

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: THE NARRAGANSETT ELECTRIC COMPANY : DOCKET NO. 4549
d/b/a NATIONAL GRID TARIFF ADVICE FILING :
TO AMEND RIPUC NO. 2099, NET METERING PROVISION :

ORDER

On July 8, 2014, several amendments to the net metering law were enacted by the Rhode Island General Assembly.¹ These amendments affected The Narragansett Electric Company d/b/a National Grid's (National Grid or Company) net metering tariffs on file with the Public Utilities Commission (PUC). On February 19, 2015, National Grid filed revisions to RIPUC No. 2099, its net metering tariff, with the PUC. In accordance with the legislative changes, National Grid eliminated the cap on net metering installations and added the class "Public Entity" to those eligible for net metering financing arrangements, and reflecting the expansion of the eligibility for net metering to those Public Entities.

In addition, National Grid proposed several other revisions which while not required by the legislative changes, according to National Grid, were necessary for consistency with recent legislative changes or for clarification. First, the tariff reduces the size of the net metering system for which a customer must comply with New England Power Pool (NEPOOL) and ISO-NE requirements from 60kW to 25 kW. According to National Grid, this revision is necessary to comply with the Renewable Energy Growth Program for Non-Residential Customers tariff. Second, Schedule B, the agreement between National Grid and the net metering customer regarding the application of credits, was expanded in detail and now requires customers to indicate the project's size in kilowatts as well as the estimated annual generation to determine eligibility of the accounts for net metering. It also makes it easier for Public Entities to indicate how net

¹ 2014 R.I. Pub. Laws 493, 2014 Pub. Laws 524 (Net Metering Act).

metering credits will be allocated to multiple accounts. Third, Schedule B includes a requirement that customers update or renew their agreements annually and that any changes be submitted to the Company at least thirty days prior to the effective date of such changes. Finally, the tariff requires a customer to provide all necessary information needed to set up any assets at ISO-NE before allowing net metering.²

WED Coventry One, LLC; WED Coventry Two, LLC; WED Coventry Six, LLC; and WED Portsmouth 1, LLC (collectively, WED) were allowed to intervene. On March 25, 2015, WED filed comments to the net metering tariff. WED asserted that while the language of the calculation of the net metering credit in the net metering tariff is consistent with the statutory language in R.I. Gen. Laws § 39-26.4-2, in practice, National Grid was not applying the credits appropriately.³ WED also argued that net metering customers are not engaged with the wholesale market and thus, should not be required to comply with ISO-NE Procedure 14.⁴

On March 23, 2015, the Division of Public Utilities and Carriers (Division) submitted comments on the net metering tariff. The comments summarized the statutory changes and the related tariff changes. The Division “recognize[d] the necessity of the Company to make at least two revisions to the Net Metering Provision to provide consistency with the Renewable Energy Growth Statute and the Company’s proposed tariff RIPUC No. 2152.”⁵ These revisions were described as first, the reduction of size requirements for compliance with NEPOOL and ISO-NE

² Filing Letter, 2-3 (Feb. 19, 2015); Proposed RIPUC 2150; [http://www.ripuc.org/eventsactions/docket/4549-NGrid-NetMeterTariff\(%202-19-15\).pdf](http://www.ripuc.org/eventsactions/docket/4549-NGrid-NetMeterTariff(%202-19-15).pdf).

³ WED Comments, 1-2 (Mar. 25, 2015); [http://www.ripuc.org/eventsactions/docket/4549-WED-Comments\(3-25-15\).pdf](http://www.ripuc.org/eventsactions/docket/4549-WED-Comments(3-25-15).pdf). As part of this docket, but not in consideration of the tariff advice filing, the PUC conducted discovery and a Technical Record Session to better understand the source of the confusion. It appears that National Grid is calculating the credit to all customers using the most beneficial calculation for particular customers. The PUC has taken no additional action nor ruled on this issue.

⁴ WED Comments, 2.

