



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Rhode Island Division of
Public Utilities and Carriers
89 Jefferson Blvd.
Warwick RI 02888
(401) 941-4500

October 8, 2015

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

**RE: Docket No. 4574--National Grid-Review of Power Purchase Agreement-Copenhagen
Wind Farm, LLC Pursuant to R.I. Gen. Laws § 39-26.1-1 *et seq.***

Dear Luly,

Please find in lieu of surrebuttal testimony the Memorandum of Richard Hahn and Carrie Gilbert of La Capra Associates, Consultant for the Division of Public Utilities and Carriers with reference to the proposed Power Purchase Agreement between National Grid and Copenhagen Wind Farm, LLC for review and consideration by the Public Utilities Commission in the above captioned matter.

Thank you for your attention in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jon G. Hagopian".

Jon G. Hagopian
Senior Legal Counsel

cc: Thomas F. Ahern, Administrator
Stephen Scialabba, Chief Accountant

La Capra Associates

To: Rhode Island Public Utilities Commission

From: Richard Hahn and Carrie Gilbert, La Capra Associates, on behalf of the Division of
Public Utilities and Carriers

Re: Purchased Power Agreement between National Grid and Copenhagen Wind Farm, LLC,
Docket 4574

Date: October 9, 2015

On August 3, 2015, National Grid (“NGRID” or the “Company”) filed with the Rhode Island Public Utilities Commission (the “Commission”) a Purchased Power Agreement (“PPA”) with Copenhagen Wind Farm, LLC (“Copenhagen Wind”) for the bundled power output from the Copenhagen Wind Project (“Project”). The Rhode Island Division of Public Utilities and Carriers (“Division”) retained La Capra Associates, Inc. to review the PPA and provide comments for submission to the PUC, on behalf of the Division.

On September 4, 2015, La Capra Associates provided a memorandum with our comments on the PPA. In that memorandum, we concluded that PPA was selected via a Commission-approved long-term procurement process for renewable projects through a competitive solicitation, that it is reasonable at this time to expect that this PPA will cost less than market purchases and be below market over its term, and that the terms and conditions in the PPA are reasonable. We also identified two concerns. Our first concern is that the PPA definition of the Delivery Point had the potential to create ambiguity, and should be modified. We noted that we believed that the revisions to the PPA to eliminate this ambiguity would be relatively straightforward. We stated that if the delivery Point issue was addressed, we would recommend approval of the PPA. Our second concern was that while Company’s testimony stated the Company reserves the right to defer payment of RECs until NEPOOL GIS certificates are actually created, we did not see language in the PPA that affords the Company this right. We made no recommendation regarding this second concern.

On September 11, 2015, Copenhagen Wind files testimony of Robert Crowell and John Marchand in support of the PPA. In our review of this testimony, we found that the same ambiguity regarding the Delivery Point as existed in the Company filing.¹ No other issues of concern were raised by the Copenhagen Wind testimony.

On September 23, 2015, the Division, the Company, and La Capra Associates held a conference call to discuss the Delivery Point issue. Mr. Hahn described his concern, and the parties discussed ways of revising the PPA to address this issue.

On September 28, 2015, the Company provided a draft amendment to the PPA that would address the Delivery Point issue. La Capra Associates suggested some minor revisions, and the Division forwarded those to the Company. Also, on September 28, 2015, the Company filed the rebuttal testimony of Corinne DiDomenico. In this rebuttal testimony, Ms. DiDomenico stated that the Company planned to work with Copenhagen Wind to amend the PPA to address the Delivery Point issue, and to file said amendment with the Commission. Ms. DiDomenico also explained how the language of the PPA conferred upon the Company the right to defer payment for RECs until NEPOOL GIS certificates are actually created.

On October 8, 2015, the Company filed the first amendment to the PPA, which was executed by both the Company and Copenhagen Wind. This amendment addressed the Delivery Point issue in accordance with the draft amendment discussed on September 28th

We find that the first amendment properly addresses the Delivery Point issue and that the explanation of the REC payment deferral is satisfactory. Therefore, we recommend that the Commission approve the PPA and the first amendment.

¹ See page 4, lines 10-11 of the Marchand testimony.