

November 16, 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Proposed 2016 Renewable Energy Growth Program Tariff and Rule Changes and
Proposed SolarWise Program
Docket No. _____**

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the following documents for filing in the above-referenced docket:

1. Clean and redlined versions of National Grid's proposed revisions to the Residential Tariff (RIPUC No. 2151) and Non-Residential Tariff (RIPUC No. 2152) for the Rhode Island Renewable Energy (RE) Growth Program (collectively, Tariffs) (Schedule NG-1 and Schedule NG-2, respectively);
2. Clean and redlined versions of the RE Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects and the RE Growth Program Solicitation and Enrollment Process Rules for Solar (greater than 25kW), Wind, Hydro, and Anaerobic Digester Projects (collectively, Rules) (Schedule NG 3 and Schedule NG-4, respectively);
3. Clean and redlined versions of National Grid's RE Growth Program Cost Recovery Provision (RIPUC No. 2153) (Cost Recovery Provision) (Schedule NG - 5); and
4. Joint Pre-filed Testimony (and attachments) of Laura Rodormer and Ian Springsteel in support of National Grid's proposed 2016 SolarWise Program (SolarWise), the Company's coordinated, energy efficiency (EE) and solar program offering pursuant to R.I. Gen. Laws section 39-26.6-19.

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

Below is a description of the SolarWise program and a summary of the key changes the Company has made to the Tariffs, Cost-Recovery Provision, and Rules. Please note that, given the minor nature of the revisions to the Tariffs, Cost-Recovery Provision, and Rules, the Company has not included any testimony to explain these changes.

SolarWise

SolarWise will further Rhode Island's goal of increasing energy efficiency and encouraging development of solar photovoltaic (PV) systems by facilitating opportunity and creating incentives for customers to do both. As explained in the SolarWise Guide that accompanies the Joint Pre-Filed Testimony of Ms. Rodormer and Mr. Springsteel, customers will receive a free solar PV screening as part of an overall EE audit or as part of a review of new construction plans. Upon completion of the audit or review, customers will be invited to the SolarWise on-line marketplace (the Marketplace), where they can seek offers from solar installation vendors to install solar PV systems at their location. Customers will be able to compare offers and pursue a contract with a vendor of their choice.

Customers who install solar PV systems, reach a set level of energy savings, and size their solar PV system to their new, smaller electric load can qualify for a bonus payment level (the SolarWise Bonus Awards) from the RE Growth Program. The bonus awards, which are subject to conditions set forth in the SolarWise Guide, will be the performance based incentive payment provided for in the Tariffs, adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier, which will be indicated on the RE Growth Program Applicant's Certificate of Eligibility.

National Grid has consulted with the Rhode Island Office of Energy Resources (OER) and the Rhode Island Distributed Generation Board (the Board) regarding the SolarWise Program. National Grid understands that the OER and Board fully support the Company's proposed SolarWise Program.

Tariffs

In addition to minor clarifying edits in the Tariff based on the Company's experience with the first year of the RE Growth Program, the Company revised the Tariffs to include updated proposed additional terms and condition and associated ceiling prices for the SolarWise Bonus Awards.

Cost-Recovery Provision

The Company revised the Cost Recovery Provision to include SolarWise.

Rules

In addition to minor clarifying edits based on the Company's experience with the first year of the RE Growth Program, the Company has made the following proposed revisions to the Rules:

- Added a description of SolarWise.
- Added a reference to the Moderate Income and Multi-family Working Group (MIMFWG) Pilot (Pilot), which is being led by the OER. The purpose of the Pilot is to offer additional ceiling price categories for sectors that may not be able to pursue solar without the additional financial assistance the additional ceiling price provides. Details regarding the eligibility criteria, which will be managed by the OER and provided to National Grid, will be finalized after the Pilot is approved.
- Added the renewable energy classes and ceiling prices for SolarWise and the Pilot.
- Added language that requires all Applicants to submit assessor's maps as part of their RE Growth applications. The Company believes that this requirement may make it easier to assess whether a project violates the anti-segmentation provision of the RE Growth statute.
- Refined the definition of "Valid Interconnection Service Agreement."

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Leo Wold, Esq.
Jon Hagopian, Esq.
Karen Lyons, Esq.
Steve Scialabba, Division

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

a. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Residential Customer’s service location. For this purpose, a Residential Customer (“Customer”) is defined as an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer’s On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer’s service location; 2) the annualized On-Site Use over the period of service to the Residential Customer’s service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

b. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- d. Certificate of Eligibility: written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- e. Commission: the Rhode Island Public Utilities Commission.
- f. Company: The Narragansett Electric Company d/b/a National Grid.
- g. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- h. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- i. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Solicitation and Enrollment Process Rules.
- j. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- k. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential service location.
- l. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- m. SolarWise Program: an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encourages the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursue greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

c. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented, and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The Projects use different renewable energy resources; or
- ii. The Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one Project and the commencement of construction of any additional Project.
- iii. Projects on contiguous parcels will not be considered as segmented if they serve different Residential Customers.

If the Company determines that a Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

d. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).

e. Renewable Energy Certificates and Other Environmental Attributes

For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred.

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant must cooperate with the Company to obtain Commission certification of a Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the Project with the NEPOOL-GIS. The Applicant shall provide all necessary information and cooperate with the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the REC Assignment and Aggregation Form to facilitate the Project's participation in asset aggregation or other model of asset registration and reporting.

Environmental attributes shall include any and all generation attributes or energy services as established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

f. Performance-Based Incentive Payment

- a. Eligibility

THE NARRAGANSETT ELECTRIC COMPANY RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard and NEPOOL-GIS asset registration; as demonstrated by the Applicant's completion of the Renewable Energy Certificate Assignment and Aggregation Form; and (3) the Customer's associated electric service account is not in arrears and the Customer is current on any approved payment plan. Applicants qualified for Solar Bonus Payments must complete the requisite energy efficiency measures prior to receiving payment under this Tariff.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Customer as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges, and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which applies to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = \text{OSU} \times (\text{DCHG} + \text{SOS})$$

Where:

$$BC = \text{Bill Credit}$$

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- OSU = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh for the applicable billing month, or 2) the Project's output measured in kWh for the applicable billing month.
- DCHG = the sum of all retail delivery service per-kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.
- SOS = the Residential Standard Offer Service charge per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or by other agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charge, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

Only one billing account will be eligible to receive Bill Credits from each Project pursuant to this provision.

d. SolarWise Program

Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments. The PBI payments pursuant to Section 6.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Bill credits will be applied to the billing account of the customer that received the energy efficiency audit and must be located at the same premise at which the solar DG Project is installed. The solar DG Project must be sized such that it produces output that is no greater than the historic or projected load (per Section 1 above) less the energy efficiency savings from installed energy efficiency measures used to qualify the customer for the SolarWise Bonus Award.

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

g. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with the Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

h. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

i. Termination

The Applicant and the Customer shall comply with the provisions of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

j. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws § 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2016

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	29.90¢	n/a	n/a	30.50¢	31.10¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	26.10¢	n/a	n/a	26.62¢	27.14¢	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	26.15¢	27.46¢	28.77¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	26.15¢	n/a	n/a	26.67¢	27.20¢	20 years

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

a. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Residential Customer’s service location. For this purpose, a Residential Customer (“Customer”) is defined as an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer’s On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer’s service location; 2) the annualized On-Site Use over the period of service to the Residential Customer’s service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

b. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- d. Certificate of Eligibility: written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- e. Commission: the Rhode Island Public Utilities Commission.
- f. Company: The Narragansett Electric Company d/b/a National Grid.
- g. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- h. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- i. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Solicitation and Enrollment Process Rules.
- j. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- k. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential service location.
- l. Renewable Energy Certificate ("REC"): an electronic record produced by the [NEPOOL-New England Power Pool](#) Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- m. SolarWise Program: an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encourages the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursue greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

c. Project Segmentation

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented, and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

~~There is a prohibition on project segmentation within the RE Growth Program. If the Company determines that an Applicant has segmented Project into two or more Projects for the purpose of being eligible under the Rules and this Tariff, the Company will award the Applicant a Certificate of Eligibility for only one of the Projects. In~~

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The Projects use different renewable energy resources; or
- ii. The Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one Project and the commencement of construction of any additional Project.
- iii. Projects on contiguous parcels will not be considered as segmented if they serve different Residential Customers.

If the Company determines that a Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, If an Applicant is awarded a Certificate of Eligibility for a Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

d. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).

e. Renewable Energy Certificates and Other Environmental Attributes

For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred.

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant, ~~at its own cost,~~ must cooperate with the Company to obtain Commission certification of a Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. In addition, the Applicant is required to cooperate with t~~The Company shall assume the obligation~~ to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.

RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the Project with the NEPOOL-GIS. The Applicant shall provide all necessary information ~~to,~~ and cooperate with, the Company ~~to~~ enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs; ~~designate the Company or another party as directed by the Company, as the Applicant's Responsible Party under the NEPOOL-GIS rules,~~ and direct all RECs from the Project to the Company's appropriate NEPOOL-GIS account. ~~If requested by the Company,~~ The Applicant will provide approvals or assignments, ~~as necessary including, but not limited to, completing the REC~~ enewable Energy Certificate Assignment and Aggregation Form, to facilitate ~~Applicants~~ the Project's participation in asset aggregation or other model of asset registration and reporting.

Environmental attributes shall include any and all generation attributes or energy services as established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

f. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard and NEPOOL-GIS asset registration; as demonstrated by the Applicant's completion of the Renewable Energy Certificate Assignment and Aggregation Form; and (3) the Customer's associated electric service account is not in arrears and the Customer is current on any approved payment plan. Applicants qualified for Solar Bonus Payments must complete the requisite energy efficiency measures prior to receiving payment under this Tariff.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Customer as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges, and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which applies to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = \text{OSU} \times (\text{DCHG} + \text{SOS})$$

Where:

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

BC = Bill Credit

OSU = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh for the applicable billing month, or 2) the Project's output measured in kWh for the applicable billing month.

DCHG = the sum of all retail delivery service per-kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

SOS = the Residential Standard Offer Service charge per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or by other agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charge, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

Only one billing account will be eligible to receive Bill Credits from each Project pursuant to this provision.

d. SolarWise Program

Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments. The PBI payments pursuant to Section 6.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Bill credits will be applied to the billing account of the customer that received the energy efficiency audit and must be located at the same premise at which the solar DG Project is installed. The solar DG Project must be sized such that it produces output that is no greater than the historic or projected load (per Section 1 above) less the energy efficiency savings from installed energy efficiency measures used to qualify the customer for the SolarWise Bonus Award.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

g. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with the Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

h. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

i. Termination

The Applicant and the Customer shall comply with the provisions of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

j. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws § 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, ~~2015~~[2016](#)

First Tariff Supplement to RIPUC No. 2151-A
Sheet 1The 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)	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase</u>	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65 <u>41.35</u> ¢	<u>39.53</u> ¢	<u>41.42</u> ¢	<u>n/a</u>	<u>n/a</u>	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45 <u>37.75</u> ¢	<u>35.12</u> ¢	<u>36.80</u> ¢	<u>n/a</u>	<u>n/a</u>	20 years
<u>Small-Scale Solar I, Third-Party Owned</u>	<u>1 to 10 kW</u>	<u>29.90</u> ¢	<u>n/a</u>	<u>n/a</u>	<u>30.50</u> ¢	<u>31.10</u> ¢	<u>15 years</u>
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	26.10 <u>32.95</u> ¢	<u>n/a</u>	<u>n/a</u>	<u>26.62</u> ¢	<u>27.14</u> ¢	20 years

Effective Date: April 1, 2016
9 November 16, 2015Issue Date: February

First Tariff Supplement to RIPUC No. 2151-A
Sheet 1The 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	26.15 29.80¢	27.46¢	28.77¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	26.15¢	n/a	n/a	26.67¢	27.20¢	20 years

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for an eligible distributed generation project (“DG Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer’s service location or another location that allows for interconnection to the Company’s electric distribution system. For this purpose, a Non-Residential Customer (“Customer”) is defined as a customer receiving retail delivery service on any rate schedule other than the Company’s residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company’s Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. **Applicant:** the person or entity with legal authority to enroll the DG Project in the RE Growth program, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- d. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- e. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- f. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- g. Commission: the Rhode Island Public Utilities Commission.
- h. Company: The Narragansett Electric Company d/b/a National Grid.
- i. Customer: a customer receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules and listed as the customer-of-record on the billing account associated with the service location.
- j. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.
- k. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- l. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year, but is no greater than five megawatts (5 MW) nameplate capacity.
- m. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- n. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- o. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.
- p. Office: the Rhode Island Office of Energy Resources.
- q. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- r. Output Certification: certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- s. Performance-Based Incentive: either a standard or competitively bid price per kilowatt-hour ("kWh") that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- t. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- u. Renewable Energy Classes: categories for different renewable energy technologies using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels specified in § 39-26-2(6).
- v. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- w. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- x. Small DG Project: either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources

**THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS**

other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).

- y. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.
- z. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.
- aa. SolarWise Program: an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encourages the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursue greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.

3. Performance Guarantee Deposit

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit (“Deposit”) as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project’s first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project’s operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic digestion; or (3) 24 months for all other DG Projects. If the Output Certification is not received within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.
- e. Once a DG Project has provided the Output Certification to National Grid, the project then has 90 days to meet all other requirements specified in Section 8(a) to receive payment pursuant to the Tariff.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- f. An Applicant may elect, for any reason, to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect, for any reason, to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total. Prior to the expiration of the timeframe applicable to the Applicant's DG Project, as specified herein Section 3(d) or as extended as provided for by Section 3(f), the Applicant must notify the Company of its election to extend the DG Project deadline.
- g. If the Applicant is unable to provide the Output Certification within the timeframe specified in Section 3(d), or as extended pursuant to Section 3(f), because of non-completion of the necessary system modifications on the Company's side of the meter or any other interconnection delays that are beyond the reasonable control of the Applicant, the deadline for providing the Output Certification will be extended until such time as the DG Project has received approval from the Company to interconnect to the Company's distribution system and begin production, with no additional deposit required.
- h. If an act of God occurs within the timeframe allowed for providing the Output Certification, and as a direct result of the act of God, the DG Project is incapable of providing the Output Certification within the timeframe prescribed in this Tariff, the DG Project shall be terminated and the Deposit shall be refunded immediately.
- i. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff.

4. Interconnection

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation and coordinated or delegated by the Applicant.
- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. Project Segmentation

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The DG Projects use different renewable energy resources; or
- ii. The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the same DG Project during the term specified in the applicable Tariff supplement.

