

January 29, 2016

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 5

Dear Ms. Massaro:

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

This filing is also accompanied by a Motion for Protective Treatment in accordance with Rule 1.2(g) of the PUC's Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). The Company respectfully seeks confidential treatment of Attachments COMM 5-4 (a) through (g) in their entirety.

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

Enclosure

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.



Joanne M. Scanlon

January 29, 2016

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 12/23/15

Parties' Name/Address	E-mail	Phone
Celia B. O'Brien, Esq. Raquel J. Webster, Esq. National Grid 280 Melrose Street Providence, RI 02907	Celia.obrien@nationalgrid.com ;	781-907-2153
	Raquel.webster@nationalgrid.com ;	781-907-2121
	Joanne.scanlon@nationalgrid.com ;	
	Ian.springsteel@nationalgrid.com ;	
	Laura.Rodormer@nationalgrid.com ;	
Daniel W. Majcher, Esq. (DB Board) Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor Providence, RI 02908	Daniel.majcher@doa.ri.gov ;	401-222-8880
	Marion.Gold@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Nicholas.ucci@energy.ri.gov ;	
Jon Hagopian, Sr. Counsel Division of Public Utilities and Carriers	Jon.hagopian@dpuc.ri.gov ;	401-784-4775
	Steve.scialabba@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
Richard Hahn Al Pereira Carrie Gilbert Daymark Energy Advisors 1 Washington Mall, 9th floor Boston, MA 02108	rhahn@daymarkea.com ;	
	apereira@daymarkea.com ;	
	cgilbert@daymarkea.com ;	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Klyons@riag.ri.gov ;	401-222-2424
	dmacrae@riag.ri.gov ;	
	jmunoz@riag.ri.gov ;	
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission	Luly.massaro@puc.ri.gov ;	401-780-2107
	Alan.nault@puc.ri.gov ;	

89 Jefferson Blvd. Warwick, RI 02888	Todd.bianco@puc.ri.gov ;	
	Amy.Dalessandro@puc.ri.gov ;	
Seth H. Handy, Esq. Handy Law, LLC	seth@handylawllc.com ;	401-626-4839
Mark Depasquale, Wind Energy Development	md@wedenergy.com ;	
Jerry Elmer, Esq., CLF	jelmer@clf.org ;	401-351-1102
Shagun Boughen	shagunboughen@gmail.com ;	

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

**IN RE: NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID'S RENEWABLE ENERGY
GROWTH PROGRAM TARIFF AND RULE CHANGES DOCKET NO. 4589-A
AND PROPOSED SOLARWISE PROGRAM**

**NATIONAL GRID'S MOTION FOR PROTECTIVE TREATMENT
OF CONFIDENTIAL INFORMATION**

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment to the seven attachments to its responses to the PUC's Data Request 5-4 in this docket, as permitted by R.I. Gen. Laws § 38-2-2(4)(B) and Rule 1.2(g) of the PUC's Rules of Practice and Procedure. National Grid also respectfully requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2(g)(2).

I. BACKGROUND

On January 29, 2016, National Grid filed with the PUC its responses to the fifth set of data requests issued by the PUC in this docket. In PUC Data Request 5-4, the PUC requests that National Grid “[p]rovide an exact copy of any and all contracts between National Grid and Energysage regarding the SolarWise Marketplace and/or any other services relating to the 2016 RE Growth program year” The financial details and other commercial information contained in the requested contracts are the subject of

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

a confidential agreement between National Grid and EnergySage, and public disclosure of these details could harm both parties' ability to negotiate such contracts in the future. Therefore, National Grid respectfully requests that the PUC afford confidential treatment to the seven enclosed attachments to PUC Data Request 5-4.

II. LEGAL STANDARD

The PUC's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I. Gen. Laws. § 38-2-1 *et seq.* Under the APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record" unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I. Gen. Laws § 38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the APRA to protect such information from public disclosure.

