

December 22, 2016

BY HAND DELIVERY AND ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 4556 and Docket 4605 - Renewable Energy Procurement Plan
Rhode Island RES RFP Summary and Request for Confidential Treatment**

Dear Ms. Massaro:

In accordance with Rule 1.2(g) of the Rhode Island Public Utility Commission's (PUC) Rules of Practice and Procedure, enclosed are ten (10) copies of a redacted Summary of The Narragansett Electric Company's d/b/a National Grid (National Grid or Company) request for proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island. The Company conducted this RFP pursuant to its Renewable Energy Procurement Plans (Plans), which the PUC approved at its Open Meetings on July 1, 2015 in Docket No. 4556 and June 27, 2016 in Docket No. 4605. As part of the Plans, National Grid committed to file with the PUC a summary of the RFP.

National Grid respectfully requests confidential and privileged treatment of the unredacted version of Attachment 1 described below. This attachment contains commercially sensitive market information, the disclosure of which could affect the balance of the renewable energy certificate markets as well as National Grid's ability to negotiate competitive terms with its renewable suppliers. Therefore, in accordance with Rule 1.2(g) of the PUC's Rules of Practice and Procedure and R.I.G.L. § 38-2-2(4)(i)(B), I have enclosed a Motion for Protective Treatment of Confidential Information. In compliance with Rule 1.2(g), the Company is providing one complete unredacted copy of the confidential documents in a sealed envelope marked **"Contains Privileged and Confidential Materials – Do Not Release."** The Company has also provided copies of the confidential, unredacted documents to Steve Scialabba at the Rhode Island Division of Public Utilities and Carriers.

Luly Massaro, Commission Clerk
Docket 4556 – 2016 Renewable Energy Procurement Plan
Docket 4605 – 2017 Renewable Energy Procurement Plan
December 22, 2016
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The enclosed document labeled as Attachment 1 is a confidential summary of the RFP process to provide NEPOOL-GIS certificates in Rhode Island. Attachment 1 also identifies the key actions National Grid took to procure NEPOOL-GIS certificates. Attachment 1 is comprised of 11 pages of exhibits entitled:

- Exhibit 1 – Calculation of Requested RECs (1 page)
- Exhibit 2 – Summary of Bids Received (1 page)
- Exhibit 3 – Analysis of New Renewable REC Bids Bid Stack (1 page)
- Exhibit 4 – Analysis of Existing Renewable REC Bids Bid Stack (1 page)
- Exhibit 5 – Summary of Winning Bids (1 page)
- Exhibit 6 – REC Procurement Plan Status (1 page)
- Exhibit 7 – GIS Certificate Statistics Reports (1 page)
- Exhibit 8 – New England Tier 1 RPS Obligations (1 page)

National Grid has included redacted versions of the RFP Summary for the public record. National Grid will provide copies of the unaccepted bids to the Participating Purchasers that have signed confidentiality agreements with the Company.

Thank you for your attention to this filing. If you have any questions concerning this matter, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4556 Service List
Docket 4605 Service List
Steve Scialabba (w/confidential attachments)

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Raquel J. Webster, Esq.

December 22, 2016

Date

**Docket No. 4556 - National Grid – 2016 Standard Offer Service (SOS) and
Renewable Energy Standard (RES) Procurement Plans
Service List updated 6/13/16**

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

**In Re: 2016 Renewable Energy Procurement
Plan and 2017 Renewable Energy Procurement Plan**

**Docket No. 4556
Docket No. 4605**

**NATIONAL GRID'S MOTION FOR PROTECTIVE TREATMENT
OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC Rule 1.2(g) and R.I. Gen. Laws § 38-2-2(4)(B). National Grid also respectfully requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On December 22, 2016, National Grid filed with the PUC copies of its request for proposal (RFP) process to provide NEPOOL-GIS certificates in Rhode Island. The Company conducted this RFP pursuant to its Renewable Energy Procurement Plans (Plans), which the PUC approved at its Open Meetings on July 1, 2015 in Docket No. 4556 and June 27, 2016 in Docket No. 4605. As part of the Plans, National Grid committed to file with the PUC a summary of the RFP. As explained below, National Grid respectfully requests that the PUC treat the information contained in Attachments 1 of its December 22, 2016 filing as confidential because of the commercially-sensitive information included in this attachment.