6. Metering

- a. A Company-owned interval meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. In the event that there is an existing service location with an existing meter, the meter for the DG Project shall be wired in parallel with, and be adjacent to, the existing service meter. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.
- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenue-quality interval meter and associated metering equipment, including

**THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS**

required remote communication for measuring and reporting the output of the DG Project as well as any existing service meter. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carriers ("Division") Rules for Prescribing Standards for Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.

- c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.

7. Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes

- a. Prior to receiving compensation pursuant to Section 8 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.
- b. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project, provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project at any time after it is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the DG Project during the term of service specified on the applicable Tariff supplement.

- (1) RECs: RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the DG Project with the NEPOOL-GIS. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

Small-Scale Solar Projects shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate

THE NARRAGANSETT ELECTRIC COMPANY RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

- (2) Energy: Except for Small-Scale Solar Projects, energy must be delivered to the Company in the Company's ISO-NE load zone at the delivery node associated with the DG Project. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.
- (3) Capacity: The Company may qualify the DG Project as an Existing Capacity Resource in the Forward Capacity Market (FCM) after the Commercial Operation Date to participate in the FCM, as determined by the Company, in consultation with the Division. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary capacity asset. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

8. **Performance-Based Incentive Payment**

a. **Eligibility**

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; and 4) except for small-scale and medium-scale solar, the Output Certification. Small-Scale Solar Projects can demonstrate completion of items 2 and 3 by the completion of the Renewable Energy Certificate Assignment and Aggregation Form. If an Applicant or Customer is no longer in good standing with regard to payment plans or agreements, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff. In addition, the Customer must

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

remain in good standing with regard to the electric service account receiving Bill Credits pursuant to this tariff.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar and Medium-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Projects shall be determined through competitive bidding.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Projects that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

c. Performance Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any Zonal Incentive where applicable, applied to the measured kilowatt-hours (kWh) produced by the DG Project, net of any Station Service.

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. The Applicant may select Option 2 only if the DG Project can be configured to serve on-site load and the DG Project is reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Customer's service location; 2) the annualized On-Site Use over the period of service to the Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. The Applicant may change the selection only one time after the DG Project begins to operate provided that the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

2. Option 2: A combination of direct payment and a Customer bill credit, in which the value of the bill credit will be based upon the On-Site Use, up to, but not exceeding, the metered generation of the DG Project.

If a DG Project selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = OSU \text{ (kWh)} \times (DCHG + SOS)$$

Where:

BC = Bill Credit

OSU (kWh) = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh per month, or 2) the DG Project output measured in kWh per month.

DCHG = the sum of all retail delivery service per kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

SOS = the Standard Offer Service charge applicable to the Customer's retail delivery service rate class per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

THE NARRAGANSETT ELECTRIC COMPANY RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

Only one billing account will be eligible to receive Bill Credits from each DG Project pursuant to this provision.

d. SolarWise Program

Applicants who have been approved as qualifying for a SolarWise Bonus Award are eligible to receive SolarWise Bonus payments. The PBI payments pursuant to Section 8.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Payments under the appropriate SolarWise Bonus Tier will be made pursuant to Option 2 described above. Bill credits will be applied to the billing account of the customer that received the energy efficiency audit and must be located at the same premise at which the solar DG Project is installed. The solar DG Project must be sized such that it produces output that is no greater than the historic or projected load (per Section 8.c above) less the energy efficiency savings from committed or installed energy efficiency measures used to qualify the customer for the SolarWise Bonus Tier. The Company reserves the right to audit customers for compliance with commitments made to qualify for SolarWise Bonus Payments. If the requisite energy efficiency measures are not complete within twelve (12) months of the SolarWise application approval, the Company may withdraw the Bonus Payment approval and the Tariff payments will revert to the applicable standard PBI without the SolarWise Bonus payment.

9. **Other Company Tariff Requirements**

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, a DG Project and a Customer receiving credits from such a facility must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

10. **Dispute Resolution**

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. Termination Provisions

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, or the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, the Company may, after notifying the Customer or Applicant in writing of such non-compliance and providing the Customer or Applicant a reasonable period to remedy such non-compliance and the violation persists, request the Commission to review the non-compliance and determine appropriate action, which may include requiring the Customer or Applicant to comply with the applicable provision being violated or revoking the Customer's or Applicant's Certificate of Eligibility.

12. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws. § 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2016

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	29.90¢	n/a	n/a	30.50¢	31.10¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	26.10¢	n/a	n/a	26.62¢	27.14¢	20 years
Small-Scale Solar II	11 to 25 kW	26.15¢	27.46¢	28.77¢	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	26.15¢	n/a	n/a	26.67¢	27.20¢	20 years
Medium-Scale Solar w/ 30% ITC	26 to 250 kW	24.40¢	25.62¢	26.84¢	n/a	n/a	20 years
Medium-Scale Solar w/ 10% ITC	26 to 250 kW	29.55¢	31.03¢	32.51¢	n/a	n/a	20 years
Medium-Scale Solar, Third Party Owned w/ 30% ITC	26 to 250 kW	24.40¢	n/a	n/a	24.88¢	25.38¢	20 years
Medium-Scale Solar, Third Party Owned w/ 10% ITC	26 to 250 kW	29.55¢	n/a	n/a	30.14¢	30.73¢	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

Renewable Energy Class	Ceiling Price	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar w 30% ITC	20.25¢						20 years
Commercial-Scale Solar w 10% ITC	23.15¢						20 years
Large-Scale Solar w/ 30% ITC	15.75¢						20 years
Large-Scale Solar w/ 10% ITC	18.35¢						20 years

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

Wind I (1.5MW to 2.99MW) with Production Tax Credit	21.45¢						20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	24.45¢						20 years
Wind II (3.0MW to 5.0MW, 2-turbine) with Production Tax Credit	20.45¢						20 years
Wind II (3.0MW to 5.0MW, 2-turbine) with No Federal Tax Incentives	23.45¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) with Production Tax Credit	19.70¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) with No Federal Tax Incentives	22.65¢						20 years
Anaerobic Digestion I (150kW to 500 kW) with Production Tax Credit	20.80¢						20 years
Anaerobic Digestion I(150kW to 500 kW) with No Federal Tax Incentives	21.20¢						20 years

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

Anaerobic Digestion II (501kW to ,1000 kW) with Production Tax Credit	20.80¢						20 years
Anaerobic Digestion II(501kW to 1,000 kW) with No Federal Tax Incentives	21.20¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.45¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.00¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.25¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	19.75¢						20 years

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for an eligible distributed generation project (“DG Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer’s service location or another location that allows for interconnection to the Company’s electric distribution system. For this purpose, a Non-Residential Customer (“Customer”) is defined as a customer receiving retail delivery service on any rate schedule other than the Company’s residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company’s Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. **Applicant:** the person or entity with legal authority to enroll the DG Project in the RE Growth program, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- d. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- e. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- f. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- g. Commission: the Rhode Island Public Utilities Commission.
- h. Company: The Narragansett Electric Company d/b/a National Grid.
- i. Customer: a customer receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules and listed as the customer-of-record on the billing account associated with the service location.
- j. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.
- k. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- l. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year, but is no greater than five megawatts (5 MW) nameplate capacity.
- m. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- n. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- o. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.
- p. Office: the Rhode Island Office of Energy Resources.
- q. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- r. Output Certification: certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- s. Performance-Based Incentive: either a standard or competitively bid price per kilowatt-hour ("kWh") that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- t. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- u. Renewable Energy Classes: categories for different renewable energy technologies using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels specified in § 39-26-2(6).
- v. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- w. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- x. Small DG Project: either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).

- y. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.

z. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

z.aa. SolarWise Program: an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encourages the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursue greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.

3. Performance Guarantee Deposit

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit (“Deposit”) as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project’s first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project’s operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic digestion; or (3) 24 months for all other DG Projects. If the Output Certification is not received within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.
- e. Once a DG Project has provided the Output Certification to National Grid, the project then has 90 days to meet all other requirements specified in Section 8(a) to receive payment pursuant to the Tariff.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- f. An Applicant may elect, for any reason, to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect, for any reason, to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total. Prior to the expiration of the timeframe applicable to the Applicant's DG Project, as specified herein Section 3(d) or as extended as provided for by Section 3(f), the Applicant must notify the Company of its election to extend the DG Project deadline.
- g. If the Applicant is unable to provide the Output Certification within the timeframe specified in Section 3(d), or as extended pursuant to Section 3(f), because of non-completion of the necessary system modifications on the Company's side of the meter or any other interconnection delays that are beyond the reasonable control of the Applicant, the deadline for providing the Output Certification will be extended until such time as the DG Project has received approval from the Company to interconnect to the Company's distribution system and begin production, with no additional deposit required.
- h. If an act of God occurs within the timeframe allowed for providing the Output Certification, and as a direct result of the act of God, the DG Project is incapable of providing the Output Certification within the timeframe prescribed in this Tariff, the DG Project shall be terminated and the Deposit shall be refunded immediately.
- i. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff.

4. **Interconnection**

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation and coordinated or delegated by the Applicant.
- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. **Project Segmentation**

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

~~There is a prohibition on project segmentation within the RE Growth Program. If the Company determines that an Applicant has segmented a DG Project into two or more smaller sized Projects for the purpose of qualifying them for smaller renewable energy class, the Company will award the Applicant a Certificate of Eligibility for only one of the DG Projects. In making its determination, the Company will look for one of the following exceptions:~~

- i. The DG Projects use different renewable energy resources; or
- ii. The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, ~~such project~~~~the DG Project~~ may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the same DG Project during the term specified in the applicable Tariff supplement.

6. Metering

- a. A Company-owned interval meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. In the event that there is an existing service location with an existing meter, the meter for the DG Project shall be wired in parallel with, and be adjacent to, the existing

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

service meter. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.

- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenue-quality interval meter and associated metering equipment, including required remote communication for measuring and reporting the output of the DG Project as well as any existing service meter. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carriers ("Division") Rules for Prescribing Standards for Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.
- c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.

7. **Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes**

- a. Prior to receiving compensation pursuant to Section 8 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. In addition, the Applicant is required to cooperate with the Company ~~shall assume the obligation~~ to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.
- b. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project, provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project at any time after it is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the DG Project during the term of service specified on the applicable Tariff supplement.

(1) RECs: RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the DG Project with

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

the NEPOOL-GIS. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

Small-Scale Solar Projects~~The Applicant for a DG Project~~ shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ~~ISO-NE and the NEPOOL-GIS Generation Information System~~ for the creation of RECs, ~~designate the Company, or another party as directed by the Company, as the Applicant's Responsible Party under the NEPOOL-GIS rules,~~ and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account. ~~If requested by the Company, The~~ Applicant will provide approvals or assignments, including, but not limited to, completing the Renewable Energy Certificate Assignment and Aggregation Forms necessary, to facilitate ~~Applicants the DG Project's~~ participation in asset aggregation or other model of asset registration and reporting.

(2) Energy: Except for Small-Scale Solar Projects, energy must be delivered to the Company in the Company's ISO-NE load zone at the delivery node associated with the DG Project. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.

(3) Capacity: The Company may qualify the DG Project as an Existing Capacity Resource in the Forward Capacity Market (FCM) after the Commercial Operation Date to participate in the FCM, as determined by the Company, in consultation with the Division. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary capacity asset Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

8. **Performance-Based Incentive Payment**

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; and 4) except for small-scale and medium-scale solar, the Output Certification.

Small-Scale Solar Projects can demonstrate completion of items 2 and 3 by the completion of the Renewable Energy Certificate Assignment and Aggregation Form. If an Applicant or Customer is no longer in good standing with regard to payment plans or agreements, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff. In addition, the Customer must remain in good standing with regard to the electric service account receiving Bill Credits pursuant to this tariff.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar and Medium-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Projects shall be determined through competitive bidding.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Projects that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

c. Performance Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any Zonal Incentive where applicable, applied to the measured kilowatt-hours (kWh) produced by the DG Project, net of any Station Service.

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. The Applicant may select Option 2 only if the DG Project can be configured to serve on-site load and the DG Project is reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Customer's service location; 2) the annualized On-Site Use over the period of service to the Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. The Applicant may change the selection only one time after the DG Project begins to operate provided that

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or
2. Option 2: A combination of direct payment and a Customer bill credit, in which the value of the bill credit will be based upon the On-Site Use, up to, but not exceeding, the metered generation of the DG Project.

If a DG Project selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = OSU \text{ (kWh)} \times (DCHG + SOS)$$

Where:

BC = Bill Credit

OSU (kWh) = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh per month, or 2) the DG Project output measured in kWh per month.

DCHG = the sum of all retail delivery service per kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

SOS = the Standard Offer Service charge applicable to the Customer's retail delivery service rate class per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

Only one billing account will be eligible to receive Bill Credits from each DG Project pursuant to this provision.

d. SolarWise Program

Applicants who have been approved as qualifying for a SolarWise Bonus Award are eligible to receive SolarWise Bonus payments. The PBI payments pursuant to Section 8.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Payments under the appropriate SolarWise Bonus Tier will be made pursuant to Option 2 described above. Bill credits will be applied to the billing account of the customer that received the energy efficiency audit and must be located at the same premise at which the solar DG Project is installed. The solar DG Project must be sized such that it produces output that is no greater than the historic or projected load (per Section 8.c above) less the energy efficiency savings from committed or installed energy efficiency measures used to qualify the customer for the SolarWise Bonus Tier. The Company reserves the right to audit customers for compliance with commitments made to qualify for SolarWise Bonus Payments. If the requisite energy efficiency measures are not complete within twelve (12) months of the SolarWise application approval, the Company may withdraw the Bonus Payment approval and the Tariff payments will revert to the applicable standard PBI without the SolarWise Bonus payment.

9. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, a DG Project and a Customer receiving

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

credits from such a facility must comply with the applicable provisions of the Company's Net Metering Provision.

- d. The Company's recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

10. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. Termination Provisions

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, or the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, the Company may, after notifying the Customer or Applicant in writing of such non-compliance and providing the Customer or Applicant a reasonable period to remedy such non-compliance and the violation persists, request the Commission to review the non-compliance and determine appropriate action, which may include requiring the Customer or Applicant to comply with the applicable provision being violated or revoking the Customer's or Applicant's Certificate of Eligibility.

12. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws. § 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

REDLINED VERSION

RIPUC No. 2152-A
Sheet 13

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

Effective Date: April 1, ~~2015~~2016

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 Facility/Project, and the Term of Service for a particular DG Facility/Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance-Based Incentive (per kWh)	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I 5% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase</u>	<u>Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase</u>	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	37.65 <u>41.35</u> ¢	<u>39.53</u> ¢	<u>41.42</u> ¢	<u>n/a</u>	<u>n/a</u>	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	33.45 <u>37.75</u> ¢	<u>35.12</u> ¢	<u>36.80</u> ¢	<u>n/a</u>	<u>n/a</u>	20 years
<u>Small-Scale Solar I, Third-Party Owned</u>	<u>1 to 10 kW</u>	<u>29.90</u> ¢	<u>n/a</u>	<u>n/a</u>	<u>30.50</u> ¢	<u>31.10</u> ¢	<u>15 years</u>
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	26.10 <u>32.95</u> ¢	<u>n/a</u>	<u>n/a</u>	<u>26.62</u> ¢	<u>27.14</u> ¢	20 years
Small-Scale Solar II	11 to 25 kW	26.15 <u>29.80</u> ¢	<u>27.46</u> ¢	<u>28.77</u> ¢	<u>n/a</u>	<u>n/a</u>	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
<u>Small-Scale Solar II, Third-Party Owned</u>	<u>11 to 25 kW</u>	<u>26.15¢</u>	<u>n/a</u>	<u>n/a</u>	<u>26.67¢</u>	<u>27.20¢</u>	<u>20 years</u>
Medium-Scale Solar <u>w/ 30% ITC</u>	26 to 250 kW	24.40¢	<u>25.62¢</u>	<u>26.84¢</u>	<u>n/a</u>	<u>n/a</u>	20 years
<u>Medium-Scale Solar w/ 10% ITC</u>	<u>26 to 250 kW</u>	<u>29.55¢</u>	<u>31.03¢</u>	<u>32.51¢</u>	<u>n/a</u>	<u>n/a</u>	<u>20 years</u>
<u>Medium-Scale Solar, Third Party Owned w/ 30% ITC</u>	<u>26 to 250 kW</u>	<u>24.40¢</u>	<u>n/a</u>	<u>n/a</u>	<u>24.88¢</u>	<u>25.38¢</u>	<u>20 years</u>
<u>Medium-Scale Solar, Third Party Owned w/ 10% ITC</u>	<u>26 to 250 kW</u>	<u>29.55¢</u>	<u>n/a</u>	<u>n/a</u>	<u>30.14¢</u>	<u>30.73¢</u>	<u>20 years</u>

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

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

Renewable Energy Class	Ceiling Price	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar w/ 30% ITC	20.25 20.95¢						20 years
Commercial-Scale Solar w/ 10% ITC	23.15¢						20 years
Large-Scale Solar w/ 30% ITC	15.75 16.70¢						20 years
Large-Scale Solar w/ 10% ITC	18.35¢						20 years

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

Wind I (1.5MW to 2.99MW) with Investment Tax Credit	18.40¢						20 years
Wind I (1.5MW to 2.99MW) with Production Tax Credit	21.45 19.85¢						20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	22.75 24.45¢						20 years
Wind II (3.0MW to 5.0MW) with Investment Tax Credit	18.20¢						20 years
Wind II (3.0MW to 5.0MW, <u>2-turbine</u>) with Production Tax Credit	20.45 19.45¢						20 years
Wind II (3.0MW to 5.0MW, <u>2-turbine</u>) with No Federal Tax Incentives	23.45 22.35¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) with Production Tax Credit	19.70¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) with No Federal Tax Incentives	22.65¢						20 years
Anaerobic Digestion I (150kW to 1,000 500 kW) with Production Tax Credit	20.80 20.20¢						20 years

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

Anaerobic Digestion I (150kW to 1,000 500 kW) with No Federal Tax Incentives	21.20 20.60¢						20 years
Anaerobic Digestion II (501kW to ,1000 kW) with Production Tax Credit	20.80¢						20 years
Anaerobic Digestion II(501kW to 1,000 kW) with No Federal Tax Incentives	21.20¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.45 19.80¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.00 21.35¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.55 18.25¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	19.75 20.10¢						20 years



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Small-Scale Solar
Projects**

Effective Date: April 1, 2016

Table of Contents

I.	Introduction and Overview	3
1.1	Purpose of the Solicitation and Enrollment	3
1.2	Enrollment Framework.....	3
II.	Interconnection Application, Selection, and Enrollment Process.....	6
2.1	Performance-Based Incentive (PBI) Payments for Small-Scale Solar Projects.....	6
2.2	Interconnection Application Prior to Enrollment.....	7
2.3	Issuance of Certificates of Eligibility	7
2.4	Project Schedule	8
2.5	Ownership of Products for Small-Scale Solar	8
III.	Contact Information and Other Provisions	9
3.1	Contact Information	9
3.2	Official Website for the Enrollment	10
3.3	Confidentiality	10
3.4	Modification or Cancellation of an Enrollment	10
	Schedule 1	11
	Schedule 2	12
	Schedule 3	14

I. Introduction and Overview

National Grid would like to welcome you to the Rhode Island Renewable Energy Growth Program (RE Growth Program). The RE Growth Program seeks to make it easy and attractive to install solar photovoltaic (PV) systems at the homes and businesses of National Grid's customers. An applicant (Applicant) to the RE Growth Program may be a solar developer or a National Grid customer.

Residential customers or their developers may apply for the RE Growth Program on a first-come, first-served basis. These solar systems will earn "bill credits" for the customer from the energy produced, and an incentive payment for any excess production.

Non-residential customers or their developers may also apply to the RE Growth Program on a first-come, first-served basis. These solar systems will have the option to receive the entire incentive payment directly or a combination of a direct payment and a bill credit for the customer, as specified in the Non-Residential Tariff.

This document provides information on the Solicitation and Enrollment Rules necessary to participate and enroll in the RE Growth Program.

1.1 Purpose of the Solicitation and Enrollment

The RE Growth Program was developed pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development of and compensation paid to distributed generation (DG) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (Rules) provide the means by which a project can qualify for and enroll in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Company's RE Growth Program Tariff for Residential Customers and the RE Growth Program Tariff for Non-Residential Customers (together, the Tariffs). Any term not defined in the Rules is defined in the Tariffs.

A Small-Scale Solar Project is a solar project with a nameplate generating capacity up to and including twenty-five kilowatts (25 kW). A Small-Scale Solar DG Project's nameplate capacity is the total rated power output of all solar panels measured in direct current (DC).

Under the RE Growth Program, National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The RE Growth Program is subject to the approval of the Rhode Island Public Utilities Commission

(Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts (MW) to be enrolled for the year (annual MW target), which will be based on the projects' aggregate nameplate capacity. The nameplate capacity of a solar project is the total rated power output of all solar panels measured in DC. A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval.

A total of at least 3 MW of capacity shall be carved out exclusively for Small-Scale Solar Projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW class target for Small-Scale Solar Projects. Please see Schedule 1 for the currently approved annual MW target for Small-Scale Solar Projects.

For each program year, the Board will recommend the Standard Performance-Based Incentive (PBI) for each renewable energy class, subject to Commission approval. Small-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1. See Schedule 1 for the approved Standard PBIs for the current program year.

1.2.1 Applications

During each program year, Applicants can enroll at any time until the annual MW target for the Small-Scale Solar Project class has been met, including the possible availability of additional capacity under the annual MW target. Applicants may elect to participate in the RE Growth Program within their application for interconnection, pursuant to the Company's Standards for Connecting Distributed Generation tariff. There is no separate enrollment application for Small-Scale Solar Projects.

Applicants will be selected for the RE Growth Program in accordance with the provisions below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and National Grid will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC.

Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a National Grid customer's residence where the residential customer receives electric service under either Basic Residential Rate A-16 or Low Income Rate A-60. The project must meet the sizing requirements as defined in the Residential RE Growth Tariff.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured to receive bill credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff, but are not required to do so. These projects will receive electric service pursuant to the appropriate general service retail delivery service tariff.

1.2.2.3.1 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources. In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers.

1.2.2.3.2 Compliance with Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have on-site load may receive a credit on their electric bill based upon the value of the on-site use, provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive bill credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer's service location; 2) the annualized On-Site Use over the period of service to the Residential Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location.

II. Interconnection Application, Selection, and Enrollment Process

2.1 Performance-Based Incentive (PBI) Payments for Small-Scale Solar Projects

Applicants may elect to enroll in the RE Growth Program within their interconnection applications. Applicants may also elect to enroll in the 2016 Non-profit, Affordable Housing, Income Eligible Pilot within their interconnection applications. See Schedule 3 for the Renewable Energy Classes, Targets, and Ceiling Prices for the Pilot.

Residential

The PBI is a price per kilowatt-hour for all of the Renewable Energy Certificates (RECs) and any other environmental attributes or market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

Non-Residential

The PBI is a price per kilowatt-hour that will be paid for all of the energy, capacity, RECs, and other environmental attributes and market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

2.1.1 SolarWise Program for Small-Scale Projects

The SolarWise Program combines savings that result from Energy Efficiency (EE) measures with additional incentives paid from the RE Growth Program for pursuing solar installations. Small-scale solar projects that commit to or install energy efficiency savings measures from the SolarWise Program can qualify for SolarWise Bonus Payments within the Renewable Energy Growth Program.

Applicants wishing to obtain the SolarWise Bonus Payment must show that they have achieved, or are committed to achieve through EE measures, the required program savings levels. An Applicant must submit an application form and required documentation to the SolarWise Program. Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments, provided their project is selected in the RE Growth Program per Section 2.3 below. The PBI payments will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility. See Schedule 2 for the PBIs applicable to projects approved as part of the SolarWise Program. Please refer to the SolarWise Customer Guide as well as Section 6.d. of the Tariff for more information on the SolarWise Program.

2.2 Interconnection Application Prior to Enrollment

To apply, a prospective participant must submit an application for interconnection and elect to participate in the RE Growth Program. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project.

For information regarding the interconnection process and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

2.2.1 Site Control

The Applicant must show actual control of the site where the Small-Scale Solar Project is to be located, or show it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site (or residence in the case of a Residential Small-Scale Solar Project) on which the project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.3 Issuance of Certificates of Eligibility

National Grid shall award Certificates of Eligibility to the selected Small-Scale Solar Projects. National Grid is not required to obtain Commission confirmation or approval in awarding Certificates of Eligibility to Small-Scale Solar Projects. Certificates of Eligibility given to Small-Scale Solar Projects are subject to the review and consent of the OER. National Grid files a list

of all awarded certificates with the Commission. Certificates of Eligibility will be awarded to eligible Small-Scale Solar Projects on a “first come, first served” basis until the annual MW target for the Small-Scale Solar class is fully subscribed.

The Certificate of Eligibility will contain applicable project information, including renewable technology and class, project capacity and energy output, term length, price, certificate issuance, and certificate effective dates.

2.4 Project Schedule

All Small-Scale Solar Projects have twenty-four (24) months to meet all other requirements pursuant to Section 6.a. of the Tariff in order to receive compensation under the RE Growth Program. A project’s proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not become operational on or before the twenty-four (24) month deadline, the project’s Certificate of Eligibility will be voided.

2.5 Ownership of Products for Small-Scale Solar

Residential

The Company shall have the rights to and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the project during the applicable term of the supplements to the Tariff supplement; and
- (2) Rights to any other environmental attributes or electricity market services or products that are created or produced by the project.

For Residential Small-Scale Solar Projects, the customer shall retain title to all energy and capacity produced by the project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

Non-Residential

The Company shall have the rights and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement;
- (2) All energy produced by the project; and

- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.5.1 Delivery of RECs and Registration in NEPOOL GIS

The Applicant must take all steps to both enable the Company to obtain the appropriate asset identification for the creation of RECs and the assignment of RECs to the Company through the New England Power Pool Generator Information System (NEPOOL GIS) in accordance with the Tariffs. RECs must be delivered to National Grid in the NEPOOL GIS.

2.5.2 Delivery of Energy into ISO-NE Market (Non-Residential Projects Only)

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone.

2.5.3 Participation in ISO-NE Forward Capacity Market (FCM)

Upon National Grid's election to acquire the capacity from a Project, National Grid will assume the rights to the capacity, pursuant to the Tariff. National Grid reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when National Grid participates as Project Sponsor on behalf of any Project, the Applicant must support National Grid, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5.4 Qualification of RECs

Small-Scale Solar Projects must qualify as an eligible renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (RES) and the Massachusetts Renewable Portfolio Standard (RPS). The Company will obtain such approvals on behalf of all Small-Scale Solar Projects. Applicants must cooperate with the Company, including but not limited to completing the Renewable Energy Certificate Assignment and Aggregation Certification Form, to obtain approval in order to be qualified under the RES and RPS.

III. Contact Information and Other Provisions

3.1 Contact Information

All questions and communications regarding these Rules should be directed via electronic mail to National Grid Environmental Transactions at the following address:

RenewableContracts@nationalgrid.com

3.2 Official Website for the Enrollment

The Solicitation and Enrollment Process Rules are posted on the National Grid Rhode Island RE Growth Program website:

ngrid.com/REGrowth

Interconnection Applications must be submitted to distributed.generation@nationalgrid.com. Information about the interconnection process can be found on the Interconnection Process website:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

3.3 Confidentiality

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of information and data related to the RE Growth Program, including application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.3 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel an enrollment; alter, extend, or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Small-Scale Solar Annual MW Target and Standard PBI Applicable to Current Enrollment Year**

Renewable Energy Class (Nameplate kW)	Annual Enrollment Target (Nameplate MW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – Host Owned (1-10 kW DC)	5.5	37.65 (15-yr Tariff)
Small-Scale Solar – Host Owned (1-10 kW DC)		33.45 (20-yr Tariff)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)		29.90 (15-yr Tariff)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)		26.10 (20-yr Tariff)
Small-Scale Solar (11-25 kW DC)		26.15 (20-yr Tariff)

Notes:

- Schedule 1 will be updated as required for each enrollment year.
- The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.

