

# KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW  
41 MENDON AVENUE  
PAWTUCKET, RHODE ISLAND 02861  
**TELEPHONE** (401) 724-3600  
**FACSIMILE** (401) 724-9909  
www.keoughsweeney.com

**JOSEPH A. KEOUGH JR.\***  
**JEROME V. SWEENEY III\***

**SEAN P. KEOUGH\***  
**STACI L. KOLB**

**JEROME V. SWEENEY II**  
**OF COUNSEL**

\*ADMITTED TO PRACTICE IN  
RHODE ISLAND & MASSACHUSETTS

RAYNHAM OFFICE:  
90 NEW STATE HIGHWAY  
RAYNHAM, MA 02109  
TEL. (508) 822-2813  
FAX (508) 822-2832

BOSTON OFFICE:  
171 MILK STREET  
SUITE 30  
BOSTON, MA 02109  
TEL. (617) 574-0054  
FAX (617) 451-1914

November 23, 2015

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

**Re: Docket 4568**

Dear Ms. Massaro:

Enclosed please find an original and nine copies of the following document:

1. Direct Testimony of James McCaughey, Environmental Safety and Technical Assistance Manager, Narragansett Bay Commission.

Please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK/kf  
Enclosures  
cc: Docket 4568 Service List (*via electronic mail*)

**STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION**

**IN RE: REVIEW OF THE NARRAGANSETT ELECTRIC COMPANY D/B/A  
NATIONAL GRID'S RATE DESIGN PURSUANT TO R.I. GEN. LAWS § 39-26.6-4**

**Docket NO. 4568**

**PREFILED DIRECT TESTIMONY**

**OF**

**JAMES McCAUGHEY  
ENVIRONMENTAL SAFETY AND TECHNICAL ASSISTANCE MANAGER,  
NARRAGANSETT BAY COMMISSION**

**November 23, 2015**

1 **NARRAGANSETT BAY COMMISSION**

2

3 **PRE-FILED DIRECT TESTIMONY**

4 **OF JAMES McCAUGHEY, P.E.**

5

6 **Q. Please state your name and address.**

7 A. James McCaughey. My business address is the Narragansett Bay Commission,  
8 One Service Road, Providence, Rhode Island 02905.

9

10 **Q. For whom are you employed and what is your position?**

11 A. I am employed by the Narragansett Bay Commission (NBC) as its Environmental  
12 Safety and Technical Assistance Manager.

13

14 **Q. For how long have you been so employed?**

15 A. I was hired by NBC in 1992 as the Pollution Prevention Manager. In 2006, my  
16 title was modified to Environmental Safety and Technical Assistance Manager as  
17 my duties and responsibilities were modified to include management of NBC's  
18 Energy Management Program, Environmental Health and Safety Program, and  
19 Pollution Prevention Program. Prior to my employment with NBC, I worked for  
20 Rhode Island Department of Environmental Management for eight years  
21 regulating the management of hazardous waste throughout the state of Rhode  
22 Island.

23

24 **Q. Can you briefly describe your educational and professional training**  
25 **background?**

26 A. Yes. I have more than 30 years working as a professional engineer. I have B.S.  
27 and M.S. degrees in Chemical Engineering from the University of Rhode Island. I  
28 also have a M.A. degree in Mathematics from Providence College. I am also a

1 licensed Professional Engineer in the State of Rhode Island and Board Certified  
2 by the American Academy of Environmental Engineers. I also serve as an Adjunct  
3 Professor of Chemistry, Mathematics, and Engineering at the Community College  
4 of Rhode Island where I have developed courses in wastewater treatment and  
5 energy management.

6

7 **Q. Have you previously testified before the Rhode Island Public Utilities**  
8 **Commission?**

9 A. Yes, I provided testimony regarding the status of NBC's renewable energy  
10 projects before the Rhode Island Public Utilities Commission as part of Docket  
11 4562.

12

13 **Q. What is the purpose of your testimony?**

14 A. To provide the PUC with information regarding the potential adverse impact on  
15 NBC and its ratepayers that would result from the implementation of the Access  
16 Fee proposed by National Grid.