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

II. LEGAL STANDARD

The PUC's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws §38-2-1 *et seq.* Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is considered as a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws §38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of the APRA to treat such information as confidential and to protect that information from public disclosure.

In that regard, R.I. Gen. Laws § 38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would likely either (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001). The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47. National Grid meets the second prong of this test, which applies here.

III. BASIS FOR CONFIDENTIALITY

National Grid respectfully requests confidential and privileged treatment of the unredacted version of Attachment 1 because that attachment contains commercially sensitive market information, the disclosure of which could affect the balance of the renewable energy certificate markets as well as National Grid's ability to negotiate competitive terms with its renewable suppliers. In addition, release of this type of information would be commercially harmful to the Company and to its customers since potential bidders could use this information in such a way that would impede the Company's ability to obtain the best possible bid for its customers. The Company, therefore, does not ordinarily make such information public.

IV. CONCLUSION

Accordingly, the Company respectfully requests that the PUC grant protective treatment to Attachment 1 of its filing in this docket dated December 22, 2016.

WHEREFORE, for the foregoing reasons, the Company respectfully requests that the PUC grant its Motion for Protective Treatment.

Respectfully submitted,

NATIONAL GRID

By its attorneys,



Raquel J. Webster, RI Bar # 9064
National Grid
40 Sylvan Road
Waltham, MA 02451
(781) 907-2121

Dated: December 22, 2016

NATIONAL GRID
RENEWABLE ENERGY CERTIFICATE
PROCUREMENT SUMMARY
DECEMBER 2016
FOR THE NARRAGANSETT ELECTRIC COMPANY
FOR THE OBLIGATION YEARS 2016 & 2017

1. RFP Issued

The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”) issued its Request for Proposals (“RFP”) to Provide NEPOOL-GIS Certificates in Compliance with the Rhode Island Renewable Energy Standard (“RES”)¹ on December 13, 2016 directly to the renewable generators who have filed their renewable energy applications for certification with the Rhode Island Public Utilities Commission (“PUC”) and organizations that have expressed interest in receiving RFPs from National Grid.

The RFP was also distributed to all members of the NEPOOL Markets Committee and posted on National Grid’s energy supply website. As a result, the RFP had wide distribution throughout the New England energy supply marketplace.

The procurement was conducted in accordance with the Company’s 2016 Renewable Energy Standard Procurement Plan filed on March 2, 2015 (approved July 1, 2015) and the 2017 Renewable Energy Standard Procurement Plan filed on March 1, 2016 (approved June 27, 2016) with the PUC and in compliance with the RES. The PUC issued a written order for the 2016 Plan on June 21, 2016 (Order No. 22444).

The RFP sought a specified quantity of Renewable Energy Certificates (“RECs”) that comply with the RES to satisfy a portion of National Grid’s Standard Offer Service RES Obligations for the calendar years 2016 and 2017.

The quantity of RECs specified in the Procurement Plans were updated to include reconciled load data through August 31, 2016, initial loads for September through November 30, 2016, and estimated loads for December 2016 for 2016 RES obligations. Estimated loads were used for the 2017 RES obligations. A calculation of the quantities of RECs requested is provided in Exhibit 1.

2. Key RFP Dates

The RFP was issued on December 13, 2016.

Respondent Proposal Information and proposed contract modifications were received on December 19, 2016.

¹ R.I.G.L. § 39-26-1, et seq., Renewable Energy Standard.

Pricing was received on December 21, 2016 from [REDACTED] suppliers. The bidders were:

[REDACTED]

A summary of the bids received is found in Exhibit 2.