Section 38-2-2(4)(B) of Rhode Island General Laws provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would likely either (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d

40 (R.I. 2001). The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47. National Grid meets the second prong of this test, which applies here.

III. BASIS FOR CONFIDENTIALITY

The Company seeks confidential treatment of the bidding, pricing, commercial, and other sensitive market information included in the seven attachments to the Company's response to PUC Data Request 5-4. Public disclosure of these contract documents could be commercially harmful to the Company and its customers since potential bidders could use this information in such a way that could impede the Company's ability to obtain the best possible price for its customers in the future. Moreover, the Company would not ordinarily disclose this type of sensitive contractual information to the public, and the dissemination of this information could impact the Company's ability to obtain advantageous pricing relating to the proposed SolarWise program in the future.

IV. CONCLUSION

Accordingly, National Grid respectfully requests that the PUC grant protective treatment to the seven confidential attachments to the Company's response to PUC Data Request 5-4.

Respectfully submitted,

NATIONAL GRID

By its attorneys,



Raquel J. Webster, RI Bar # 9064
National Grid
40 Sylvan Road
Waltham, MA 02451
(781) 907-2121

Dated: January 29, 2016

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 Fifth Set of Data Requests
Issued on January 21, 2016

COMM 5-1

Request:

Rebuttal page 4 line 21. Is the Company willing to re-negotiate a higher revenue sharing percentage, per the Division's recommendation, after the first year of the Solarwise program, or is it merely noting that if Solarwise is successful, it will necessarily generate more revenues further offsetting costs?

Response:

In the rebuttal testimony, the Company indicated that the total amount of revenues shared will increase as the total amount of customer contracts enabled by the Marketplace increases in subsequent years, assuming that the SolarWise program is successful and continues in future years of the RE Growth Program. As explained in the Company's rebuttal testimony, the Company does not believe that it is appropriate to re-negotiate a higher revenue sharing mechanism with EnergySage. See National Grid's Rebuttal at page 4, lines 1-9.

In addition, the Division no longer recommends that the Company alter its revenue sharing arrangement with Energy Sage. See January 29, 2016 Memorandum of Mr. Alvaro E. Pereira of Daymark Energy Advisors on behalf of the Division.

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COMM 5-2

Request:

Rebuttal page 7 lines 17-18. Did the Company mean to say that OER's Pilot is still in the development phase, as of the Jan. 8 rebuttal filing, or that the OER Pilot was still in development when the Company filed the RE Growth Tariff and Rule Changes on Nov. 16, 2015?

Response:

The Company's statement in its rebuttal testimony was intended to apply to both points in time. The OER Pilot was in early development as of the November 16, 2015, when the Company filed the 2016 RE Growth Program documents. As of the January 8, 2016, when the Company filed its rebuttal testimony, there was no change in the Company's understanding of the status of the development of the Pilot, except that the OER had made it clear that it would pay for the eligibility verification vendor services, and that it would be soliciting bids from potential vendors to provide that service.

COMM 5-3

Request:

The Company stated on December 11, 2015 (COMM 1-11) that it “did not see any study or other evidence pointing to a need for the Pilot.” The record is clear that as of September of 2015, the Company did not feel the Pilot was necessary.

- a) Is it the Company's opinion, today, that there is evidence supporting a need for the Pilot? If the Company has changed its position and now feels there is evidence supporting the need for the Pilot, identify in detail the new evidence which now supports the need for the Pilot.
- b) If it is still the Company's position that there is no evidence to support a need for the Pilot, state whether the 2016 RE Growth program year would be adversely affected in any way if the Pilot were not approved. Include in your response whether the absence of the Pilot would impede the Company's ability to meet all applicable enrollment targets.