17

18 **Q. Can you please provide some background regarding NBC's renewable energy**  
19 **initiatives?**

20 A. Yes. NBC has a keen interest in renewable energy for two reasons. First, the NBC  
21 has significant electrical energy requirements associated with the operation of  
22 pumps, aerators and other equipment used in its wastewater collection and  
23 treatment process. NBC is interested in reducing operating costs through the  
24 procurement of lower-cost energy and mitigating ratepayer burden through  
25 Renewable Energy Credit (REC) revenues derived from renewable energy  
26 sources. Second, as a utility regulated by the Environmental Protection Agency  
27 and the Rhode Island Department of Environmental Management, NBC is  
28 proactively seeking renewable energy resources in anticipation of future  
29 regulatory requirements that may mandate NBC's carbon footprint reduction.

1 NBC entered the renewable energy arena with the construction and operation of  
2 three 1.5 MW wind turbines at Field's Point. As of July, 2015, these wind  
3 turbines have generated more than 19,321,958 kWh of electricity. Additionally,  
4 the on-site generation of this clean renewable energy has resulted in 16,565 in  
5 Renewable Energy Credits with a value of \$1,023,522.

6

7 During the 2015 legislative session, Rhode Island's net-metering laws were  
8 amended to allow for off-site generation of renewable energy by municipalities  
9 and public entities such as NBC. Given NBC's success with the Field's Point wind  
10 turbine project, NBC solicited proposals through an RFQ/P process for renewable  
11 energy projects. As a result of that process, NBC is now in the process of  
12 finalizing and executing a Power Purchase Agreement (PPA) for up to two 5MW  
13 solar energy projects. NBC is also evaluating other renewable energy  
14 opportunities.

15

16 **Q. What are NBC's concerns with respect to National Grid's Access Fee proposal?**

17 A. NBC has two concerns. First, it is unreasonable to apply this Access Fee to  
18 projects that have already been constructed and are in operation. Although the  
19 Access Fee would not impact NBC's wind turbines, NBC is concerned how this  
20 may impact future investment for renewable energy projects in the State of  
21 Rhode Island. These projects typically involve significant capital expenditures  
22 and investors will be reluctant to make these investments if the economics of  
23 the project can be significantly altered through the imposition of new costs and  
24 fees not in effect when the feasibility of a project is determined.

25

26 NBC also has concerns about applying this Access Fee to new projects. As I  
27 mentioned earlier in my testimony, NBC is in the process of negotiating a PPA for  
28 up to two 5MW solar energy projects. NBC estimates that the Access Fee, as

1 proposed, could increase the annual costs from \$120,000 to \$360,000 or from  
2 \$3,000,000 to \$9,000,000 over the life of the contract (see table below).  
3

MW	Capacity Factor	Annual Access Fee Range	
		\$5/KWh	\$7.5/KWh
5	40%	\$ 120,000	\$ 180,000
10	40%	240,000	360,000

MW	Capacity Factor	Contract Duration Access Fee Range	
		\$5/KWh	\$7.5/KWh
5	40%	\$ 3,000,000	\$ 4,500,000
10	40%	6,000,000	9,000,000

4

5

6 **Q. Does this conclude your testimony?**

7 **A. Yes.**

### CERTIFICATION

I hereby certify that on November 23, 2015, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