Schedule 2**Renewable Energy Growth Program PBI Inclusive of SolarWise Bonus**

SolarWise Tier One: 5% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – Host Owned (1-10 kW DC)	39.53 (15-yr Tariff)
Small-Scale Solar – Host Owned (1-10 kW DC)	35.12 (20-yr Tariff)
Small-Scale Solar (11-25 kW DC)	27.46 (20-yr Tariff)

SolarWise Tier Two: 10% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – Host Owned (1-10 kW DC)	41.42 (15-yr Tariff)
Small-Scale Solar – Host Owned (1-10 kW DC)	36.80 (20-yr Tariff)
Small-Scale Solar (11-25 kW DC)	28.77 (20-yr Tariff)

SolarWise Tier One – Small-Scale Solar Third Party Owned: 2% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)	30.50 (15-yr Tariff)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)	26.62 (20-yr Tariff)
Small-Scale Solar (11-25 kW DC)	26.67 (20-yr Tariff)

SolarWise Tier Two – Small-Scale Solar Third Party Owned: 4% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)	31.10 (15-yr Tariff)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)	27.14 (20-yr Tariff)
Small-Scale Solar (11-25 kW DC)	27.20 (20-yr Tariff)

Schedule 3**Non-profit, Affordable Housing, Income Eligible 2016 Pilot: Renewable Energy Classes, Targets, and Ceiling Prices**

Renewable Energy Class (Nameplate kW)	2016 Enrollment Target (Nameplate MW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar – Residential or nonprofit master metered single unit building (1-10 kW DC)	1	45.25 (15-yr Tariff)
Small-Scale Solar – Residential or nonprofit master metered single unit building (1-10 kW DC)		39.85 (20-yr Tariff)
Small Scale Solar – Residential, Small Commercial, or non-profit master metered multi-unit building (2-4 tenant units) (11-25 kW DC)		30.15 (20-yr Tariff)



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Small-Scale Solar
Projects**

Effective Date: April 1, ~~2015~~2016

Table of Contents

I. Introduction and Overview 3

1.1 Purpose of the Solicitation and Enrollment 3

1.2 Enrollment Framework..... 3

II. Interconnection Application, Selection, and Enrollment Process..... 6

2.1 Performance-Based Incentive (PBI) Payments for Small-Scale Solar Projects..... 6

2.2 Interconnection Application Prior to Enrollment..... 7

2.3 Issuance of Certificates of Eligibility 8

2.4 Project Schedule 8

2.5 Ownership of Products for Small-Scale Solar 8

III. Contact Information and Other Provisions 10

3.1 Contact Information 10

3.2 Official Website for the Enrollment 10

3.3 Confidentiality 10

3.4 Modification or Cancellation of an Enrollment 11

Schedule 1 12

Schedule 2 13

Schedule 3 15

I. Introduction and Overview

National Grid would like to welcome you to the Rhode Island Renewable Energy Growth Program (RE Growth Program). The RE Growth Program seeks to make it easy and attractive to install solar photovoltaic (PV) systems at the homes and businesses of National Grid's customers. An applicant (Applicant) to the RE Growth Program may be a solar developer or a National Grid customer.

Residential customers or their developers may apply for the RE Growth Program on a first-come, first-served basis. These solar systems will earn "bill credits" for the customer from the energy produced, and an incentive payment for any excess production.

Non-residential customers or their developers may also apply to for the RE Growth Program on a first-come, first-served basis. These solar systems will have the option to receive the entire incentive payment directly or a combination of a direct payment and a bill credit for the customer, as specified in the Non-Residential Tariff.

This document provides information on the Solicitation and Enrollment Rules necessary to participate and enroll in the RE Growth Program.

1.1 Purpose of the Solicitation and Enrollment

The RE Growth Program was developed pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development of and compensation paid to distributed generation (DG) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (Rules) provide the means by which a project can qualify for and enroll in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Company's RE Growth Program Tariff for Residential Customers and the RE Growth Program Tariff for Non-Residential Customers (together, the Tariffs). Any term not defined in the Rules is defined in the Tariffs.

A Small-Scale Solar Project is a solar project with a nameplate generating capacity up to and including twenty-five kilowatts (25 kW). A Small-Scale Solar DG Project's nameplate capacity is the total rated power output of all solar panels measured in direct current (DC).

Under the RE Growth Program, National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The RE Growth Program is subject to the approval of the Rhode Island Public Utilities Commission

(Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts (MW) to be enrolled for the year (annual MW target), which will be based on the projects' aggregate nameplate capacity. The nameplate capacity of a solar project is the total rated power output of all solar panels measured in DC. A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval.

A total of at least 3 MW of capacity shall be carved out exclusively for Small-Scale Solar Projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW class target for Small-Scale Solar Projects. Please see Schedule 1 for the currently approved annual MW target for Small-Scale Solar Projects.

For each program year, the Board will recommend the Standard Performance-Based Incentive (PBI) for each renewable energy class, subject to Commission approval. Small-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1. See Schedule 1 for the approved Standard PBIs for the current program year.

1.2.1 Applications

During each program year, Applicants can enroll at any time until the annual MW target for the Small-Scale Solar Project class has been met, including the possible availability of additional capacity under the annual MW target. Applicants may elect to participate in the RE Growth Program within their application for interconnection, pursuant to the Company's Standards for Connecting Distributed Generation tariff. There is no separate enrollment application for Small-Scale Solar Projects.

Applicants will be selected for the RE Growth Program in accordance with the provisions below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and National Grid will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC.

Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a National Grid customer's residence where the residential customer receives electric service under either Basic Residential Rate A-16 or Low Income Rate A-60. The project must meet the sizing requirements as defined in the Residential RE Growth Tariff.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured to receive bill credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff, but are not required to do so. These projects will receive electric service pursuant to the appropriate general service retail delivery service tariff.

1.2.2.3.1 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving

Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources. In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers.

1.2.2.3.2 Compliance with Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have on-site load may receive a credit on their electric bill based upon the value of the on-site use, provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive bill credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. ~~Note that the on-site load is defined as the average of the previous three (3) year annual consumption of energy at the electric service account located at the Customer's service location. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer's service location; 2) the annualized On-Site Use over the period of service to the Residential Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location.~~

II. Interconnection Application, Selection, and Enrollment Process

2.1 Performance-Based Incentive (PBI) Payments for Small-Scale Solar Projects

Applicants may elect to enroll in the RE Growth Program within their interconnection applications. Applicants may also elect to enroll in the 2016 Non-profit, Affordable Housing, Income Eligible Pilot within their interconnection applications. See Schedule 3 for the Renewable Energy Classes, Targets, and Ceiling Prices for the Pilot.

Residential

The PBI is a price per kilowatt-hour for all of the Renewable Energy Certificates (RECs) and any other environmental attributes or market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

Non-Residential

The PBI is a price per kilowatt-hour that will be paid for all of the energy, capacity, RECs, and other environmental attributes and market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

2.1.1 SolarWise Program for Small-Scale Projects

The SolarWise Program combines savings that result from Energy Efficiency (EE) measures with additional incentives paid from the RE Growth Program for pursuing solar installations. Small-scale solar projects that commit to or install energy efficiency savings measures from the SolarWise Program can qualify for SolarWise Bonus Payments within the Renewable Energy Growth Program.

Applicants wishing to obtain the SolarWise Bonus Payment must show that they have achieved, or are committed to achieve through EE measures, the required program savings levels. An Applicant must submit an application form and required documentation to the SolarWise Program. Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments, provided their project is selected in the RE Growth Program per Section 2.3 below. The PBI payments will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility. See Schedule 2 for the PBIs -applicable to projects approved as part of the SolarWise Program. Please refer to the SolarWise Customer Guide as well as Section 6.d. of the Tariff for more information on the SolarWise Program.

2.2 Interconnection Application Prior to Enrollment

To apply, a prospective participant must submit an application for interconnection and elect to participate in the RE Growth Program. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project.

For information regarding the interconnection process and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

2.2.1 Site Control

The Applicant must show actual control of the site where the Small-Scale Solar Project is to be located, or show it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site (or residence in the case of a Residential Small-

Scale Solar Project) on which the project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.3 Issuance of Certificates of Eligibility

National Grid shall award Certificates of Eligibility to the selected Small-Scale Solar Projects. National Grid is not required to obtain Commission confirmation or approval in awarding Certificates of Eligibility to Small-Scale Solar Projects. Certificates of Eligibility given to Small-Scale Solar Projects are subject to the review and consent of the OER. National Grid files a list of all awarded certificates with the Commission. Certificates of Eligibility will be awarded to eligible Small-Scale Solar Projects on a “first come, first served” basis until the annual MW target for the Small-Scale Solar class is fully subscribed.

The Certificate of Eligibility will contain applicable project information, including renewable technology and class, project capacity and energy output, term length, price, certificate issuance, and certificate effective dates.

2.4 Project Schedule

All Small-Scale Solar Projects have twenty-four (24) months to meet all other requirements pursuant to Section 6.a. of the Tariff in order to receive compensation under the RE Growth Program. A project’s proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not become operational on or before the twenty-four (24) month deadline, the project’s Certificate of Eligibility will be voided.

2.5 Ownership of Products for Small-Scale Solar

Residential

The Company shall have the rights to and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the project during the applicable term of the supplements to the Tariff supplement; and
- (2) Rights to any other environmental attributes or electricity market services or products that are created or produced by the project.

For Residential Small-Scale Solar Projects, the customer shall retain title to all energy and capacity produced by the project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

Non-Residential

The Company shall have the rights and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement;
- (2) All energy produced by the project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.5.1 Delivery of RECs and Registration in NEPOOL GIS

The Applicant must take all steps to both enable [the Company to obtain the appropriate asset identification for the](#) creation of RECs and the assignment of RECs to the Company through the New England Power Pool Generator Information System (NEPOOL GIS) in accordance with the Tariffs. RECs must be delivered to National Grid in the NEPOOL GIS.

2.5.2 Delivery of Energy into ISO-NE Market (Non-Residential Projects Only)

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone.

2.5.3 Participation in ISO-NE Forward Capacity Market (FCM)

Upon National Grid's election to acquire the capacity from a Project, National Grid will assume the rights to the capacity, pursuant to the Tariff. National Grid reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when National Grid participates as Project Sponsor on behalf of any Project, the Applicant must support National Grid, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

2.5.4 Qualification of RECs

~~Applicants to the RE Growth Program must obtain qualification for their~~ Small-Scale Solar Projects ~~must qualify~~ as ~~an eligible~~ renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (RES) ~~and the Massachusetts Renewable Portfolio Standard (RPS).~~ ~~The Company will obtain such approvals on behalf of all Small-Scale Solar Projects.~~ Applicants must ~~complete a Renewable Energy Resources Eligibility Form~~ ~~cooperate with the Company,~~ ~~including but not limited to completing the Renewable Energy Certificate Assignment and Aggregation Certification Form, to~~ ~~and~~ obtain ~~Commission~~ approval in order to be qualified under the RES ~~and RPS.~~ ~~The form can be found at:~~

<http://www.ripuc.org/utilityinfo/res.html>

~~In addition, the Company may require Applicants to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.~~

III. Contact Information and Other Provisions

3.1 Contact Information

All questions and communications regarding these Rules should be directed via electronic mail to National Grid Environmental Transactions at the following address:

~~Rhode Island RE Growth Program Manager~~

~~{Email address TBD}~~

RenewableContracts@nationalgrid.com

3.2 Official Website for the Enrollment

The Solicitation and Enrollment Process Rules are posted on the National Grid Rhode Island RE Growth Program website:

~~{Website address TBD}~~

ngrid.com/REGrowth

Interconnection Applications must be submitted to distributed.generation@nationalgrid.com. Information about the interconnection process can be found on the Interconnection Process website:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

3.3 Confidentiality

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of information and data related to the RE Growth Program, including application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.3 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel an enrollment; alter, extend, or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Small-Scale Solar Annual MW Target and Standard PBI Applicable to Current Enrollment Year**

Renewable Energy Class (Nameplate kW)	Annual Enrollment Target (Nameplate MW)	Ceiling Price/Standard PBI (cents/kWh) [20-yr Tariff Terms except *]
Small-Scale Solar – Host Owned (1-10 kW DC)	3.0 <u>5.5</u>	41.35 <u>37.65</u> (*15 -yr Tariff)
Small-Scale Solar – Host Owned (1-10 kW DC)		37.75 <u>3.45</u> (*20 -yr Tariff)
Small-Scale Solar – 3rd Party Owner (1-10 kW DC)		32.95 <u>29.90</u> (15 -yr Tariff)
<u>Small-Scale Solar – 3rd Party Owner (1-10 kW DC)</u>		<u>26.10</u> (<u>20</u> -yr Tariff)
Small-Scale Solar (11-25 kW DC)		29.80 <u>6.15</u> (<u>20</u> -yr Tariff)

Notes:

- Schedule 1 will be updated as required for each enrollment year.
- The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.

Schedule 2**Renewable Energy Growth Program PBI Inclusive of SolarWise Bonus**

<u>SolarWise Tier One: 5% PBI Increase</u>	
<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Ceiling Price/Standard PBI</u> <u>(cents/kWh)</u>
<u>Small-Scale Solar – Host Owned</u> <u>(1-10 kW DC)</u>	<u>39.53</u> <u>(15-yr Tariff)</u>
<u>Small-Scale Solar – Host Owned</u> <u>(1-10 kW DC)</u>	<u>35.12</u> <u>(20-yr Tariff)</u>
<u>Small-Scale Solar</u> <u>(11-25 kW DC)</u>	<u>27.46</u> <u>(20-yr Tariff)</u>

<u>SolarWise Tier Two: 10% PBI Increase</u>	
<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Ceiling Price/Standard PBI</u> <u>(cents/kWh)</u>
<u>Small-Scale Solar – Host Owned</u> <u>(1-10 kW DC)</u>	<u>41.42</u> <u>(15-yr Tariff)</u>
<u>Small-Scale Solar – Host Owned</u> <u>(1-10 kW DC)</u>	<u>36.80</u> <u>(20-yr Tariff)</u>
<u>Small-Scale Solar</u> <u>(11-25 kW DC)</u>	<u>28.77</u> <u>(20-yr Tariff)</u>

<u>SolarWise Tier One – Small-Scale Solar Third Party Owned: 2% PBI Increase</u>	
<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Ceiling Price/Standard PBI</u> <u>(cents/kWh)</u>
<u>Small-Scale Solar – 3rd Party Owner</u> <u>(1-10 kW DC)</u>	<u>2930.950</u> <u>(15-yr Tariff)</u>
<u>Small-Scale Solar – 3rd Party Owner</u> <u>(1-10 kW DC)</u>	<u>26.1062</u> <u>(20-yr Tariff)</u>
<u>Small-Scale Solar</u> <u>(11-25 kW DC)</u>	<u>26.67</u> <u>(20-yr Tariff)</u>

<u>SolarWise Tier Two – Small-Scale Solar Third Party Owned: 4% PBI Increase</u>	
<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Ceiling Price/Standard PBI</u> <u>(cents/kWh)</u>
<u>Small-Scale Solar – 3rd Party Owner</u> <u>(1-10 kW DC)</u>	<u>29.9031.10</u> <u>(15-yr Tariff)</u>
<u>Small-Scale Solar – 3rd Party Owner</u> <u>(1-10 kW DC)</u>	<u>26.107.14</u> <u>(20-yr Tariff)</u>
<u>Small-Scale Solar</u> <u>(11-25 kW DC)</u>	<u>27.20</u> <u>(20-yr Tariff)</u>

Schedule 3Non-profit, Affordable Housing, Income Eligible 2016 Pilot: Renewable Energy Classes,
Targets, and Ceiling Prices

<u>Renewable Energy Class (Nameplate kW)</u>	<u>2016 Enrollment Target (Nameplate MW)</u>	<u>Ceiling Price/Standard PBI (cents/kWh)</u>
<u>Small-Scale Solar – Residential or nonprofit master metered single unit building (1-10 kW DC)</u>	<u>1</u>	<u>45.25</u> <u>(15-yr Tariff)</u>
<u>Small-Scale Solar – Residential or nonprofit master metered single unit building (1-10 kW DC)</u>		<u>39.85</u> <u>(20-yr Tariff)</u>
<u>Small Scale Solar – Residential, Small Commercial, or non-profit master metered multi-unit building (2-4 tenant units) (11-25 kW DC)</u>		<u>30.15</u> <u>(20-yr Tariff)</u>



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Solar (Greater
than 25kW), Wind, Hydro and Anaerobic Digester Projects**

Effective Date: April 1, 2016

Table of Contents

I. Introduction and Overview	3
1.1 Purpose of the Solicitation and Enrollment.....	3
1.2 Enrollment Framework	3
II. Application Evaluation and Selection Criteria and Process.....	7
2.1 Overview of Application Evaluation and Selection Process	7
2.2 Issuance of Certificates of Eligibility	10
2.3 Requirements to Initiate Payment for Output	10
2.4 Ownership of Products	12
III. Contact Information and Other Provisions	13
3.1 Official Contact	13
3.2 Submittal of Enrollment Applications.....	13
3.3 Confidentiality.....	13
3.4 Modification or Cancellation of an Enrollment	14
Schedule 1	15
Schedule 2	16
Schedule 3	17
Schedule 4	18

I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

National Grid developed the Renewable Energy Growth Program (RE Growth Program) pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development and compensation of distributed generation projects in Rhode Island. These Solicitation and Enrollment Process Rules for Non-Residential Projects (Rules) provide the means by which an applicant (Applicant) can qualify and enroll a project (Project) in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Non-Residential RE Growth Program Tariff (Tariff). As described below, a Project enrolled in the RE Growth Program must supply National Grid with energy, capacity, Renewable Energy Certificates (RECs), and other environmental attributes and market products. Any term not defined in the Rules is defined in the Tariff.