Response:

- a) The Company has seen no evidence since the September 2015 letter or since its December 11, 2015 response to COMM 1-11 that there is a need for the Pilot program. First, among the intended income-eligible recipients, there has been no analysis presented that low and moderate income customers are not sufficiently rewarded by the existing PBIs, as they would not pay federal tax on the amounts received if they also did not qualify for the tax credits. Similarly, for non-profit and affordable housing entities, there has been no analysis presented that the resulting return on equity investment for a solar array at the existing PBIs would or would not be compelling on a post-tax basis to them, given their typically lower cost of capital for investment. In addition, as was discussed at the January 19, 2016 DG Board meeting, there is no reasonable way to separate smaller or less-well-funded non-profits from those with large endowments or significant positive operating revenue, as the issue of need for the tax benefit has not been considered in the development of the Pilot. As such, while the Pilot may potentially address the apparent loss of the tax credit value for the targeted customers that cannot use the federal investment tax credit by increasing payments under the PBI to them, and appears to be within the powers of the DG Board to propose, there is no evidence presented by the Board or the Pilot Working Group indicating that such replacement is needed, that it would be a cost-effective means to replace the investment tax credit (ITC), or that other means of replacing this federal benefit, such as grants or refundable state tax credits, would be better or worse than increasing the PBIs for the target customers.

COMM 5-3, page 2

- b) The Company does not have any information indicating that the fulfillment of the 2016 RE Growth Program year or any of the applicable program targets would be adversely affected if the Pilot program was not approved. On the contrary, implementation of the Pilot this year would add additional complexity to communications with customers and add a step in the RE Growth application process, which may lessen the likelihood for enrolling all 40 MW of the program year's capacity.

Should the PUC decide to delay or reject the Pilot, the question would remain regarding how to reallocate the 2 MW that have been allocated to the separate Pilot classes. The Company would support adding the Small Solar Pilot 1 MW allocation to the existing 5.5 MW Small Solar allocation, and would suggest that the 1 MW for the Medium Solar Pilot be allocated to the Large Solar class, which has in recent experience been the most competitive, well-subscribed, and lowest cost class in the Program.

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d/b/a National Grid
RIPUC Docket No. 4589-A
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COMM 5-4

Request:

Provide an exact copy of any and all contracts between National Grid and Energysage regarding the Solarwise Marketplace and/or any other services relating to the 2016 RE Growth program year, and highlight the revenue sharing mechanism referred to on page 14 line 18 of Springsteel/Rodormer.

Response:

Please see Confidential Attachment COMM 5-4 (a) through (g). Please see Attachment COMM 5-4(d) at page 27 (slides labeled "Solar Assessment, Marketplace and Customer Advisory Services for SolarWise Program Rollout") for the above-referenced revenue sharing mechanism.

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Redacted
Attachments COMM 5-4 (a) through (g)

Pursuant to PUC Rule 1.2(g), the Company is seeking confidential treatment of Attachments COMM 5-4 (a) through (g). Please see attached Motion for Confidential Treatment seeking confidential treatment of these attachments.

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COMM 5-5

Request:

Rebuttal page 6 line 9 states that Energysage's fee structure is the same in all states. Are the specific revenue sharing percentages agreed upon between National Grid and Energysage for the 2016 RE Growth program year identical to revenue sharing percentages negotiated in all states? If not, define the "fee structure" that is the same in all states.

Response:

National Grid understands from EnergySage that the fee structure it charges to participating vendors for successful sales through its platform are the same across the United States. These fees are specified on page 26 of Attachment COMM 5-4 (d).

The revenue sharing mechanism between National Grid and EnergySage is unique to National Grid, and is detailed on page 27 of the same attachment.

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COMM 5-6

Request:

Rebuttal page 5, line 11. What is the specific percentage the Company refers to as “a significant portion” of installer fees?

Response:

The proportions of revenues that will be shared with National Grid from those collected from vendors by EnergySage are detailed on page 27 of Attachment COMM 5-4 (d). The Company considers any of the levels indicated in the schedule to be “a significant portion.”