

December 28, 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4589-A-Proposed 2016 Renewable Energy Growth Program Tariff and Rule
Changes and Proposed SolarWise Program
Responses to PUC Data Requests – Set 2**

Dear Ms. Massaro:

I have enclosed ten copies of National Grid's¹ responses to the second set of data requests issued by the Rhode Public Utilities Commission in the above-referenced docket.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4589 Service List
Leo Wold, Esq.
Jon Hagopian, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Raquel J. Webster, Esq.

December 28, 2015

Date

Docket No. 4589-A National Grid 2016 Renewable Energy Growth Program Tariff and Rule Changes and Proposed SolarWise Program; and

Docket No. 4589-B RI Distributed Generation Board (DG Board) Report and Recommendation Regarding 2016 Renewable Energy Growth Classes, Ceiling Prices and Targets

Service List updated 11/20/15

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COMM 2-1

Request:

Page 4 of Attachment IS-1, Footnote 1 of Ian Springsteel's pre-filed testimony states,
"Residential solar PV systems that are Third-Party Owned (not by
the resident customer) have a different Tier 1 and Tier 2 bonus
level, as described in the SolarWise Bonus Levels section."

Is it the Company's position that the Renewable Energy Growth Act authorizes third-party ownership of residential solar projects? If yes, why? Include in your response specific citations to the general laws supporting the Company's response.

Response:

In 2014, in consultation with the Rhode Island Distributed Generation (DG) Board and the Rhode Island Office of Energy Resources, the Company developed the Renewable Energy (RE) Growth Program (the Program) in accordance with R.I. Gen. Laws Section 39-26.6 (the Act). In establishing the incentive framework for the Program, the Board deliberated on the issue of third-party ownership and concluded that no prohibition against such ownership existed under the Act. Subsequently, the DG Board began developing separate performance-based incentives for systems owned by third parties to appropriately compensate such owners. National Grid agreed with the Board's position with respect to third-party ownership of renewable energy distributed generation (RE-DG) systems participating in the Program. Subsequently, the tariffs and rules were written by the Company to include third-party ownership possibilities, which were then filed with, and subsequently approved by, the PUC.

In support of the Board's determination that third-party ownership of RE-DG systems participating in the Program is permissible, National Grid highlights the following facts. There is no language in the Act that expressly prohibits third-party ownership of RE-DG systems.¹ In contrast, the net metering statute specifically requires customer ownership of private RE-DG systems to participate in the net metering program (Net Metering Program). See R.I. Gen. Laws § 39-26.4-2.

Similarly, the Act does not make specific reference to either the owner of the system or parcel or the owner's relationship to the Company, in defining the terms "distributed generation project" and "distributed generation facility."

¹ The Act evolved from the Distributed Generation Standard Contracts Act (Standard Contracts Act). Under the Standard Contracts Act, the combination of a distributed generation project owned by one party on a site owned by another party is not prohibited.

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Furthermore, the RE Growth Act introduced the concept of providing bill credits to owners that site systems coincident with existing load as a form of compensation under the Act. Under the Act, this form of compensation is described using the term net metering. However, the Act at Subsections 39-26.6-20(g) and (h) indicates that, although a system “can be configured for net metering” and participate in the Program, it cannot actually participate in both programs. The law in this way indicates that the Program and the Net Metering Provision, including their respective eligibility requirements, are separate and distinct.

Finally, the Legislature states its intention that the Program tariff terms be permanent once set so that the “developers, owners, investors, customers, and lenders of the distributed-generation projects receiving performance-based incentives under the tariffs be able to rely on the tariffs for the entire term of the applicable tariff for purposes of obtaining financing.” R.I. Gen. Laws § 39-26.6-6. Such language suggests that the Legislature contemplated more flexible ownership and financial arrangements under the Act.

For the above reasons, it is National Grid's position, in support of the Board's initial determination, that allowing third-party ownership of RE-DG facilities participating in the Program is not only permissible under the statutory scheme but also consistent with the Legislature's broad goal of facilitating and promoting the installation of grid-connected renewable energy generation systems.²

² This contrasts with the Legislature's narrower goal stated under the Net Metering Program, which is to promote the installation of customer-sited renewable generation.

COMM 2-2

Request:

R.I Gen. Laws §39-26.6-20(e) states,

“(e) Except as provided herein for residential, small-scale solar projects, in every case where a distributed-generation project can be configured for net metering, it shall be the election of the owner of such generation to choose one of two (2) separate methods through which the owner will be compensated for the performance-based incentive:

...

(2) The owner is compensated through a combination of direct payments and the bill credit value of net metering for the life of the term of the tariff under the provisions of this chapter.

(3) In the case of residential small-scale solar projects, only option (2) shall be available.”