The respondents were informed of awards on December 21, 2016.

3. Contract Submissions

[REDACTED] submitted contract comments to National Grid in the form of proposed revisions to the Certificate Purchase Agreement. These comments were similar to previous agreements with the bidders.

4. Award of New Renewable RECs

[REDACTED] provided offers to sell National Grid RECs from New renewable resources. Exhibit 3 provides an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 3, the RFP process selected the bids that provided the lowest cost and did not perform any adjustment for non-price benefits.

5. Award of Existing Renewable RECs

[REDACTED] provided offers to sell National Grid RECs from Existing renewable resources. Exhibit 4 provides an analysis and graphical summary of the bids received ranked by bid price. As shown in Exhibit 4, the RFP process selected the bids that provided the lowest cost up to the quantity required and did not perform any adjustment for non-price benefits.

6. Summary of Award

On December 21, 2016, National Grid shared the REC bids with the Rhode Island Division of Public Utilities and Carriers and the Office of Energy Resources.

Exhibit 5 is a list of the winning bids by REC type and year. National Grid expects to purchase a total of [REDACTED] RECs at a cost of [REDACTED]. The following is a summary of the RECs procured in this RFP.

[REDACTED]

7. Procurement Process Analysis

National Grid received offers for the [REDACTED] 2016 New REC amounts in this RFP. National Grid did not solicit 2017 New RECs. As a result of the RFP, the Company awarded [REDACTED] New RECs for 2016. With this RFP, the Company estimates it has procured [REDACTED] of the New RECs needed to meet its estimate of the 2016 New REC obligation ([REDACTED] from this RFP, [REDACTED] from previous purchases and [REDACTED] from RECs provided by Long-Term Contracts).

Also, the Company estimates it has procured [REDACTED] of the New RECs needed to meet its estimate of the 2017 New REC obligation ([REDACTED] from RECs provided by Long-Term Contracts).

National Grid received offers for the [REDACTED] 2016 Existing REC amounts in this RFP. National Grid received [REDACTED] for the requested 2017 Existing REC amounts in this RFP. As a result, the Company awarded [REDACTED] Existing REC's for 2016. With this RFP, the Company estimates it has procured [REDACTED] of the Existing RECs needed to meet its estimate of the 2016 Existing REC obligation ([REDACTED] from previous purchases and [REDACTED] from this RFP).

The Company [REDACTED] for the requested amount of [REDACTED] Existing RECs for 2017. The Company has procured [REDACTED] of its 2017 Existing REC obligation. The remaining [REDACTED] will be procured in future solicitations.

Exhibit 6 is a graphical summary of:

- the number of RECs procured in this RFP;
- the number of RECs procured prior to the RFP (previous RFPs, previous unsolicited purchases through brokers, RECs banked from previous compliance year);
- RECs forecasted to be provided via Long-Term Contracts; and
- the estimated balance of RECs that must be procured to satisfy the RES obligations.

Exhibit 7 summarizes the amount of RI RES-compliant RECs created within the NEPOOL Generator Information System ("GIS") for 2016, as well as for 2012 through 2015.³

Exhibit 8 lists the Tier 1 Renewable Energy Portfolio Standards ("RPS") obligation percentages in the New England states. Some states have very similar RPS eligibility requirements to those in other states. This allows certain RECs to be qualified to satisfy RPS obligations in multiple states. These classes are often referred to as Tier 1 RECs. These RECs are the most widely traded in the region and often have similar prices.

Since the last RES Procurement Summary filing on May 6, 2016, National Grid has not accepted any unsolicited offers for 2016 or 2017 RI RECs.

² Contracts entered to comply with the Long-Term Contracting Standards for Renewable Energy Act and the Distributed Generation Standards Contract Act.