⁵ Division Comments, 2.

requirements and second, a requirement that systems larger than 25kW install a bi-directional interval meter.⁶ Finally, the Division indicated no objection to the revision to Schedule B.⁷

On March 30, 2015, National Grid submitted a response to WED's comments, maintaining that the application of net metering credits is consistent between behind-the-meter installations and stand-alone installations.⁸ According to National Grid, the fact that net metering customers are not considered by the Federal Energy Regulatory Commission to be wholesale projects is irrelevant to the need for the tariff language related to providing National Grid with any information required by ISO-NE or NEPOOL. This information is necessary to allow National Grid to use energy it receives from an asset at ISO-NE to offset the costs of the net metering credits it pays out. "Without requiring entities to set up assets at ISO-NE, all other customers will pay substantially more for the program than they otherwise would."⁹ National Grid also provided a side-by-side comparison of the current language and the new tariff language. The only changes to the section in dispute are (1) the size of the Eligible Net Metering System that must comply with any and all applicable NEPOOL and ISO-NE rules and (2) the timing of when a customer must provide certain information related to the Eligible Net Metering System to National Grid where National Grid is required to provide it to NEPOOL and ISO-NE.¹⁰

On March 31, 2015, the PUC considered the parties' submissions and approved National Grid's proposed Net Metering Tariff, RIPUC 2150, filed on February 19, 2015 for effect April 1, 2015, finding it to be consistent with the Net Metering Act. With regard to the disputed language in Section II.7, the PUC notes that the substance of the provision has been in the tariff since 2011.¹¹

⁶ *Id.*

⁷ *Id.* at 3.

⁸ National Grid Response to WED Comments, 1-3 (Mar. 30, 2015).

[http://www.ripuc.org/eventsactions/docket/4549-NGrid-Response-WED\(3-30-15\).pdf](http://www.ripuc.org/eventsactions/docket/4549-NGrid-Response-WED(3-30-15).pdf).

⁹ *Id.* at 2.

¹⁰ *Id.*; Proposed RIPUC 2150 at Sheet 5 (redlined).

¹¹ See [http://www.ripuc.org/eventsactions/docket/4268-Ngrid-ComplianceTariffs\(1-9-12\).pdf](http://www.ripuc.org/eventsactions/docket/4268-Ngrid-ComplianceTariffs(1-9-12).pdf).

Accordingly, National Grid is not attempting to impose new regulatory requirements on net metering projects. Furthermore, a close reading of the provision shows that it only requires customers to comply with any regulations with which they are already required to comply and to provide National Grid with any information necessary for National Grid to comply with the NEPOOL and/or ISO-NE regulations. The only differences in the proposed tariff language are the size of the net metering system (to comply with the Renewable Energy Growth Tariff) and the timing of when such information must be provided (before being authorized to operate in parallel with the distribution system as opposed to “in a timely manner”). Clarity and consistency among tariffs and terms and conditions are important policy goals. These proposals achieve those goals.

Allowing National Grid the tools it needs to implement practices that reduce the cost of the net metering program to all customers is also an important policy goal. National Grid has indicated that this provision is necessary to achieve that goal. WED did not dispute this position. Rather, WED argued that the ISO-NE requirements do not apply to net metering projects and, further, that compliance would be burdensome. The language of the tariff states, in part, “customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25kW must comply with *any and all applicable* NEPOOL and ISO-NE rules.” (Emphasis added.) Therefore, if the rules do not apply, no compliance is necessary. Therefore, there is no issue for the net metering customer.

The tariff also states, in part, that: if “the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the customer...must provide such information to the Company.” This means that if National Grid must provide information held by a customer to ISO-NE or NEPOOL in order to offset the cost to all customers of the net metering credits paid to that net metering customer, that net metering customer must provide the

information to National Grid before the customer will be permitted to operate its facility in parallel to the distribution system. This is reasonable. The information is held by the customer; National Grid would have no independent knowledge of the information. If National Grid needs to comply with ISO-NE and NEPOOL requirements in order to engage in practices that reduce the overall cost of the net metering program, the information the Company needs for compliance must be provided by the net metering customer.

Accordingly, it is hereby

(22078) ORDERED:

The Narragansett Electric Company d/b/a National Grid's RIPUC No. 2150, Net Metering Provision is hereby approved for effect on and after April 1, 2015.

EFFECTIVE AT WARWICK, RHODE ISLAND ON APRIL 1, 2015 PURSUANT TO AN OPEN MEETING DECISION ON MARCH 31, 2015. WRITTEN ORDER ISSUED SEPTEMBER 4, 2015.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

*Paul J. Roberti, Commissioner

Herbert F. DeSimone, Jr., Commissioner

*Commissioner Roberti concurs with the decision but is unavailable for signature.

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 7 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.