These Rules will apply to all Projects that are not Small-Scale Solar Projects, subject to the eligibility provisions below. A Small-Scale Solar Project is a solar project having a nameplate capacity of up to and including twenty-five kilowatts (25 kW), and is subject to the rules for Small-Scale Solar Projects.

These Rules, along with the Tariff, will govern the eligibility and procedures for Projects in the RE Growth Program. National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The Program is subject to the approval of the Rhode Island Public Utilities Commission (Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts to be enrolled for the year (annual MW target), and a target amount of megawatts for each enrollment event (enrollment MW target), both of which will be based on nameplate capacity. The nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (DC). The enrollment MW target will be a specific portion of the annual MW target.

For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (class MW target), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval. If there is an over-subscription in one class and an under-

subscription in an enrollment MW target, then National Grid, the OER, and the Board may mutually agree to allocate megawatts from one class to another without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

Annual MW targets are as follows, with at least three megawatts (3 MW) of capacity to be carved out exclusively for small-scale solar projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW target. Nameplate capacity associated with projects from the DG Standard Contracts Program that do not achieve commercial operation will also be added to the last program year.

	2015	2016	2017	2018	2019
Annual Target	25 MW	40 MW	40 MW	40 MW	160 MW + Actual remaining DG Standard Contract Capacity ¹ - (Actual 2015 + Actual 2016 + Actual 2017 + Actual 2018)

A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval. Except for the first program year (2015), National Grid is required, in consultation with the Board and the OER, to conduct at least three (3) tariff enrollments for each distributed generation class each program year. For the first program year, the Board may recommend that either two (2) or three (3) enrollments be conducted. The classes and targets for each program year are listed in Schedule 1 of this application, which will be updated periodically.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives (PBI), as applicable, for each renewable energy class, subject to Commission approval. For Competitive Bid projects, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. Small-scale solar and medium-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1.4. See Schedule 1 for the approved Ceiling Prices and Standard PBIs for the current program year.

1.2.1 Applications

Each enrollment will be open for a two (2) week period. During the enrollment period, National Grid will accept standard short-form applications. The standard application shall require the Applicant to provide the following information about the project: (1) the project ownership; (2) the location of the proposed project; (3) the nameplate capacity; and (4) the renewable energy

¹ Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (R.I.G.L. § 39-26.6-12(e)), any shortfall in the 2014 Distributed Generation Standard Contracts Program shall be added to the 160 MW target for the fifth program year.

class. The application allows Applicants to provide additional information relative to the permitting, financial feasibility, ability to build, and timing for achieving commercial operation of the proposed projects. The Applicant must certify in the application that the project will not violate the prohibition on project segmentation, as set forth in the Tariff.

Applicants will be selected for the RE Growth Program in accordance with the rules below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Project must meet certain requirements, and National Grid will review all applications to determine whether they meet these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to obligations under an interconnection service agreement, and being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible for an enrollment, a Project must: (1) be an eligible renewable energy resource under the RE Growth Program, as determined by the Board and approved by the Commission; (2) have a nameplate capacity equal to or less than five megawatts (5 MW); (3) interconnect with the distribution system of The Narragansett Electric Company; and (4) be located in the The Narragansett Electric Company ISO-NE load zone.

Nameplate capacity is the maximum rated output or gross output of a generator; for solar technology it is the total rated power output of all panels measured in direct current (DC).

To apply, a distributed generation project must not be: (1) already operating; (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost; or (3) fully financed for construction, except to the extent that financing agreements are conditioned upon the selection of the project in this program. A pre-existing hydroelectric generating facility that is already operating may be eligible for the RE Growth Program if it can demonstrate with reasonable evidence its need for a material investment to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements, in addition to meeting the other criteria of the RE Growth Program.

1.2.2.3.1 Renewable Energy Classes

For each program year, the Board shall determine the renewable energy classes, which are defined by specific technology, nameplate size, and other requirements as may be applicable as determined by the Board, subject to Commission approval. The Board may make recommendations to the Commission to add, eliminate, or adjust renewable energy classes for each program year. See Schedule 1 for the approved renewable energy classes for the applicable program year. To be eligible for an enrollment, a distributed generation project must qualify within one of the approved renewable energy classes for the applicable program year as indicated in Schedule 1.

1.2.2.3.2 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.

Under the RE Growth Program, project segmentation is not allowed. However, a Project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A Project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the Project and the start of construction of new distributed generation unit(s) of the same resource technology on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resource technologies (e.g., a wind turbine and a solar array could both be eligible within the 24 month window). In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive bill credits under Option 2 as described in Section 8.c. of the Tariff.

1.2.2.3.3 Small Distributed Generation Projects

A small distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Small Wind	Small-Scale Solar	Medium-Scale Solar	Other Technology
50 kW - 1,500 kW	Up to and including 25 kW	Greater than 25 kW, up to and including 250 kW	TBD by the Board, up to 1 MW.

See Schedule 1 for approved renewable energy classes that are eligible for the current enrollment. Note that there is a separate solicitation and enrollment process rules for Small-Scale Solar projects.

1.2.2.3.4 Large Distributed Generation Projects

A large distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Commercial-Scale Solar	Large-Scale Solar	Large Wind	Other Technology
Greater than 250 kW, but less than 1 MW	1 MW, up to and including 5 MW	Greater than 1.5 MW, up to and including 5 MW	Greater than small DG, up to and including 5 MW

See Schedule 1 for approved renewable energy classes that are eligible for the current enrollment.

1.2.2.3.5 2016 Non-profit, Affordable Housing, Income Eligible Pilot

Applicants may also elect to enroll in the 2016 Non-profit, Affordable Housing, Income Eligible Pilot. See Schedule 3 for the Renewable Energy Classes, Targets, and Ceiling Prices for the Pilot.

II. Application Evaluation and Selection Criteria and Process

2.1 Overview of Application Evaluation and Selection Process

Applications will be subject to a consistent, defined review and selection process. Except for small-scale and medium-scale solar, Projects in an enrollment period will be evaluated against other Projects in the same renewable energy class. The first stage of review determines whether a Project satisfies specified eligibility and minimum threshold requirements. National Grid will conduct any additional evaluation as required, consistent with the requirements set forth above, and select eligible Applicants to move onto the next stage in the selection process. Subsequent to this selection, National Grid will evaluate Projects based on certain threshold criteria, described below in sections 2.1.1-2.1.3, and then award selected projects Certificates of Eligibility as described in sections 2.1.4 and 2.1.5.

2.1.1 Interconnection Progress Prior to Enrollment

A Project must have made sufficient progress in the interconnection process prior to enrollment to ensure that interconnection costs have been estimated and the Project is likely to meet the statutory deadlines above. Project owners must have already submitted an application for interconnection and, if necessary, must have received a completed Impact Study for Renewable DG (ISR DG) from the Company. A copy of the interconnection application and a completed ISR DG, or valid Interconnection Service Agreement, must be enclosed along with an application

for enrollment under this program. A valid Interconnection Service Agreement is one that has been signed by both the Applicant and National Grid. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project. However, a distributed generation facility owner may appeal to the Commission to reduce any required system upgrade costs to the extent such upgrades can be shown to benefit other customers of the electric distribution company and the balance of such costs shall be included in rates by the electric distribution company for recovery in the year incurred or the year following incurrence.

For information regarding ISRDG and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_standard_interconnection.asp

2.1.2 Site Control

The Applicant must show actual control of the site where the Project is to be located, or show that it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site on which the proposed project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.1.3 Application Completeness and Timeliness

Applicants must endeavor to complete the entire application and provide all reasonably available information in each section of the application. Applicants will not be allowed to modify their applications after they are submitted to the Company.

Applications must be timely submitted in accordance with the enrollment dates set forth in Schedule 4. Applications received after the deadline will not be accepted.

Following the submission of applications, National Grid may request additional information from Applicants at any time during the process. Applicants that do not respond to requests for information may be disqualified from an enrollment.

2.1.4 Standard Performance-Based Incentive (PBI) Payments for Small-Scale and Medium-Scale Solar Projects

Small-scale and medium-scale solar projects enrolled in the RE Growth Program will receive a Standard PBI for the period of years shown in the applicable Tariff supplement. See Schedule 1 for the approved Standard PBIs for the current program year. The Standard Performance-Based Incentive is recommended by the Board and approved by the Commission. The Standard Performance-Based Incentive is a price per kilowatt-hour to be paid for the entire output of the facility for as long as the facility is enrolled in the Program. These projects shall be selected on a

“first come, first served” basis. Small-scale solar projects must apply to the RE Growth Program pursuant to the Small-Scale Solar Solicitation and Enrollment Rules.

If, after the first program year, the applications for the medium-scale solar projects are significantly over-subscribed, then the Board and National Grid, in consultation with the OER, may propose to the Commission a bidding process for medium-scale solar projects or a subset of the medium-scale solar projects as described in section 2.1.6 below.

2.1.5 SolarWise Program for Small-Scale and Medium-Scale Solar Projects

The SolarWise Program combines savings that result from Energy Efficiency (EE) measures with additional incentives paid from the RE Growth Program for pursuing solar installations. Small-scale and medium-scale solar projects that commit to or install energy efficiency savings measures from the SolarWise Program can qualify for SolarWise Bonus Payments within the Renewable Energy Growth Program.

Applicants wishing to obtain the SolarWise Bonus Payment must show that they have achieved, or are committed to achieve through EE measures, the required program savings levels. An Applicant must submit an application form and required documentation to the SolarWise Program. Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments, provided their project is selected in the RE Growth Program per section 2.1.4 above. The PBI payments will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant’s SolarWise Approval and Certificate of Eligibility. See Schedule 2 for the PBIs applicable to projects approved as part of the SolarWise Program. Please refer to the SolarWise Customer Guide as well as Section 8.d. of the Tariff for more information on the SolarWise Program.

2.1.6 Competitive Bidding for Distributed Generation Projects

Large-scale and commercial-scale solar projects and distributed generation projects for other eligible technologies are subject to a bidding process to determine which Projects are selected for the RE Growth Program. Each Project is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Following eligibility and threshold evaluations, the price evaluation of the bids for that applicable Tariff supplement will be applied on a consistent basis such that the same approved term lengths for competing bids are used to determine the winning bids. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 1 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

If the Projects that bid the same price exceed the capacity specified for a renewable energy class target, National Grid will consult with the Board and the OER in selecting first those

projects that appear to be the furthest along in development and that are most likely to be deployed. Those Projects that are likely to achieve commercial operations at the earliest time shall be selected first. The Company may also consult with the Board, the OER, and/or the Division during this further assessment.

2.2 Issuance of Certificates of Eligibility

For small-scale and medium-scale solar projects, National Grid shall provide Certificates of Eligibility to the selected projects without obtaining Commission confirmation or approval, but subject to the review and consent of the OER. National Grid will file with the Commission a list of all small-scale and medium-scale solar Projects that are awarded Certificates of Eligibility. National Grid will award Certificates of Eligibility to eligible small-scale solar projects in accordance with the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects. National Grid will award Certificates of Eligibility to eligible medium-scale solar projects on a “first come, first served” basis until the enrollment MW target for that renewable energy class is fully subscribed.

For commercial-scale and large-scale solar, and all other distributed generation projects, National Grid shall file with the Commission a list of the distributed generation projects selected together with the corresponding pricing information. The Commission shall issue an order listing those projects to which Certificates of Eligibility are awarded within sixty (60) days of receipt of the list.

The Certificate of Eligibility will contain applicable DG Facility information, including renewable technology and class, facility size and energy output, term length, price, certificate issuance and certificate effective dates.

2.3 Requirements to Initiate Payment for Output

If awarded a Certificate of Eligibility, a Project is required to meet specific requirements to maintain its status in the RE Growth Program prior to and during construction, and to initiate the start of the payments for its output. These requirements are set forth below.

2.3.1 Performance Guarantee Deposit

Except for small-scale solar and medium-scale solar projects, Applicants are required to pay a performance guarantee deposit to National Grid, which must be made by wire transfer. The performance guarantee deposit is determined, in part, on the quantity of renewable energy certificate estimated to be generated per year under the Program. The deposit is fifteen dollars (\$15.00) for each REC estimated to be generated per year by a Small Distributed Generation project and twenty-five dollars (\$25.00) for each REC estimated to be generated per year by a Large Distributed Generation project. A performance guarantee deposit is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The deposit must be received and confirmed by National Grid within five (5) business days after a project is offered a Certificate of Eligibility. There are no exceptions to this requirement.

Applicants should be prepared to make a deposit when submitting applications into any enrollment. If payment of the required performance guarantee deposit is not received by the date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment.

The Company will refund the performance guarantee deposit over the course of the first year of the project's operation, paid quarterly.