³ <http://www1.nepoolgis.com/myModule/rpt/myrpt.asp?r=107&TabName=RPS>

EXHIBIT 7 GIS CERTIFICATE STATISTICS REPORTS

Quarter	RI RES Eligible	# Certificates
2012 Q1	NEW	381,871
2012 Q2	NEW	336,979
2012 Q3	NEW	350,028
2012 Q4	NEW	427,644
		1,496,522

Quarter	RI RES Eligible	# Certificates
2012 Q1	EXISTING	553,816
2012 Q2	EXISTING	521,248
2012 Q3	EXISTING	280,746
2012 Q4	EXISTING	484,798
		1,840,608

Quarter	RI RES Eligible	# Certificates
2013 Q1	NEW	504,373
2013 Q2	NEW	520,286
2013 Q3	NEW	491,361
2013 Q4	NEW	645,566
		2,161,586

Quarter	RI RES Eligible	# Certificates
2013 Q1	EXISTING	554,470
2013 Q2	EXISTING	605,281
2013 Q3	EXISTING	453,402
2013 Q4	EXISTING	366,911
		1,980,064

Quarter	RI RES Eligible	# Certificates
2014 Q1	NEW	723,822
2014 Q2	NEW	658,045
2014 Q3	NEW	625,980
2014 Q4	NEW	786,165
		2,794,012

Quarter	RI RES Eligible	# Certificates
2014 Q1	EXISTING	463,152
2014 Q2	EXISTING	604,267
2014 Q3	EXISTING	420,021
2014 Q4	EXISTING	499,963
		1,987,403

Quarter	RI RES Eligible	# Certificates
2015 Q1	NEW	793,612
2015 Q2	NEW	749,764
2015 Q3	NEW	668,819
2015 Q4	NEW	836,003
		3,048,198

Quarter	RI RES Eligible	# Certificates
2015 Q1	EXISTING	487,617
2015 Q2	EXISTING	567,453
2015 Q3	EXISTING	337,237
2015 Q4	EXISTING	470,536
		1,862,843

Quarter	RI RES Eligible	# Certificates	Year Over Year Change	Year Over Year Change %		Quarter	RI RES Eligible	# Certificates	Year Over Year Change	Year Over Year Change %
2016 Q1	NEW	904,213	110,601	14%	vs 2015 Q1	2016 Q1	EXISTING	674,476	186,859	38%
2016 Q2	NEW	683,320	(66,444)	-9%	vs 2015 Q2	2016 Q2	EXISTING	497,567	(69,886)	-12%
2016 Q3	NEW				vs 2015 Q3	2016 Q3	EXISTING			
2016 Q4	NEW				vs 2015 Q4	2016 Q4	EXISTING			
2016 TOTAL		1,587,533	44,157	3%	vs total 2015	2016 TOTAL		1,172,043	116,973	11.1%

EXHIBIT 8
NEW ENGLAND TIER 1 RPS OBLIGATIONS

	RI**	MA*	NH	ME	CT
2010	2.50%	5.00%	1.00%	3.00%	7.00%
2011	3.50%	6.00%	2.00%	4.00%	8.00%
2012	4.50%	7.00%	3.00%	5.00%	9.00%
2013	5.50%	8.00%	3.80%	6.00%	10.00%
2014	6.50%	9.00%	5.00%	7.00%	11.00%
2015	6.50%	10.00%	6.00%	8.00%	12.50%
2016	8.00%	11.00%	6.90%	9.00%	14.00%
2017	9.50%	12.00%	7.80%	10.00%	15.50%
2018	11.00%	13.00%	8.70%	10.00%	17.00%
2019	12.50%	14.00%	9.60%	10.00%	19.50%
2020	14.00%	15.00%	10.50%	10.00%	20.00%

* Includes the Solar Carve-Out SREC I and SREC II Minimum Standards

** 2015 % for RI changed to reflect RI PUC decision to delay the RES increase for 2015 by one year as a result of the information provided in PUC Docket 4404 - Review into the Adequacy of Renewable Energy Supplies