

March 25, 2015

Ms. Luly Massaro, Clerk
RI Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

RE: Docket 4549 In re: National Grid's Tariff Advice Filing to Amend RIPUC NO. 2099 Net Metering Provision

Dear Ms. Massaro,

I write on behalf of WED Coventry One, LLC (COV1); WED Coventry Two, LLC (COV2); WED Coventry Six LLC (COV6) and WED Portsmouth One, LLC (PORTSMOUTH1) to comment on the proposed revisions to the net metering tariff.

1) Credit Rate

The method National Grid uses to calculate the net metering credit is arbitrary and capricious and inequitable. National Grid's response to the Commission's data requests 2-2 through 2-4 establish that different net metering customers have been and are treated differently according to the Company's standard practice.

In response to 2-2, NGrid states that net metering customers that produce and consume behind one meter are simply charged for the net amount of consumption or credited at the Renewable Net Metering Credit rate for production that exceeds consumption in any one month. At the end of the year, NGrid trues up production against consumption for such customers and if they have produced more energy than they have consumed, NGrid reduces any amount granted in Renewable Net Metering Credits to the value such production should receive under standard offer rates.

In contrast, in response to 2-3, NGrid states that stand alone wind turbines only net at the actual turbine (ie, the production of the turbine against the minimal consumption by the turbine) and then receive the Renewable Net Metering Credit for all production credited against consumption at other, off-site facilities. In 2-4, NGrid claims that the treatment of these customers is consistent and then states "the credit is only issued when generation exceeds on-site use." The use of those words "on-site" establishes a distinct treatment of municipal customers that is not supported or justified by the net metering statute. As the Commission is well aware, the difference between netting at the meter and receiving a Renewable Net Metering Credit for all produced energy is great – it is the difference between the full retail rate and the discounted Renewable Net Metering Credit rate for all energy produced from a stand alone wind turbine. The Town of Portsmouth sustained significant financial damage from this inequitable treatment, as will any other municipality as long as this standard operating procedure is allowed to persist. This warrants the Commission's investigation and restitution.

The net metering statute is clear that municipalities that are net metering to remote facilities are to be treated just like any other net metering customers. The tariff is consistent with the statute, as it must be. Both define “net metering” as follows:

"Net metering" means using electricity generated by an eligible net metering system for the purpose of self-supplying power at the eligible net metering system site and thereby offsetting consumption at the eligible net metering system site through the netting process established in this chapter.

R.I. Gen. Laws § 39-26.4-2; Tariff at Section I, sheet 3. Both further provide as follows:

The rates applicable to any net-metered account shall be the same as those that apply to the rate classification that would be applicable to such account in the absence of net-metering, including customer and demand charges, and no other charges may be imposed to offset net metering credits.

R.I. Gen. Laws §39-26.4-3; Tariff at §III(2), sheet 6. These provisions make it entirely clear that any net metering customers that apply their production against load are entitled to the full retail value of that production. National Grid has honored that law for customers netting behind the meter, but it has not for municipalities producing to remote facilities.

2) ISO Requirements

National Grid is simply wrong about the application of ISO requirements to net metering facilities. Federal law and precedent at the Division of Public Utilities and Carriers makes it very clear that net metering customers are not engaged in wholesale markets. See Division Docket 10-126 “Investigation into Net Metering Complaint Regarding the Portsmouth Wind Generating Facility,” and cases cited therein. The mischaracterization of Petitioners’ projects has already harmed them by subjecting them to the burdens of compliance with ISO Operating Procedure 14 when that procedure should not be applicable to net metered projects. Such harm certainly should not be codified in the tariff.

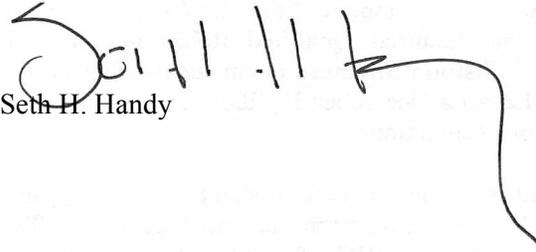
Simply put, net metering does not involve any sale of electricity for resale. As long as a customer is netting against load, there is no sale – the produced electricity is simply netted against load. Although National Grid has effectively and unfairly treated its municipal customers’ production as energy sales in both directions, there is absolutely no basis for that characterization under Rhode Island law or federal law. A net metering customer does not engage in the wholesale market.

It is true that the excess production of energy above what is consumed on site may result in an incidental resale in the wholesale markets. This is presumably why Rhode Island law only credits that excess production at the standard offer rate although such discrediting of excess production is not required by federal law or matched in other states (Connecticut, California, New York and Colorado

credit excess production from net metering customers at the retail rate). The facts that National Grid's tariff requires net metering customers to register with ISO in case there is ever such an incidental resale, does not mean that Rhode Island's net metering customers are engaged in wholesale markets and should be forced to comply with ISO operating procedures. This needs to be straightened out before significant numbers of future projects are subjected to regulatory requirements that should not be applicable.

Thank you for your consideration.

Sincerely,



Seth H. Handy