



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

January 29, 2016

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

**In Re: Docket No. 4589-A National Grid 2016 Renewable Energy Growth
Program Tariff and Rule Changes and Proposed SolarWise Program**

Dear Luly,

Please find for filing an original and nine (9) copies of the Division of Public Utilities and Carriers, (the "Division") Memorandum authored by Mr. Alvaro E. Pereira of Daymark Energy Advisors on behalf of the Division, setting forth his findings and recommendations relating to National Grid's proposed revisions to the 2016 Renewable Energy Growth Program Tariff and Rules, in addition to the proposed SolarWise Program for 2016 for consideration by the Public Utilities Commission (the "Commission") in its review of the above captioned docket.

The Division submits this Memorandum in lieu of pre-filed surrebuttal testimony and will have its consultant Mr. Alvaro E. Pereira of Daymark Energy Advisors available at hearing.

I appreciate your cooperation in this matter.

Very truly yours,

Jon G. Hagopian
Senior Legal Counsel

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



MEMORANDUM

TO: RHODE ISLAND PUBLIC UTILITIES COMMISSION

FROM: ALVARO E. PEREIRA — DAYMARK ENERGY ADVISORS

DATE: JANUARY 29, 2016

SUBJECT: NATIONAL GRID'S PROPOSED 2016 RENEWABLE ENERGY GROWTH PROGRAM TARIFF AND RULE CHANGES AND PROPOSED SOLARWISE PROGRAM— DOCKET NO. 4589-A

In this memo, I primarily respond to the Company's rebuttal testimony that was filed on January 8, 2016. Specifically I discuss the explanation of National Grid's partnership with EnergySage, the SolarWise contractor, that was provided in the rebuttal testimony and how it impacts the recommendations and observations found in my December 14, 2015 memo. In summary, the additional information and data provided in National Grid's rebuttal testimony have provided support to the Company's position that the program be approved as filed. I provide additional detail below. I also believe, subject to review of National Grid's compliance filing, that the Company has adequately addressed my recommendations on the documentation issues regarding SolarWise Project Sizing definition and calculations as well as the pilot program that is targeted at non-profit, affordable housing, income eligible customers.

SOLARWISE MARKETPLACE COSTS

In the December 14, 2015 memo, I indicated that the vendor fees collected by EnergySage had not been publically disclosed and that it would be reasonable to expect vendors to fully support the setup and operating costs of the Marketplace component of the SolarWise program. These additional revenues could be collected through higher vendor fees or altering the revenue sharing mechanism with EnergySage.

As described in the Company's testimony, EnergySage was the only vendor that met the program's requirements and featured the lowest, upfront fixed setup costs as determined through a competitive solicitation. In addition, the services to be provided by EnergySage are specific to the SolarWise program and thus feature additional characteristics to those of EnergySage's marketplace at www.energysage.com that is currently available to all Rhode Island customers (at no additional cost).

The Company states that the revenue sharing mechanism was negotiated higher than initially offered, and that higher vendor fees might be negatively impact the success of the program and would be

counter to EnergySage's pricing strategy to have consistent fees across different jurisdictions. Finally, the Company is able to terminate the agreement at any time, and the current term of the agreement is one year. Thus, there is considerable flexibility to revisit the current arrangement.

In sum, based on the additional information I reviewed, I believe the Company's SolarWise program is reasonable and should be approved as filed.