<b>Parties' Name/Address</b>	<b>E-mail</b>	<b>Phone</b>
<b>National Grid</b> Celia B. O'Brien, Esq. National Grid 280 Melrose Street Providence, RI 02907	<a href="mailto:Celia.obrien@nationalgrid.com">Celia.obrien@nationalgrid.com;</a>	781-907-2153
	<a href="mailto:Joanne.scanlon@nationalgrid.com">Joanne.scanlon@nationalgrid.com;</a>	
	<a href="mailto:Theresa.burns@nationalgrid.com">Theresa.burns@nationalgrid.com;</a>	
	<a href="mailto:Jeanne.lloyd@nationalgrid.com">Jeanne.lloyd@nationalgrid.com;</a>	
	<a href="mailto:Ian.springsteel@nationalgrid.com">Ian.springsteel@nationalgrid.com;</a>	
	<a href="mailto:Timothy.roughan@nationalgrid.com">Timothy.roughan@nationalgrid.com;</a>	
	<a href="mailto:Peter.zschokke@nationalgrid.com">Peter.zschokke@nationalgrid.com;</a>	
<b>Division of Public Utilities &amp; Carriers (Division)</b> Leo Wold, Esq. Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	<a href="mailto:Lwold@riag.ri.gov">Lwold@riag.ri.gov;</a>	401-222-2424 Ext. 2218
	<a href="mailto:Klyons@riag.ri.gov">Klyons@riag.ri.gov;</a>	
	<a href="mailto:Jmunoz@riag.ri.gov">Jmunoz@riag.ri.gov;</a>	
	<a href="mailto:Dmacrae@riag.ri.gov">Dmacrae@riag.ri.gov;</a>	
	<a href="mailto:Steve.scialabba@dpuc.ri.gov">Steve.scialabba@dpuc.ri.gov;</a>	
	<a href="mailto:Al.contente@dpuc.ri.gov">Al.contente@dpuc.ri.gov;</a>	
Richard Hahn Lacapra Associates 1 Washington Mall, 9th floor Boston, MA 02108	<a href="mailto:rhahn@lacapra.com">rhahn@lacapra.com;</a>	
	<a href="mailto:apereira@lacapra.com">apereira@lacapra.com;</a>	
<b>Office of Energy Resources (OER)</b> Daniel W. Majcher, Esq. Dept. of Administration Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:Daniel.majcher@doa.ri.gov">Daniel.majcher@doa.ri.gov;</a>	401-222-8880
Marion Gold, Commissioner Office of Energy Resources One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:Marion.gold@energy.ri.gov">Marion.gold@energy.ri.gov;</a>	401-574-9113
	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov;</a>	
	<a href="mailto:Danny.musher@energy.ri.gov">Danny.musher@energy.ri.gov;</a>	
	<a href="mailto:Christopher.kearns@energy.ri.gov">Christopher.kearns@energy.ri.gov;</a>	
<b>Conservation Law Foundation (CLF)</b> Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903	<a href="mailto:ielmer@clf.org">ielmer@clf.org;</a>	401-351-1102 Ext. 2012

<b>Acadia Center</b> Mark E. LeBel Acadia Center 31 Milk Street Suite 501 Boston, MA 02108	<a href="mailto:mlebel@acadiacenter.org">mlebel@acadiacenter.org</a> ;	617-742-0054 Ext. 104
	<a href="mailto:aanthony@acadiacenter.org">aanthony@acadiacenter.org</a> ;	
	<a href="mailto:lmalone@acadiacenter.org">lmalone@acadiacenter.org</a> ;	
Quentin Anthony, Attorney at Law 41 Long Wharf Mall Newport, RI 02840	<a href="mailto:qanthony@verizon.net">qanthony@verizon.net</a> ;	401-847-1008
<b>Energy Efficiency Resources Mgmt. Council (EERMC)</b> Marisa Desautel, Esq. Law Office of Marisa Desautel, LLC 55 Pine St. Providence, RI 02903	<a href="mailto:marisa@desautelesq.com">marisa@desautelesq.com</a> ;	401-477-0023
Scudder Parker 128 Lakeside Avenue Suite 401 Burlington, VT 05401	<a href="mailto:sparker@veic.org">sparker@veic.org</a> ;	
<b>Walmart</b> Melissa M. Horne, Esq. Higgings, Cavanagh & Cooney, LLP 123 Dyer St. Providence, RI 02903	<a href="mailto:mhorne@hcc-law.com">mhorne@hcc-law.com</a> ;	401-272-3500
Stephen W. Chriss, Sr. Mgr. Regulatory Analysis Walmart 2001 Southeast 10 <sup>th</sup> St. Bentonville, AR 72716-5530	<a href="mailto:Stephen.chriss@walmart.com">Stephen.chriss@walmart.com</a> ;	479-204-1594
<b>New England Clean Energy Council (NECEC)</b> Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	<a href="mailto:jkeoughjr@keoughsweeney.com">jkeoughjr@keoughsweeney.com</a> ;	401-724-3600
Sue AnderBois Janet Besser New England Clean Energy Council	<a href="mailto:sanderbois@necec.org">sanderbois@necec.org</a> ;	
	<a href="mailto:jbesser@necec.org">jbesser@necec.org</a> ;	
<b>Wind Energy Development (WED)</b> Seth H. Handy Handy Law, LLC 42 Weybosset Street Providence, RI 02903	<a href="mailto:seth@handylawllc.com">seth@handylawllc.com</a> ;	401-626-4839