2.3.2 Project Schedule and Output Certification

A project must certify that it is capable of producing at least ninety percent (90%) of the output that was proposed in its enrollment application before its deadline. All projects will have a twenty-four (24) month deadline to meet this requirement, but anaerobic digestion projects will have thirty six (36) months, and small-scale hydro will have forty-eight (48) months). A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not certify that it is capable of generating the output proposed in its enrollment application on or before the applicable deadline, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. Forfeited performance guarantee deposits shall be credited to all distribution customers through rates and not retained by National Grid. National Grid will not refund the Performance Guarantee Deposit to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. and 3.g. of the Tariff (note: deadline may be extended by 6 months with no additional PGD and an additional 6 months beyond that by posting one-half original PGD for the second extension).

A DG Facility must provide an independent third-party (licensed PE) engineer's "Output Certification" stating:

1. that the DG Facility or project has been completed in all material respects;
 - a. including completion of construction of facility and all interconnection facilities necessary for operation;
 - b. applicable meters have been installed and tested (commissioned).
2. that the DG Facility or project is capable of producing at least 90% of the maximum hourly output proposed in the project application and specified on the *Certificate of Eligibility*;
3. the actual nameplate capacity of the DG Facility or project as built and specified on the *Certificate of Eligibility*; and
4. the maximum hourly output in kWh/hour in Alternating Current (AC) of the facility as built and specified on the *Certificate of Eligibility*.

Once a DG Project has provided the Output Certification to National Grid, the Project then has 90 days to meet all other requirements pursuant to Section 8.a. of the Tariff in order to receive payment.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a performance guarantee deposit. However, after receiving a Certificate of Eligibility, a small-scale or medium-scale solar project has twenty-four (24) months to meet all other requirements pursuant to the Tariff in order to receive compensation under the RE Growth Program. If a Project does not meet this deadline, the Certificate of Eligibility will be voided.

2.3.3 Qualification as a Eligible Renewable Energy Resource under the RES

An Applicant to the RE Growth Program must obtain qualification for a Project as a renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (RES). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at:

<http://www.ripuc.org/utilityinfo/res.html>

In addition, the Applicant is required cooperate with the Company to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the Project during the applicable term of the Tariff supplement;
- (2) All energy produced by the Project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the Project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.4.1 Delivery of Energy into ISO-NE Market

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone at the delivery node associated with the Project.

2.4.2 Delivery of RECs and Registration in NEPOOL GIS

Applicants must cooperate with and provide information to the Company to enable RECs to be created by the Project at the NEPOOL Generation Information System, and for such RECs to be transferred or assigned to the Company's appropriate NEPOOL GIS account, as governed by the Tariff.

2.4.3 Participation in ISO-NE Forward Capacity Market (FCM)

Upon National Grid's election to acquire the capacity from a Project, National Grid will assume the rights to the capacity, pursuant to the Tariff. National Grid reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when National Grid participates as Project Sponsor on behalf of any Project, the Applicant must support National Grid, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

III. Contact Information and Other Provisions

3.1 Official Contact

All questions and communications regarding these Rules should be directed via electronic mail to National Grid Environmental Transactions at the following address:

RenewableContracts@nationalgrid.com

3.2 Submittal of Enrollment Applications

The Solicitation and Enrollment Process Rules are posted on the National Grid Rhode Island Renewable Energy Growth Program website:

ngrid.com/REGrowth

Applications must be submitted electronically via the website, during the two-week Open Enrollment set forth in Schedule 4. Applications received after the deadline cannot be accepted for that particular open enrollment but can be submitted in a future open enrollment solicitation.

3.3 Confidentiality

Each application shall contain the full name and business address of the Applicant, and a contact person, and shall be signed by an authorized person.

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of the information and data related to the RE Growth Program, including such information as application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules, is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.2 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel this enrollment; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1
Approved Renewable Energy Classes, Annual Enrollment Targets, Standard PBIs and Ceiling
Prices Applicable to Current Enrollment Period

Renewable Energy Class (Nameplate kW)	Annual Enrollment Target (Nameplate MW)	Standard PBI <i>applicable to Medium-Scale Solar only</i> (cents/kWh)	Ceiling Price w/ITC (cents/kWh)	Ceiling Price w/o PTC (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	5	24.40	24.40	N/A	20
Commercial-Scale Solar (251-999 kW DC)	8	N/A	23.15	N/A	20
Large-Scale Solar (1,000-5,000 kW DC)	9	N/A	18.35	N/A	20
Wind (1,500-2,999 kW 3,000-5,000 kW; 2-turbine 3,000-5,000 kW; 3-turbine)	9	N/A N/A N/A	N/A N/A N/A	24.45 23.45 22.65	20 20 20
Anaerobic Digestion (150-500 kW 501-1,000 kW)	1.5	N/A N/A	N/A N/A	21.20 21.20	20 20
Small-Scale Hydropower (up to 1,000 kW)					
10-250 kW 251-1,000 kW		N/A N/A	N/A N/A	21.00 19.75	20 20

Note: Schedule 1 will be updated as required for each enrollment period.

Schedule 2

Renewable Energy Growth Program PBI Inclusive of SolarWise Bonus

SolarWise Tier One: 5% PBI Increase				
Renewable Energy Class (Nameplate kW)	Standard PBI <i>applicable to Medium-Scale Solar only</i> (cents/kWh)	Ceiling Price w/ITC (cents/kWh)	Ceiling Price w/o PTC (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	25.62	25.62	N/A	20

SolarWise Tier Two: 10% PBI Increase				
Renewable Energy Class (Nameplate kW)	Standard PBI <i>applicable to Medium-Scale Solar only</i> (cents/kWh)	Ceiling Price w/ITC (cents/kWh)	Ceiling Price w/o PTC (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	26.84	26.84	N/A	20

Schedule 3**Non-profit, Affordable Housing, Income Eligible 2016 Pilot: Renewable Energy Classes,
Targets, and Ceiling Prices**

Renewable Energy Class (Nameplate kW)	2016 Enrollment Target (Nameplate MW)	Ceiling Price/Standard PBI (cents/kWh)
Medium Solar - Non-profit or multi-unit (5 or more tenant units) master metered building (26kw-250kW DC)	1	29.55 (20-yr Tariff)

Schedule 4**Anticipated Timeline**

Event	Anticipated Dates
Enrollment begins	
Due Date for Submission of Applications	
Notice of Selection	
File Results with RI PUC for approval	
RI PUC Approval (expected)	



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Solar (Greater
than 25kW), Wind, Hydro and Anaerobic Digester Projects**

Effective Date: April 1, ~~2015~~2016

Table of Contents

I. Introduction and Overview	3
1.1 Purpose of the Solicitation and Enrollment.....	3
1.2 Enrollment Framework	3
II. Application Evaluation and Selection Criteria and Process.....	7
2.1 Overview of Application Evaluation and Selection Process	7
2.2 Issuance of Certificates of Eligibility	10
2.3 Requirements to Initiate Payment for Output	10
2.4 Ownership of Products	12
III. Contact Information and Other Provisions	13
3.1 Official Contact	13
3.2 Submittal of Enrollment Applications.....	13
3.3 Confidentiality.....	14
3.4 Modification or Cancellation of an Enrollment	14
Schedule 1	15
Schedule 2	17
Schedule 3	18
Schedule 4	19

I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

National Grid developed the Renewable Energy Growth Program (RE Growth Program) pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development and compensation of distributed generation projects in Rhode Island. These Solicitation and Enrollment Process Rules for Non-Residential Projects (Rules) provide the means by which an applicant (Applicant) can qualify and enroll a project (Project) in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Non-Residential RE Growth Program Tariff (Tariff). As described below, a Project enrolled in the RE Growth Program must supply National Grid with energy, capacity, Renewable Energy Certificates (RECs), and other environmental attributes and market products. Any term not defined in the Rules is defined in the Tariff.

These Rules will apply to all Projects that are not Small-Scale Solar Projects, subject to the eligibility provisions below. A Small-Scale Solar Project is a solar project having a nameplate capacity of up to and including twenty-five kilowatts (25 kW), and is subject to the rules for Small-Scale Solar Projects.

These Rules, along with the Tariff, will govern the eligibility and procedures for Projects in the RE Growth Program. National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The Program is subject to the approval of the Rhode Island Public Utilities Commission (Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts to be enrolled for the year (annual MW target), and a target amount of megawatts for each enrollment event (enrollment MW target), both of which will be based on nameplate capacity. The nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (DC). The enrollment MW target will be a specific portion of the annual MW target.

For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (class MW target), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval. If there is an over-subscription in one class and an under-

subscription in an enrollment MW target, then National Grid, the OER, and the Board may mutually agree to allocate megawatts from one class to another without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

Annual MW targets are as follows, with at least three megawatts (3 MW) of capacity to be carved out exclusively for small-scale solar projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW target. Nameplate capacity associated with projects from the DG Standard Contracts Program that do not achieve commercial operation will also be added to the last program year.

	2015	2016	2017	2018	2019
Annual Target	25 MW	40 MW	40 MW	40 MW	160 MW + Actual remaining DG Standard Contract Capacity ¹ - (Actual 2015 + Actual 2016 + Actual 2017 + Actual 2018)

A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval. Except for the first program year (2015), National Grid is required, in consultation with the Board and the OER, to conduct at least three (3) tariff enrollments for each distributed generation class each program year. For the first program year, the Board may recommend that either two (2) or three (3) enrollments be conducted. The classes and targets for each program year are listed in Schedule [2-1](#) of this application, which will be updated periodically.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives (PBI), as applicable, for each renewable energy class, subject to Commission approval. For Competitive Bid projects, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. Small-scale solar and medium-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1.4. See Schedule [2-1](#) for the approved Ceiling Prices and Standard PBIs for the current program year.

1.2.1 Applications

Each enrollment will be open for a two (2) week period. During the enrollment period, National Grid will accept standard short-form applications. The standard application shall require the Applicant to provide the following information about the project: (1) the project ownership; (2) the location of the proposed project; (3) the nameplate capacity; and (4) the renewable energy

¹ Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (R.I.G.L. § 39-26.6-12(e)), any shortfall in the 2014 Distributed Generation Standard Contracts Program shall be added to the 160 MW target for the fifth program year.

class. The application allows Applicants to provide additional information relative to the permitting, financial feasibility, ability to build, and timing for achieving commercial operation of the proposed projects. The Applicant must certify in the application that the project will not violate the prohibition on project segmentation, as set forth in the Tariff.

Applicants will be selected for the RE Growth Program in accordance with the rules below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Project must meet certain requirements, and National Grid will review all applications to determine whether they meet these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to obligations under an interconnection service agreement, and being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible for an enrollment, a Project must: (1) be an eligible renewable energy resource under the RE Growth Program, as determined by the Board and approved by the Commission; (2) have a nameplate capacity equal to or less than five megawatts (5 MW); (3) interconnect with the distribution system of The Narragansett Electric Company; and (4) be located in the The Narragansett Electric Company ISO-NE load zone.

Nameplate capacity is the maximum rated output or gross output of a generator; for solar technology it is the total rated power output of all panels measured in direct current (DC).

To apply, a distributed generation project must not be: (1) already operating; (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost; or (3) fully financed for construction, except to the extent that financing agreements are conditioned upon the selection of the project in this program. A pre-existing hydroelectric generating facility that is already operating may be eligible for the RE Growth Program if it can demonstrate with reasonable evidence its need for a material investment to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements, in addition to meeting the other criteria of the RE Growth Program.

1.2.2.3.1 Renewable Energy Classes

For each program year, the Board shall determine the renewable energy classes, which are defined by specific technology, nameplate size, and other requirements as may be applicable as determined by the Board, subject to Commission approval. The Board may make recommendations to the Commission to add, eliminate, or adjust renewable energy classes for each program year. See Schedule [2-1](#) for the approved renewable energy classes for the applicable program year. To be eligible for an enrollment, a distributed generation project must qualify within one of the approved renewable energy classes for the applicable program year as indicated in Schedule [21](#).

1.2.2.3.2 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications. [All Applicants are required to include assessor's maps with their applications so that the Company can review project eligibility in light of the prohibition on project segmentation. The Company may also require additional property information to verify that the project is eligible for participation in the program.](#)

Under the RE Growth Program, project segmentation is not allowed. However, a Project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A Project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the Project and the start of construction of new distributed generation unit(s) of the same resource technology on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resource technologies (e.g., a wind turbine and a solar array could both be eligible within the 24 month window). In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive bill credits under Option 2 as described in Section 8.c. of the Tariff.

1.2.2.3.3 Small Distributed Generation Projects

A small distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Small Wind	Small-Scale Solar	Medium-Scale Solar	Other Technology
50 kW - 1,500 kW	Up to and including 25 kW	Greater than 25 kW, up to and including 250 kW	TBD by the Board, up to 1 MW.

See Schedule [2-1](#) for approved renewable energy classes that are eligible for the current enrollment. Note that there is a separate solicitation and enrollment process rules for Small-Scale Solar projects.

1.2.2.3.4 Large Distributed Generation Projects

A large distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Commercial-Scale Solar	Large-Scale Solar	Large Wind	Other Technology
Greater than 250 kW, but less than 1 MW	1 MW, up to and including 5 MW	Greater than 1.5 MW, up to and including 5 MW	Greater than small DG, up to and including 5 MW

See Schedule [2-1](#) for approved renewable energy classes that are eligible for the current enrollment.

[1.2.2.3.5 2016 Non-profit, Affordable Housing, Income Eligible Pilot](#)

[Applicants may also elect to enroll in the 2016 Non-profit, Affordable Housing, Income Eligible Pilot. See Schedule 3 for the Renewable Energy Classes, Targets, and Ceiling Prices for the Pilot.](#)

II. Application Evaluation and Selection Criteria and Process

2.1 Overview of Application Evaluation and Selection Process

Applications will be subject to a consistent, defined review and selection process. Except for small-scale and medium-scale solar, Projects in an enrollment period will be evaluated against other Projects in the same renewable energy class. The first stage of review determines whether a Project satisfies specified eligibility and minimum threshold requirements. National Grid will conduct any additional evaluation as required, consistent with the requirements set forth above, and select eligible Applicants to move onto the next stage in the selection process. Subsequent to this selection, National Grid will evaluate Projects based on certain threshold criteria, described below in sections 2.1.1-2.1.3, and then award selected projects Certificates of Eligibility as described in sections 2.1.4 and 2.1.5.