Given the definitions set forth in R.I Gen. Laws § 39-26.4 for “eligible net metering system,” “eligible net metering system site,” and “net metering,” is it the Company’s position that a third-party-owned, residential, small-scale solar project is “configured for net metering”?

Response:

Yes, for purposes of the RE Growth Program only. In this context (e.g., “configured for net metering”), the term “net metering” is used generically to refer to the ability to receive bill credits from the electricity generated on the site against the electricity the customer uses. As stated in the Company’s response to COMM 2-1, the RE Growth Program allows non-residential DG facilities that are configured with generation at the same location as the customer load to elect compensation in the form of bill credits and requires this arrangement of residential systems. Since there is no prohibition of third-party-owned, residential, or small-scale solar projects participating in the RE Growth Program, such facilities can be “configured for net metering” under the RE Growth Program. The use of the term “configured for net metering” in R.I. Gen. Laws Ch. 39-26.6 is not related to a facility’s eligibility to enroll under the Company’s Net Metering Provision established under R.I. Gen. Laws Ch. 39-26.4, which is separate and distinct. A project cannot be under the Net Metering Provision and the RE Growth Program at the same time. In addition to this response, please see the Company’s response to COMM 2-1.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4589-A
In Re: Renewable Energy Growth Program and SolarWise Proposal
Responses to Commission's Second Set of Data Requests
Issued on December 7, 2015

COMM 2-3

Request:

In the Company's opinion, at the end of the tariff term, are third-party-owned, residential, small-scale solar projects eligible for net metering credits? If yes, would such an election to net meter at the end of a tariff term require the net metering customer to purchase the project from the third-party owner?

Response:

Yes, in the Company's opinion, at the end of the tariff term, residential, third-party-owned small-scale solar projects will be eligible to receive renewable net metering credits *provided that* the project and the customer meet all the requirements of the then effective Net Metering Provision. If the then effective Net Metering Provision requires that the project owner and the customer of record be the same party, as the current tariff does, then an election to net meter at the end of a tariff term will require the net metering customer to purchase the project from the third-party owner.

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COMM 2-4

Request:

If a customer has a complaint or question about the calculation of his/her PBI, identify by name, employment title, email address and phone number the National Grid employee(s) specifically designated to receive such complaints. This question refers specifically to the calculation of the PBI, not eligibility for PBIs as requested in COMM 1-13(D).

Response:

For any customer billing inquiries, including inquiries regarding charges for delivery and commodity services or other charges on the bill, or calculation of the RE Growth Program performance-based incentive (PBI), customers can contact the National Grid Customer Service line at 800-322-3223. Customer service representatives and their supervisors are available to answer any questions customers may have regarding the calculation of their bills. There is a pool of approximately 100 employees who serve customers that call the Customer Service number. If questions arise that customer service representatives or their supervisors are not able to address, the supervisors may seek clarification or other solutions from management employees in the Billing, Regulation and Pricing, or Legal departments of National Grid. However, employees in these departments are not generally expected or available to work with customers on specific questions regarding bill calculations.

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COMM 2-5

Request:

How many complaints or questions about the calculation of the PBI have been received by the individual(s) referenced in COMM 2-4? Describe in detail the nature of the complaints or questions and how they were resolved.

Response:

The Company has not received complaints about the calculation of the PBI payments, but has received five inquiries from customers requesting clarification of the bill format and the calculations underlying amounts on their bills. The Company also received one question regarding Standard Offer Service (SOS). Specifically, a customer wanted to know why the bill did not include a credit based on the SOS rate. In response to this inquiry, the Company explained that, because the customer had selected to receive their electricity from a non-regulated power producer, the calculation of the bill credit would not include either the SOS rate or the rate at which they are billed by their non-regulated power producer. Instead, the customer would receive the remainder of their PBI in the form of a PBI payment. The customer was satisfied with this explanation. In order to deliver a consistent explanation, the Company has developed the following message describing the PBI calculation, which is shared with customers:

For the output of your solar generation, you will receive the full Performance Based Incentive amount for each kWh generated, in the form of either bill credits or direct payments. For usage you have at your home, the retail usage kWh rates in effect will be directly credited to your bill and subtracted from the PBI payment that month, up to the level of your usage or the generation of the system, whichever is less. The rest of the PBI amount is then paid to you. Two examples may help clarify:

Month 1

Generation: 200 kWh

PBI rate: 41.35 cents / kWh

PBI total: \$82.70

Usage: 300 kWh

Total Retail Rate: 16 cents/kWh (illustrative)

Total Charges for Electricity Use: \$48

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Total Net Bill: \$48 – (Bill Credit: 200 kWh x \$0.16) = \$16 plus the customer charge, taxes, and any other applicable charges

Net PBI: \$82.70 - \$32 bill credit = \$50.70 Payment to you

Month 2:

Generation 400 kWh

PBI Rate: 41.35 cents per kWh

PBI total: \$165.40

Usage: 300 kWh

Total Retail Rate: 16 cents/kWh (illustrative)

Total Charges for Electricity Use: \$48

Total Net bill: \$48 – (Bill Credit: 300 kWh x \$0.16) = \$0 plus the customer charge, taxes, and any other applicable charges

Net PBI: \$165.40 - \$48 bill credit = \$117.40 payment to you

In short, if you use more than your system generates, you will owe an amount that's equal to such usage. If you generate more than you use, then your bill credit will reduce your energy charges to zero, and you will receive the additional amount of the PBI above the retail rate. The additional kWh you generated will be paid at the full PBI. As you may know, all value is paid out each month, so there is no carryover of credits between months.

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COMM 2-6

Request:

Provide an excel spreadsheet showing the number of the projects which have been awarded a Certificate of Eligibility. Separate the projects according to technology and size, and identify how many projects are third-party owned, how many are net metered, and the amount of the PBI paid to each project. For projects receiving a PBI, identify the number of projects receiving the PBI under option 1 and the number of projects receiving the PBI under option 2. For projects not receiving a PBI, identify the reason for no PBI, including whether or not the Certificate of Eligibility was revoked and if so, why.

Response:

Please see Attachment COMM 2-6 for the requested Excel spreadsheet. Please note that only completed projects are awarded final Certificates of Eligibility (COE) under the RE Growth Program. Approved projects are offered Certificates of Eligibility, with final awards pending the completion of all enrollment requirements. Once awarded final COEs, projects are paid a Performance Based Incentive. National Grid interprets the use of "net metered" in the question to inquire whether the approved projects are receiving bill credits on an account associated with the RE Growth Program distributed generation system at the same location as the account. Projects that are enrolled in the net metering program under the Company's Net Metering Provision are not eligible to participate in the RE Growth Program.

Rhode Island Renewable Energy Growth Program - Projects Awarded Final Certificates of Eligibility as of December 18, 2015

Project Number	Nameplate Capacity (kW)	Technology Class	Project Configured To Receive Bill Credits?	Performance Based Incentive Option	Performance Based Incentive Paid\$	Third-Party Owned?
1	7.60	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$48.97	Not Applicable
2	8.00	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$36.54	Not Applicable
3	10.00	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$861.74	Not Applicable
4	7.60	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$687.94	Not Applicable
5	7.50	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$259.02	Not Applicable
6	8.00	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$269.72	Not Applicable
7	6.00	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$154.80	Not Applicable
8	7.50	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$593.81	Not Applicable
9	4.25	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$54.15	Not Applicable
10	10.00	Small-Scale Solar (1-25 kW DC)	Yes	Option 2	\$117.58	Not Applicable

COMM 2-7

Request:

Describe in detail the efforts, if any, that are being made by the Company, to raise public awareness about the RE Growth Program. The question is seeking what type of specific outreach efforts are being made, beyond an explanation of the Program and FAQs on the Company's website. Include in your response the specific method of communicating the RE Growth Program to customers, if applicable, and whether specific geographical areas have been targeted for such outreach efforts. If specific areas have been targets, explain the reasons why these areas have been targeted.

Response:

In addition to the Renewable Energy Growth Program (the Program) website, where the Company provides an explanation of the Program and all Program materials, the Company has been involved in several other outreach efforts to raise public awareness of the Program. As described in the Company's response to COMM 1-13 part C, the Company has hosted three DG Seminars this year to inform customers and installers of the Program requirements, payment calculation examples, and the application process. Representatives from the Company have spoken to solar industry stakeholders about the specifics of the Program at meetings and seminars organized by Commerce RI and the Office of Energy Resources. The Company has conducted multiple webinars, with outreach using existing lists of known development firms, engineers, and solar membership organizations, to inform customers and installers of the Program and application process. The Company recorded these webinars and posted them to the Program webpage for later viewing by customers. To build Program awareness, the Company developed one-page summary documents, which installers may download and share with customers. Additionally, the Company developed a screenshot document of the web application for large (>25 kW) DG system applicants and posted it to the Program webpage so that customers may preview the steps in completing an application prior to completing it. At the initial launch of the Program, the Company's media relations department issued a press release to local and trade news outlets and participated in interviews.

The Company has largely relied on installers to educate customers about the details of the Program as they are most directly motivated to do so. In 2016, through the existing residential and commercial energy efficiency program engagements with customers, the proposed SolarWise Program will be presented and summary documents will be included along with the standard energy efficiency collateral. If approved as part of the SolarWise Program, participants who engaged in energy efficiency energy assessments in 2014 and 2015 will also receive information about their potential for solar generation through SolarWise via email communication. The Company anticipates that it will reach a total of approximately 32,000 customers and inform them of the Program via the SolarWise effort in the 2016 plan year.