Michelle Carpenter Wind Energy Development, LLC 3760 Quaker Lane North Kingstown, RI 02852	<a href="mailto:md@wedenergy.com">md@wedenergy.com</a> ;	
<b>The Alliance for Solar Choice (TASC)</b> Michael McElroy, Esq. Leah J. Donaldson, Esq. Schacht & McElroy PO Box 6721 Providence, RI 02940-6721	<a href="mailto:Michael@McElroyLawOffice.com">Michael@McElroyLawOffice.com</a> ;	401-351-4100
	<a href="mailto:Leah@McElroyLawOffice.com">Leah@McElroyLawOffice.com</a> ;	
Thadeus B. Culley, Esq. Keyes, FOX & Weidman LLP 401 Harrison Oaks Blvd., Suite 100 Cary, NC 27517	<a href="mailto:tculley@kfwlaw.com">tculley@kfwlaw.com</a> ;	510-314-8205
<b>Dept. of the Navy (Navy)</b> Allison Genco, Esq. NAVFAC HQ- Building 33 Dept. of the Navy 1322 Patterson Ave SE, Suite 1000 Washington Navy Yard, D.C. 20374-5065	<a href="mailto:allison.genco@navy.mil">allison.genco@navy.mil</a> ;	
Dr. Kay Davoodi, P.E., Director Utility Rates and Studies Office NAVFAC HQ- Building 33 Dept. of the Navy 1322 Patterson Ave SE, Suite 1000 Washington Navy Yard, D.C. 20374-5065	<a href="mailto:Khojasteh.davoodi@navy.mil">Khojasteh.davoodi@navy.mil</a> ;	
Larry R. Allen, Public Utilities Specialist Dept. of the Navy	<a href="mailto:Larry.r.allen@navy.mil">Larry.r.allen@navy.mil</a> ;	
<b>Energy Development Partner</b> Christian F. Capizzo, Counsel Shechtman Halperin Savage, LLP 1080 Main St. Pawtucket, RI 02860	<a href="mailto:ccapizzo@shslawfirm.com">ccapizzo@shslawfirm.com</a> ;	401- 272-1400
Frank A. Epps, Managing Director, USA Energy Development Partners, LLC 51 Industrial Drive North Smithfield, RI 02896	<a href="mailto:frank@edp-energy.com">frank@edp-energy.com</a> ;	401-884-2248
<b>Narragansett Bay Commission</b> Karen Giebink, Director of Administration and Finance James McCaughey, Environmental Safety and Technical Assistance Manager	<a href="mailto:KGiebink@narrabay.com">KGiebink@narrabay.com</a> <a href="mailto:jmccaughey@narrabay.com">jmccaughey@narrabay.com</a>	

<b>File an original &amp; 9 copies w/ PUC:</b> Luly E. Massaro, Commission Clerk <b>Public Utilities Commission</b> 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov;</a>	401-780-2107
	<a href="mailto:Cynthia.wilsonfrias@puc.ri.gov">Cynthia.wilsonfrias@puc.ri.gov;</a>	
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov;</a>	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov;</a>	
Linda George, RI Senate Policy	<a href="mailto:lgeorge@rilin.state.ri.us">lgeorge@rilin.state.ri.us;</a>	
Matt Davey, Silver Sprint Networks	<a href="mailto:mdavey@silverspringnet.com">mdavey@silverspringnet.com;</a>	
Christopher Long	<a href="mailto:christopher.long@opower.com">christopher.long@opower.com;</a>	
Douglas Gablinske, The Energy Council-RI	<a href="mailto:Doug@tecri.org">Doug@tecri.org;</a>	
Eugenia T. Gibbons, ECANE d/b/a Mass Energy & People's Power & Light	<a href="mailto:eugenia@massenergy.org">eugenia@massenergy.org;</a>	
Laurence Ehrhardt	<a href="mailto:replarry@gmail.com">replarry@gmail.com;</a>	




---

Joseph A. Keough, Jr., Esquire # 4925  
KEOUGH & SWEENEY, LTD.  
41 Mendon Avenue  
Pawtucket, RI 02861  
(401) 724-3600 (phone)  
(401) 724-9909 (fax)  
jkeoughjr@keoughsweeney.com