall administration of the program should not be addressed through this expedited and narrow dispute

resolution process. The dispute resolution process is not the proper vehicle for WED to seek a PUC investigation of interconnection rates and charges under R.I. Gen. Laws § 39-1-3.

Regardless, the objective evidence demonstrates that National Grid has fairly and expeditiously administered the interconnection of distributed generation of renewable energy projects. As of December 31, 2014, National Grid has interconnected a total of 456 projects in Rhode Island for a total of 50.4MW of nameplate capacity. In 2013, National Grid's interconnection of solar power in Massachusetts and Rhode Island made it one of the top utility companies in the country for such interconnections. The Interstate Renewable Energy Council's (IREC) Freeing the Grid report gave Rhode Island a "B" grade for its Net Metering Policies and Interconnection Procedures. Moreover, National Grid's proposed revisions to its Interconnection Tariff – currently pending in Docket 4483 - largely mirror the procedures National Grid uses in Massachusetts, to which IREC gave an "A" grade for interconnection and net metering. Moreover, during the entire period during which National Grid has been interconnecting renewable energy distributed generation projects, National Grid has successfully navigated issues raised in the interconnection process with all customers other than WED. In circumstances when other customers have raised issues, National Grid has been able to work collaboratively with them to achieve a mutually acceptable resolution, and ultimately National Grid has met the needs of the customer.[12] There has been no indication that any other customer has raised a concern that National Grid has a conflict of interest or has administered the program unfairly. These facts demonstrate that National Grid has been successful in its administration of the interconnection of renewable energy distributed generation projects. There is no factual basis

[12] National Grid remains optimistic that its ongoing efforts to work with WED will achieve a mutually acceptable resolution that meets the needs of all parties concerned.

for the PUC to conclude that there is anything unfair or improper about National Grid's administration of this program.

IV. CONCLUSION

For the reasons set forth herein, National Grid has dutifully fulfilled all its obligations under the Interconnection Tariff, and there is no basis to provide any of the relief requested by WED in its Petition for Dispute Resolution.

Respectfully submitted,

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Dated: February 13, 2015

CERTIFICATE OF SERVICE

I hereby certify that a copy of the above document was distributed to the Service List for Docket 4547 via email on February 13, 2015.

Docket No. 4547 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

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