

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

**IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID'S 2016 RENEWABLE : DOCKET NO. 4589-A
ENERGY GROWTH PROGRAM PROPOSAL :**

**RHODE ISLAND DISTRIBUTED GENERATION BOARD'S :
2016 RENEWABLE ENERGY GROWTH CEILING : DOCKET NO. 4589-B
PRICES, CLASSES AND TARGETS :**

ORDER

WHEREAS, On November 16, 2015, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed with the Public Utilities Commission (PUC) proposed changes to the Renewable Energy Growth Program Tariffs and Enrollment Rules as well as a new SolarWise Program proposal for the 2016 Renewable Energy Growth Program year; and

WHEREAS, The Company's Renewable Energy Growth Program Enrollment Rules address the rights and obligations of Renewable Energy Growth Program participants and of the Company; and

WHEREAS, The Company's Renewable Energy Growth Program Tariffs set forth the performance-based payments made to Renewable Energy Growth Program participants based on the ceiling prices proposed to and subsequently approved by the PUC;¹ and

WHEREAS, The proposed SolarWise Program was intended to coordinate Energy Efficiency offerings with the Renewable Energy Growth Program;²

¹ National Grid's Filing: [http://www.ripuc.org/eventsactions/docket/4589A-NGrid-REGrowth-SolarWise\(11-16-15\).pdf](http://www.ripuc.org/eventsactions/docket/4589A-NGrid-REGrowth-SolarWise(11-16-15).pdf). All filings related to this matter can be found on the PUC website at <http://www.ripuc.org/eventsactions/docket/4589page.html>.

² In general, customers would receive a free solar photovoltaic screening as part of an overall Energy Efficiency audit or as part of a review of new construction plans. Upon completion of the audit or review, customers would be invited to the SolarWise on-line marketplace, where they could seek and compare offers from solar installation vendors to install solar PV systems at their location. Customers who then installed solar PV systems, reached a set level of energy savings, and sized their solar PV system to their new, smaller electric load could qualify for a bonus payment level from the Renewable Energy Growth Program. National Grid Filing Letter at 2.

WHEREAS, The Company also filed a Renewable Energy Growth Program cost recovery tariff for review by the PUC; and

WHEREAS, On November 13, 2015, the Distributed Generation Board submitted proposed Renewable Energy Program Classes, Ceiling Prices, and Targets; and

WHEREAS, The Distributed Generation Board also proposed a new Non-Profit Affordable House Income Eligible Pilot Program; and

WHEREAS, On December 12, 2015, and December 14, 2015, the Division of Public Utilities and Carriers (Division) filed memoranda finding most of the proposed changes to the Tariffs and Enrollment Rules to be reasonable and further, finding the proposed classes, ceiling prices, and Targets reasonable. The Division, however, raised three concerns: (1) inconsistencies between the proposed SolarWise tariff and customer guide; (2) the reasonableness of a cost sharing arrangement within the SolarWise program; and (3) the lack of detail about the proposed Non-Profit Affordable Housing Income Eligible Pilot; and

WHEREAS, On January 8, 2016, National Grid filed rebuttal testimony in response to the Division's concerns, which, with the exception of still seeking additional clarification on the Non-Profit Affordable House Income Eligible Pilot, the Division found reasonable as noted in its January 13, 2016 memorandum; and

WHEREAS, On January 8, 2016, the Distributed Generation Board submitted proposed revisions to the Renewable Energy Program Ceiling Prices to reflect federal tax changes made late in 2015; and

WHEREAS, On January 29, 2016, the Division submitted a memorandum finding the revisions to the Ceiling Prices to be reasonable; and

WHEREAS, On February 2, 2016, the PUC conducted an evidentiary hearing during which National Grid's witness, the Division's consultants, and the Distributed Generation Board's consultants were subject to cross-examination on the issues; and

WHEREAS, At an Open Meeting on February 10, 2016, the PUC considered the Distributed Generation Board's proposed 2016 Renewable Energy Growth Program Classes, Ceiling Prices, and Targets along with the Company's 2016 Renewable Energy Growth Program Tariffs, Renewable Energy Growth Program Enrollment Rules, and Solar Wise Program proposal and made the following decisions:

- (1) Approved a Medium Solar class ceiling price of 22.55 cents per kWh, because the proposed ceiling price for Medium Solar departed from that which resulted from the CREST model without an adequate rationale;³
- (2) Rejected the Non-Profit Affordable House Income Eligible Pilot without prejudice, finding that the record did not adequately support the need, cost, or design of the pilot. The 2 MW allocated to the pilot was reallocated to the Large Solar Class;
- (3) Approved the proposed Classes except for the Non-Profit Affordable House Income Eligible Pilot;
- (4) Approved the proposed Ceiling Prices except for the Non-Profit Affordable House Income Eligible Pilot and the Medium Solar, as noted above;
- (5) Approved the proposed Targets except the Non-Profit Affordable House Income Pilot and with the modification to the Large Solar Class as noted above;

³ CREST stands for Cost of Renewable Energy Spreadsheet Tool.