2.1.1 Interconnection Progress Prior to Enrollment

A Project must have made sufficient progress in the interconnection process prior to enrollment to ensure that interconnection costs have been estimated and the Project is likely to meet the statutory deadlines above. Project owners must have already submitted an application for interconnection and, if necessary, must have received a completed Impact Study for Renewable DG (ISR DG) from the Company. A copy of the interconnection application and a completed

ISRDC, or valid Interconnection Service Agreement, must be enclosed along with an application for enrollment under this program. A valid Interconnection Service Agreement is one that has been signed by both the Applicant and National Grid. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project. However, a distributed generation facility owner may appeal to the Commission to reduce any required system upgrade costs to the extent such upgrades can be shown to benefit other customers of the electric distribution company and the balance of such costs shall be included in rates by the electric distribution company for recovery in the year incurred or the year following incurrence.

For information regarding ISRDC and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_standard_interconnection.asp

2.1.2 Site Control

The Applicant must show actual control of the site where the Project is to be located, or show that it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site on which the proposed project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.1.3 Application Completeness and Timeliness

Applicants must endeavor to complete the entire application and provide all reasonably available information in each section of the application. Applicants will not be allowed to modify their applications after they are submitted to the Company.

Applications must be timely submitted in accordance with the enrollment dates set forth in Schedule ~~14~~. Applications received after the deadline will not be accepted.

Following the submission of applications, National Grid may request additional information from Applicants at any time during the process. Applicants that do not respond to requests for information may be disqualified from an enrollment.

2.1.4 Standard Performance-Based Incentive (PBI) Payments for Small-Scale and Medium-Scale Solar Projects

Small-scale and medium-scale solar projects enrolled in the RE Growth Program will receive a Standard PBI for the period of years shown in the applicable Tariff supplement. See Schedule ~~2~~1 for the approved Standard PBIs for the current program year. The Standard Performance-Based Incentive is recommended by the Board and approved by the Commission. The Standard

Performance-Based Incentive is a price per kilowatt-hour to be paid for the entire output of the facility for as long as the facility is enrolled in the Program. These projects shall be selected on a “first come, first served” basis. Small-scale solar projects must apply to the RE Growth Program pursuant to the Small-Scale Solar Solicitation and Enrollment Rules.

If, after the first program year, the applications for the medium-scale solar projects are significantly over-subscribed, then the Board and National Grid, in consultation with the OER, may propose to the Commission a bidding process for medium-scale solar projects or a subset of the medium-scale solar projects as described in section 2.1.6 below.

2.1.5 SolarWise Program for Small-Scale and Medium-Scale Solar Projects

The SolarWise Program combines savings that result from Energy Efficiency (EE) measures with additional incentives paid from the RE Growth Program for pursuing solar installations. Small-scale and medium-scale solar projects that commit to or install energy efficiency savings measures from the SolarWise Program can qualify for SolarWise Bonus Payments within the Renewable Energy Growth Program.

Applicants wishing to obtain the SolarWise Bonus Payment must show that they have achieved, or are committed to achieve through EE measures, the required program savings levels. An Applicant must submit an application form and required documentation to the SolarWise Program. Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments, provided their project is selected in the RE Growth Program per section 2.1.4 above. The PBI payments will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility. See Schedule 2 for the PBIs applicable to projects approved as part of the SolarWise Program. Please refer to the SolarWise Customer Guide as well as Section 8.d. of the Tariff for more information on the SolarWise Program.

2.1.5.1.6 Competitive Bidding for Distributed Generation Projects

Large-scale and commercial-scale solar projects and distributed generation projects for other eligible technologies are subject to a bidding process to determine which Projects are selected for the RE Growth Program. Each Project is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Following eligibility and threshold evaluations, the price evaluation of the bids for that applicable Tariff supplement will be applied on a consistent basis such that the same approved term lengths for competing bids are used to determine the winning bids. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 2-1 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

If the Projects that bid the same price exceed the capacity specified for a renewable energy class target, National Grid will consult with the Board and the OER in selecting first those projects that appear to be the furthest along in development and that are most likely to be deployed. Those Projects that are likely to achieve commercial operations at the earliest time shall be selected first. The Company may also consult with the Board, the OER, and/or the Division during this further assessment.

2.2 Issuance of Certificates of Eligibility

For small-scale and medium-scale solar projects, National Grid shall provide Certificates of Eligibility to the selected projects without obtaining Commission confirmation or approval, but subject to the review and consent of the OER. National Grid will file with the Commission a list of all small-scale and medium-scale solar Projects that are awarded Certificates of Eligibility. National Grid will award Certificates of Eligibility to eligible small-scale solar projects in accordance with the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects. National Grid will award Certificates of Eligibility to eligible medium-scale solar projects on a “first come, first served” basis until the enrollment MW target for that renewable energy class is fully subscribed.

For commercial-scale and large-scale solar, and all other distributed generation projects, National Grid shall file with the Commission a list of the distributed generation projects selected together with the corresponding pricing information. The Commission shall issue an order listing those projects to which Certificates of Eligibility are awarded within sixty (60) days of receipt of the list.

The Certificate of Eligibility will contain applicable DG Facility information, including renewable technology and class, facility size and energy output, term length, price, certificate issuance and certificate effective dates.

2.3 Requirements to Initiate Payment for Output

If awarded a Certificate of Eligibility, a Project is required to meet specific requirements to maintain its status in the RE Growth Program prior to and during construction, and to initiate the start of the payments for its output. These requirements are set forth below.

2.3.1 Performance Guarantee Deposit

Except for small-scale solar and medium-scale solar projects, Applicants are required to pay a performance guarantee deposit to National Grid, which must be made by wire transfer. The performance guarantee deposit is determined, in part, on the quantity of renewable energy certificate estimated to be generated per year under the Program. The deposit is fifteen dollars (\$15.00) for each REC estimated to be generated per year by a Small Distributed Generation project and twenty-five dollars (\$25.00) for each REC estimated to be generated per year by a

Large Distributed Generation project. A performance guarantee deposit is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The deposit must be received and confirmed by National Grid within five (5) business days after a project is offered a Certificate of Eligibility. There are no exceptions to this requirement.

Applicants should be prepared to make a deposit when submitting applications into any enrollment. If payment of the required performance guarantee deposit is not received by the date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment.

The Company will refund the performance guarantee deposit over the course of the first year of the project's operation, paid quarterly.

2.3.2 Project Schedule and Output Certification

A project must certify that it is capable of producing at least ninety percent (90%) of the output that was proposed in its enrollment application before its deadline. All projects will have a twenty-four (24) month deadline to meet this requirement, but anaerobic digestion projects will have thirty six (36) months, and small-scale hydro will have forty-eight (48) months). A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not certify that it is capable of generating the output proposed in its enrollment application on or before the applicable deadline, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. Forfeited performance guarantee deposits shall be credited to all distribution customers through rates and not retained by National Grid. National Grid will not refund the Performance Guarantee Deposit to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. and 3.g. of the Tariff (note: deadline may be extended by 6 months with no additional PGD and an additional 6 months beyond that by posting one-half original PGD for the second extension).

A DG Facility must provide an independent third-party (licensed PE) engineer's "Output Certification" stating:

1. that the DG Facility or project has been completed in all material respects;
 - a. including completion of construction of facility and all interconnection facilities necessary for operation;
 - b. applicable meters have been installed and tested (commissioned).
2. that the DG Facility or project is capable of producing at least 90% of the maximum hourly output proposed in the project application and specified on the *Certificate of Eligibility*;
3. the actual nameplate capacity of the DG Facility or project as built and specified on the *Certificate of Eligibility*; and
4. the maximum hourly output in kWh/hour in Alternating Current (AC) of the facility as built and specified on the *Certificate of Eligibility*.

Once a DG Project has provided the Output Certification to National Grid, the Project then has 90 days to meet all other requirements pursuant to Section 8.a. of the Tariff in order to receive payment.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a performance guarantee deposit. However, after receiving a Certificate of Eligibility, a small-scale or medium-scale solar project has twenty-four (24) months to meet all other requirements pursuant to the Tariff in order to receive compensation under the RE Growth Program. If a Project does not meet this deadline, the Certificate of Eligibility will be voided.

2.3.3 Qualification as a Eligible Renewable Energy Resource under the RES

An Applicant to the RE Growth Program must obtain qualification for a Project as a renewable energy resource pursuant to the Rhode Island Renewable Energy Standard (RES). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at:

<http://www.ripuc.org/utilityinfo/res.html>

In addition, the Applicant is required cooperate with the Company ~~may require Applicants~~ to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the Project during the applicable term of the Tariff supplement;
- (2) All energy produced by the Project; and
- (3) Rights to any other environmental attributes or electricity market products or services that are created or produced by the Project; provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project.

2.4.1 Delivery of Energy into ISO-NE Market

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone at the delivery node associated with the Project.

2.4.2 Delivery of RECs and Registration in NEPOOL GIS

Applicants must cooperate with and provide information to the Company to enable RECs to be created by the Project at the NEPOOL Generation Information System, and for such RECs to be transferred or assigned to the Company's appropriate NEPOOL GIS account, as governed by the Tariff.

2.4.3 Participation in ISO-NE Forward Capacity Market (FCM)

Upon National Grid's election to acquire the capacity from a Project, National Grid will assume the rights to the capacity, pursuant to the Tariff. National Grid reserves the right to be the "Project Sponsor" for the Project, after consultation with the Division and the Board. If and when National Grid participates as Project Sponsor on behalf of any Project, the Applicant must support National Grid, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

III. Contact Information and Other Provisions

3.1 Official Contact

All questions and communications regarding these Rules should be directed via electronic mail to National Grid Environmental Transactions at the following address:

~~Rhode Island Renewable Energy Growth Program Manager~~

~~{E-mail address TBD}~~

RenewableContracts@nationalgrid.com

3.2 Submittal of Enrollment Applications

The Solicitation and Enrollment Process Rules are posted on the National Grid Rhode Island Renewable Energy Growth Program website:

~~{Website address TBD}~~

ngrid.com/REGrowth

~~Completed a~~Applications ~~should~~must be submitted electronically via the website, ~~on the due-~~dateduring the two-week Open Enrollment set forth in Schedule ~~14~~14. Applications received after the deadline cannot be accepted for that particular open enrollment but can be submitted in a future open enrollment solicitation.

3.3 Confidentiality

Each application shall contain the full name and business address of the Applicant, and a contact person, and shall be signed by an authorized person.

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of the information and data related to the RE Growth Program, including such information as application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded a Certificate of Eligibility. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules, is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.2 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel this enrollment; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1**Approved Renewable Energy Classes, Annual Enrollment Targets, Standard PBIs and Ceiling Prices Applicable to Current Enrollment Period**

<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Annual Enrollment Target</u> <u>(Nameplate kW)</u>	<u>Standard PBI applicable to Medium-Scale Solar only</u> <u>(cents/kWh)</u>	<u>Ceiling Price w/ITC</u> <u>(cents/kWh)</u>	<u>Ceiling Price w/o PTC</u> <u>(cents/kWh)</u>	<u>Term of Service</u> <u>(years)</u>
<u>Medium-Scale Solar</u> <u>(26-250 kW DC)</u>	<u>3,4725</u>	<u>24.40</u>	<u>24.40</u>	<u>N/A</u>	<u>20</u>
<u>Commercial-Scale Solar</u> <u>(251-999 kW DC)</u>	<u>83,680</u>	<u>N/A</u>	<u>20.953.15</u>	<u>N/A</u>	<u>20</u>
<u>Large-Scale Solar</u> <u>(1,000-5,000 kW DC)</u>	<u>90</u>	<u>N/A</u>	<u>16.7018.35</u>	<u>N/A</u>	<u>20</u>
<u>Wind</u> <u>(1,500-2,999 kW</u> <u>3,000-5,000 kW; 2-turbine</u> <u>3,000-5,000 kW; 3-turbine)</u>	<u>5009</u>	<u>N/A</u> <u>N/A</u> <u>N/A</u>	<u>N/A</u> <u>N/A</u> <u>N/A</u> <u>18.40</u> <u>18.20</u>	<u>24.45</u> <u>23.45</u> <u>22.65</u>	<u>20</u> <u>20</u> <u>20</u>
<u>Anaerobic Digestion</u> <u>(150-500 kW</u> <u>501-1,000 kW)</u>	<u>1,5001.5</u>	<u>N/A</u> <u>N/A</u>	<u>N/A</u> <u>N/A</u> <u>N/A</u>	<u>21.20</u> <u>21.20</u>	<u>20</u> <u>20</u>
<u>Small-Scale Hydropower</u> <u>(up to 1,000 kW)</u> <u>10-250 kW</u> <u>251-1,000 kW</u>		<u>N/A</u> <u>N/A</u>	<u>N/A</u> <u>N/A</u> <u>N/A</u> <u>N/A</u>	<u>21.00</u> <u>19.75</u>	<u>20</u> <u>20</u>

Note: Schedule 1 will be updated as required for each enrollment period.**Anticipated Timeline**

<u>Event</u>	<u>Anticipated Dates</u>
<u>Enrollment begins</u>	<u>October 19, 2015 — 9am EPT</u>
<u>Due Date for Submission of Applications</u>	<u>October 30, 2015 — 5pm EPT</u>
<u>Award Certificates of Eligibility</u> <u>Notice of Selection</u>	<u>November 18, 2015</u>
<u>File Results with RI PUC for approval</u>	
<u>RI PUC Approval (expected)</u>	

Note: Schedule 1 will be updated as required for each enrollment period.

