

State of Rhode Island Public Utilities Commission

**In Re: Review of Electric Distribution Design
Pursuant to Rhode Island General Laws §39-26.6-24**

Docket No. 4568

Pre-Filed Surrebuttal Testimony of

Michelle Carpenter

January 6, 2015

1 **Q. Please state your name and business address.**

2 A. My name is Michelle Carpenter and my business address is 3760 Quaker Lane, North
3 Kingstown, Rhode Island 02852.

4 **Q. Are you the same Michelle Carpenter that submitted direct testimony in this**
5 **proceeding?**

6 A. Yes.

7 **Q. What is your response to National Grid’s rebuttal testimony regarding proper**
8 **allocation of costs distributed generation imposes on the distribution system?**

9 A. The gist of National Grid’s rebuttal testimony (“Company Rebuttal”) is that
10 developers of renewable energy simply want to keep their costs down by refusing to pay
11 for the distribution service they receive in association with their generation (Company
12 Rebuttal, pp. 5, 6, 15, 19, 24-26, 33, 60). In fact, the Company has presumed that
13 distributed generation imposes a net burden/cost without providing evidence of any such
14 cost or balancing whether the benefits of distributed generation outweigh any proven cost.
15 Furthermore stand-alone net metered distributed generation customers are already paying
16 for distribution at their existing facilities, and asking them to pay at the location where
17 they generate power in addition to the location where they consume power would in
18 essence result in a double charge. The Company disregards that statutory requirement in
19 presuming that distributed generation imposes costs and receives subsidies (see e.g.,
20 Company Rebuttal, p. 24 – benefits of distributed generation do not affect Company’s
21 proposed rate design). As for the Company’s rebuttal testimony that intervenors have not
22 produced much evidence of the benefits of distributed generation (Company Rebuttal, pp.

1 25, 60), even if that were true, it is not our burden to establish the reasonableness of the
2 fee the Company proposes to impose on distributed generation customers.

3 **Q. What is your response to the Company's rebuttal that you have not produced**
4 **any evidence of the cost burden the access fee will put on your projects and the**
5 **ceiling prices (Company Rebuttal, pp. 60, 62)?**

6 A. That is incorrect. If it is not self evident that the access fee will impose added costs
7 on the projects upon which it is imposed, on pages 6 and 7 of my direct testimony, I
8 reference Mr. Jason Gifford's detailed analysis of project cost, which we are in
9 agreement with and expand on it with regard to impacts on our specific projects.

10 **Q. What is your response to the Company's rebuttal regarding the process outlined**
11 **in Section 24?**

12 A. National Grid submits that section 24 sets an imperative for the Commission to
13 address cost responsibility and allocation within a specified time frame that does not
14 contemplate any stakeholder process (Company Rebuttal, pp. 6 and 19). Section 24 does
15 not mandate the imposition of new rates, it only asks the Commission to consider
16 whether rate adjustments are necessary or appropriate based on balancing any proven
17 costs against the benefits of distributed generation. Section 24 clearly did not
18 contemplate a Company proposal that does not prove the costs or weigh the benefits of
19 distributed generation. Therefore, the Commission should not accept the Company's
20 proposal and a stakeholder process would be the most appropriate way to balance the
21 benefits and costs of distributed generation.

1 **Q. What is your response to the Company's new claim that that the access fee is not**
2 **designed to be a back-up charge (Company Rebuttal, p. 58)?**

3 A. National Grid has forgotten its direct testimony. On page 17 of its direct, the
4 Company witnesses state as follows:

5 In the event the customer's generator tripped off-line due to a failure within the
6 generator system, the amount of electricity needed from the distribution system
7 would increase very quickly since all of the customer's energy requirements
8 would now have to be met by the distribution utility, even for a short period of
9 time. Therefore, the proper cost allocation and rate design must recognize the cost
10 responsibility of the customer for the total of its electricity needs, including when
11 the generator's output exceeds the customer's usage on-site, and when the
12 generator is not operating at all.
13

14 The access fee quite clearly was designed to "ensure that the stand-alone DG customer
15 contributes to the cost of the distribution system in exchange for services provided during
16 the times that the system is operating," as stated in the Company's surrebuttal testimony
17 (p. 58). That is why the fee violates the statutory prohibition against imposing back-up
18 charges on net metering customers (Carpenter Direct, p. 8); R.I. Gen. Laws §39-26.4-
19 3(b).

20 **Q. What is your response to the alternative recommendation of implementing a**
21 **Rate G-32 charge to stand-alone DG customers (Company Rebuttal, p. 65)?**

22 This request by National Grid was not included in the original proposal and is not
23 supported by any substantive evidence or analysis and would be bad policy.

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

25 Yes.

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