(6) Approved the Renewable Energy Growth Program Solicitation and Process Rules for Small Scale Solar Projects, subject to:

- a. deletion of the Non-Profit Affordable House Income Eligible Pilot;
- b. deletion of the requirement to provide an assessor's map within the anti-segmentation provision;
- c. clarification of the anti-segmentation provision for projects that are on contiguous parcels;

(7) Approved the Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro, and Anaerobic Digester Projects, subject to deletion of the Non-Profit Affordable House Income Eligible Pilot;

(8) Approved the Residential Tariff subject to the modified ceiling prices and a clarification of the solar system sizing requirements to be consistent with the SolarWise customer guide;

(9) Approved the Non-Residential Tariff subject to the modified ceiling prices and a clarification of the solar system sizing requirements to be consistent with the SolarWise customer guide; and

WHEREAS, On March 9, 2016, National Grid submitted amended Tariffs and Enrollment Rules to reflect the PUC's February 10, 2016 decisions.

Accordingly, it is hereby

(23625) ORDERED:

1. The 2016 Renewable Energy Growth Program Classes, Ceiling Prices, and Targets, filed by the Distributed Generation Board on December 14, 2015, and January 8, 2016, are hereby modified as follows:⁴
 - a. The Non-Profit Affordable House Income Eligible Pilot class is denied;
 - b. The 2 MW allocated to the Non-Profit Affordable House Income Eligible Pilot shall be reallocated to the Large Solar Class;
 - c. The Medium Solar Class Ceiling price shall be 22.55 cents per kWh.
2. The Narragansett Electric Company d/b/a National Grid's Renewable Energy Growth Program Tariff for Residential Customers, filed on March 9, 2016, is hereby approved for effect April 1, 2016.
3. The Narragansett Electric Company d/b/a National Grid's Renewable Energy Growth Program Tariff for Non-Residential Customers, filed on March 9, 2016, is hereby approved for effect April 1, 2016.
4. The Narragansett Electric Company d/b/a National Grid's Renewable Energy Growth Enrollment Rules for Residential Customers, filed on March 9, 2016, is hereby approved for effect April 1, 2016.
5. The Narragansett Electric Company d/b/a National Grid's Renewable Energy Growth Enrollment Rules for Non-Residential Customers, filed on March 9, 2016, is hereby approved for effect April 1, 2016.

⁴ Approved 2016 Renewable Energy Growth Program Classes, Ceiling Prices, and Targets are attached hereto as Exhibit A and incorporated by reference.

EFFECTIVE AT WARWICK, RHODE ISLAND ON APRIL 1, 2016, PURSUANT TO AN OPEN MEETING DECISION ON FEBRUARY 10, 2016. WRITTEN ORDER ISSUED JULY 1, 2019.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson

*Paul J. Roberti, Commissioner

*Herbert DeSimone, Commissioner

*Commissioners Roberti and DeSimone concur with the decision but are unavailable for signature.

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.

Exhibit A

Approved Classes and Targets
Renewable Energy Growth Program
April 1, 2016-March 31, 2017

Technology	Eligible Class	kW Allocations
Small Solar 1 – Host Owned	1 to 10 kW	5,500 kW DC
Small Solar 1 – Third Party Owner/Financed	1 to 10 kW	
Small Solar II	11 to 25 kW	
Medium Solar	26 to 250 kW	5,000 kW DC
Commercial Solar	251 to 999 kW	8,000 kW DC
Large Solar	1 to 5 MW	11,000 kW DC
Wind I	1 to 1.65 MW	9,000 kW
Wind II	2.5 to 2.99 MW	
Wind III	3.0 to 5.0 MW	
Anaerobic Digestion I	150 to 500 kW	1,500 kW
Anaerobic Digestion II	501 kW to 1 MW	
Small Scale Hydropower I	10 to 250 kW	
Small Scale Hydropower II	251 to 1 MW	
Total		40,000 MW

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I. Gen. Laws § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I.G.L. § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years
Medium-Scale Solar (including ITC/PTC & Bonus Depreciation)	26 to 250 kW	22.55¢	23.68¢	24.81¢	n/a	n/a	20 years