Schedule 2

Renewable Energy Growth Program PBI Inclusive of SolarWise Bonus

Approved Renewable Energy Classes, Annual Enrollment Targets, Standard PBIs and Ceiling Prices Applicable to Current Enrollment Period

Renewable Energy Class (Nameplate kW)	Enrollment Target (Nameplate kW)	Standard PBI <i>applicable to Medium Solar only</i> (cents/kWh)	Ceiling Price w/ITC (cents/kWh)	Ceiling Price w/PTC (cents/kWh)	Ceiling Price w/o ITC/PTC (cents/kWh)	Term of Service (years)
Medium Scale Solar (26-250 kW DC)	4,000	24.40	24.40	N/A	N/A	20
Commercial Scale Solar (251-999 kW DC)	5,500	N/A	20.95	N/A	N/A	20
Large Scale Solar (1,000-5,000 kW DC)	6,000	N/A	16.70	N/A	N/A	20
Wind (1,500-5,000 kW)	5,000					
1,500-2,999 kW		N/A	18.40	19.85	22.75	20
3,000-5,000 kW		N/A	18.20	19.45	22.35	20
Anaerobic Digestion (up to 1,000 kW)	1,500					
150-1,000 kW		N/A	N/A	20.20	20.60	20
Small Scale Hydropower (up to 1,000 kW)						
10-250 kW		N/A	N/A	19.80	21.35	20
251-1,000 kW		N/A	N/A	18.55	20.10	20

SolarWise Tier One: 5% PBI Increase

	<u>Standard PBI</u>			
--	---------------------	--	--	--

<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>applicable to</u> <u>Medium-Scale</u> <u>Solar only</u> <u>(cents/kWh)</u>	<u>Ceiling Price</u> <u>w/ITC</u> <u>(cents/kWh)</u>	<u>Ceiling Price</u> <u>w/o PTC</u> <u>(cents/kWh)</u>	<u>Term</u> <u>of</u> <u>Service</u> <u>(years)</u>
<u>Medium-Scale Solar</u> <u>(26-250 kW DC)</u>	<u>245.6240</u>	<u>245.6240</u>	<u>N/A</u>	<u>20</u>

<u>SolarWise Tier Two: 10% PBI Increase</u>				
<u>Renewable Energy Class</u> <u>(Nameplate kW)</u>	<u>Standard PBI</u> <u>applicable to</u> <u>Medium-Scale</u> <u>Solar only</u> <u>(cents/kWh)</u>	<u>Ceiling Price</u> <u>w/ITC</u> <u>(cents/kWh)</u>	<u>Ceiling Price</u> <u>w/o PTC</u> <u>(cents/kWh)</u>	<u>Term</u> <u>of</u> <u>Service</u> <u>(years)</u>
<u>Medium-Scale Solar</u> <u>(26-250 kW DC)</u>	<u>246.4084</u>	<u>246.4084</u>	<u>N/A</u>	<u>20</u>

Schedule 3Non-profit, Affordable Housing, Income Eligible 2016 Pilot: Renewable Energy Classes, Targets, and Ceiling Prices

<u>Renewable Energy Class (Nameplate kW)</u>	<u>2016 Enrollment Target (Nameplate MW)</u>	<u>Ceiling Price/Standard PBI (cents/kWh)</u>
<u>Medium Solar - Non-profit or multi-unit (5 or more tenant units) master metered building (26kw-250kW DC)</u>	<u>1</u>	<u>29.55 (20-yr Tariff)</u>

Schedule 34

Anticipated Timeline

<u>Event</u>	<u>Anticipated Dates</u>
<u>Enrollment begins</u>	
<u>Due Date for Submission of Applications</u>	
<u>Notice of Selection</u>	
<u>File Results with RI PUC for approval</u>	
<u>RI PUC Approval (expected)</u>	

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company d/b/a National Grid.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

<u>Rate Class</u>	<u>Percentage</u>
A-16/A-60	52.78%
C-06	9.71%
G-02	14.68%
B/G-32	13.82%

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

B/G-62/X-01	3.79%
Streetlighting	5.21%

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by R.I. Gen. Laws § 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in R.I. Gen. Laws § 39-26-2(15).

Short Term Interest Rate shall mean the interest rate applicable to borrowers from the National Grid USA Money Pool.

SolarWise Program shall mean a program approved by the Commission applicable to small and medium solar projects that meet criteria for participation.

3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;
- iv) § 39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.
- vi) § 39-26.6-19: Covers incentive payments for small and medium solar projects established pursuant to the provisions of this section.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = \frac{[(\text{PBIP}_x - \text{PRDCTS}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx}}{(1 - \text{UP})}$$

where

x = the Reconciliation Period;

s = designates a separate factor for each rate class;

PBIP_x = the estimated Performance-Based Incentive Payments, including SolarWise Bonus Awards, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;

PRDCTS_x = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;

ADM_x = the administrative expense the Company estimates it will incur during period x, including:

- 1) the Remuneration pursuant to Section 3.ii) above;
- 2) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
- 3) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above;

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- 4) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above; and
- 5) all administrative costs incurred to implement and administer the SolarWise Program pursuant to Section 3.vi) above.

RBA_s = Rate Base Allocator;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Company's Short Term Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((PPRA_{x-1} + I) \times RBA_s) \div FBill_{sx}] \div (1 - UP)$$

where

- x = the period during which the RE Growth Reconciliation Factor will be in effect;
- s = designates a separate factor for each rate class;
- $PPRA_{x-1}$ = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:
- (a) actual costs incurred during the Reconciliation Period, which shall include the sum of:
 - 1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

Growth Tariffs less actual proceeds received by the
 Company resulting from the sale of the Market Products;

2) the Remuneration pursuant to Section 3.ii);

3) the revenue requirement associated with the
 incremental investment in meters installed on small scale
 solar Distributed Generation Facilities per Section 3.iv);

4) all incremental costs necessary to meet program
 objectives or make billing system improvements to
 implement RE Growth Program pursuant to Section 3.iii)
 and the SolarWise Program pursuant to Section 3.vi)
 above;

5) the costs incurred during the Reconciliation Period by
 the Company pursuant to Section 3.i); and

6) a credit for any forfeited Performance Guarantee
 Deposits during the Reconciliation Period which is
 reflected as an offset to expense;

and

(b) revenue billed through the RE Growth Factor as approved
 by the Commission for the Reconciliation Period;

RBA_s = Rate Base Allocator;

I = interest calculated as the sum of the beginning period and ending
 period reconciliation balance divided by 2, multiplied by the
 Company's Short Term Interest Rate during the Reconciliation
 Period;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class
 for period x; and

UP = the uncollectible percentage approved by the Commission in the
 Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in
 accordance with this RE Growth Cost Recovery Provision are subject to review and approval by
 the Commission. The Company shall file the initial RE Growth Factor on or before January 1,
 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth
 Reconciliation Factor within three months following the end of the Program Year. Modifications

CLEAN VERSION

RIPUC No. 2153-A
Sheet 6

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to R.I. Gen. Laws § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

Effective Date: April 1, 2016

THE NARRAGANSETT ELECTRIC COMPANY RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company d/b/a National Grid.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

<u>Rate Class</u>	<u>Percentage</u>
A-16/A-60	52.78%
C-06	9.71%
G-02	14.68%
B/G-32	13.82%

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

B/G-62/X-01	3.79%
Streetlighting	5.21%

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by R.I. Gen. Laws § 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in R.I. Gen. Laws § 39-26-2(15).

Short Term Interest Rate shall mean the interest rate applicable to borrowers from the National Grid USA Money Pool.

SolarWise Program shall mean a program approved by the Commission applicable to small and medium solar projects that meet criteria for participation.

3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;
- iv) § 39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

vi) § 39-26.6-19: Covers incentive payments for small and medium solar projects established pursuant to the provisions of this section.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = \frac{[(\text{PBIP}_x - \text{PRDCTS}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx}}{(1 - \text{UP})}$$

where

x = the Reconciliation Period;

s = designates a separate factor for each rate class;

PBIP_x = the estimated Performance-Based Incentive Payments, including SolarWise Bonus Awards, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;

PRDCTS_x = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;

ADM_x = the administrative expense the Company estimates it will incur during period x, including:

- 1) the Remuneration pursuant to Section 3.ii) above;
- 2) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
- 3) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above; and

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

4) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above; and

4)5) all administrative costs incurred to implement and administer the SolarWise Program pursuant to Section 3.vi) above.

RBA_s = Rate Base Allocator;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Company's Short Term Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((PPRA_{x-1} + I) \times RBA_s) \div FBill_{sx}] \div (1 - UP)$$

where

x = the period during which the RE Growth Reconciliation Factor will be in effect;

s = designates a separate factor for each rate class;

$PPRA_{x-1}$ = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:

(a) actual costs incurred during the Reconciliation Period, which shall include the sum of:

1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;

- 2) the Remuneration pursuant to Section 3.ii);
- 3) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);
- 4) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant [to](#) Section 3.iii) [and the SolarWise Program pursuant to Section 3.vi\) above](#);
- 5) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and
- 6) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;

and

- (b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;

RBA_s	=	Rate Base Allocator;
I	=	interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the Company's Short Term Interest Rate during the Reconciliation Period;
$FBill_{sx}$	=	the forecasted number of electric service bills for each rate class for period x; and
UP	=	the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with this RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications

CLEAN VERSION

RIPUC No. 2153-A
Sheet 6

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to R.I. Gen. Laws § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

Effective Date: April 1, ~~2015~~2016

JOINT PRE-FILED DIRECT TESTIMONY

OF

LAURA RODORMER

AND

IAN SPRINGSTEEL

November 16, 2015

TABLE OF CONTENTS

I.	Introduction and Qualifications of Ian Springsteel	1
II.	Introduction and Qualifications of Laura Rodormer	3
III.	Purpose of Joint Testimony	4
IV.	Overview of the SolarWise Program.....	5
V.	Conclusion	25

1 **I. Introduction and Qualifications of Ian Springsteel**

2 **Q. Please state your full name and business address.**

3 A. Ian Springsteel, 40 Sylvan Road, Waltham, Massachusetts 02451.

5 **Q. Mr. Springsteel, by whom are you employed and in what position?**

6 A. For the past five years, I have been employed by National Grid Service Company as the
7 Director of Regulatory Policy for Clean Energy. I am responsible for clean energy
8 policy and program development, including the oversight of the development and
9 implementation of the Rhode Island Renewable Energy (RE) Growth Program. In this
10 role, I have also worked on general regulatory policies regarding distributed generation in
11 Rhode Island.

13 **Q. Please describe your educational background and professional experience.**

14 A. I have a Bachelor of Arts degree in Comparative Political Economy from Boston
15 University and a Master's degree in Public Administration from the Harvard Kennedy
16 School of Government, with concentrations in regulatory analysis and finance.

18 Prior to working at National Grid, I started and ran a clean energy consultancy for public
19 and private clients called Green Edge Solutions for just over a year. Before that, for four
20 years, I held the position of senior program manager at the Massachusetts Technology
21 Collaborative, which managed the Massachusetts Renewable Energy Trust. In this role, I

1 managed a lending fund for early stage manufacturers, ran a renewable energy certificate
2 sales program, and led the initial development of the Massachusetts Wind Blade
3 Technology Center. Prior to that, and prior to attending the Kennedy School, I worked as
4 a journalist, editor, and consultant, covering business and economics for a variety of trade
5 and general interest publications for approximately 12 years.

6
7 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
8 **(PUC)?**

9 A. Yes. I have provided direct testimony in previous energy efficiency proceedings before
10 the PUC.

11
12 **Q. Are you sponsoring any attachments with your testimony?**

13 A. Yes. I am sponsoring the following attachments with my testimony:

- 14 • Attachment IS1: SolarWise Customer Guide
- 15 • Attachment IS2: SolarWise 2016 Program Year Estimated Budget
- 16 • Attachment IS3: Estimated SolarWise Bonus Award Costs: Year One and Term of
17 Tariff
- 18 • Attachment IS4: Estimated Increase in Participants by SolarWise Class and
19 PBI Type – Year 1
- 20 • Attachment IS5: Example Participant Savings and RE Growth Savings Per
21 Participant

1 **II. Introduction and Qualifications of Laura Rodormer**

2 **Q. Ms. Rodormer, please state your name and business address.**

3 A. Laura Rodormer, 40 Sylvan Road, Waltham, Massachusetts 02451.

5 **Q. Ms. Rodormer, by whom are you employed and in what position?**

6 A. I am a Senior Analyst - Residential Program Strategy for The Narragansett Electric
7 Company.¹ I am responsible for developing strategies for new residential energy
8 efficiency (EE) Programs and enhancing existing residential EE Programs. My
9 responsibilities include working on the Residential New Construction Program, the
10 Income Eligible Services Program, the High-Efficiency Heating and Cooling and Hot
11 Water Heating Programs, and the proposed SolarWise Program (SolarWise).

13 **Q. Ms. Rodormer, please describe your educational background and professional
14 experience.**

15 A. In 1990, I graduated from St. Lawrence University with a Bachelor of Science Degree in
16 Biology and Environmental Science. Since 1990, I have held the following positions in
17 my career: Associate at Booz Allen Hamilton; Independent Consultant with ASE/Booz
18 Allen Hamilton; Commercial Green Building Coordinator for the City and County of San
19 Francisco, California; Manager, Green Consulting Services at Swinerton Management &
20

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

1 Consulting; Director, Corporate Citizenship at McKesson; Senior Advisor, Sustainability
2 Roundtable; and Senior Analyst, Energy Efficiency Program Strategy at National Grid.

3
4 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
5 **(PUC)?**

6 A. No.

7
8 **Q. Are you sponsoring any attachments with your testimony?**

9 A. Yes. I am sponsoring the following attachment with my testimony:

- 10 • Attachment LR1: EE Customer Savings Experience

11
12 **III. Purpose of Joint Testimony**

13 **Q. Ms. Rodormer and Mr. Springsteel, what is the purpose of your joint testimony?**

14 A. The purpose of our joint testimony is to present the Company's proposal for SolarWise.
15 As described in detail below, SolarWise is a new offering in the Rhode Island RE Growth
16 Program that will link energy efficiency (EE) savings opportunities with information and
17 incentives to encourage customers to pursue solar energy. Under SolarWise, when any
18 customer receives an EE Assessment or participates in the Company's EE new
19 construction programs, they will automatically be offered a solar PV screening for their
20 location as well as information about the RE Growth Program. Customers will then be
21 invited to participate in the SolarWise Marketplace (the Marketplace), an on-line

1 information platform and solar installer marketplace. The Marketplace will help
2 customers obtain quotes from solar installers for a system that is sized for their energy
3 needs with consideration of their EE savings. SolarWise will also offer customers that
4 pursue high levels of EE savings the opportunity to receive a bonus RE Growth incentive.
5 The Company believes that SolarWise will accelerate adoption of solar in Rhode Island
6 and provide an offering that encourages customers to implement EE measures first,
7 furthering the goals of the RE Growth statute. In addition, the Company believes that
8 SolarWise will help customers save money when installing solar by reducing the size of
9 the system needed to meet their electricity consumption, affording them access to
10 competitive bids by solar installation vendors, and providing access to the SolarWise
11 Bonus Award. SolarWise should also increase the number of participants in RE Growth
12 because the fixed amount of capacity available in the RE Growth Program will, on
13 average, be available to more customers when system sizes are on average smaller as a
14 result of implementing EE measures first.

15
16 **IV. Overview of the SolarWise Program**

17 **Q. Please describe in general terms the key aspects of the SolarWise Program.**

18 A. SolarWise is an EE-delivered solar photovoltaic (PV) promotion program that is
19 intended to help customers decide to install solar by (1) making it easier for them to
20 access information about solar PV systems and vendors; and (2) providing them with

1 incentives under the RE Growth Program when they reach “stretch levels” of energy
2 efficiency. SolarWise seeks to accomplish this through a three step process.
3 First, customers who sign up for and receive a No-Cost Energy Efficiency Assessment
4 (EE Assessment) of their home will receive a list of potential energy savings
5 opportunities, including, among other things, weatherization and replacement of
6 appliances and/or heating systems, tips for behavior-related EE savings, and rebate
7 applications. SolarWise will provide information about solar at their location, which will
8 include a one-page summary of the potential amount and value of solar energy that could
9 be produced at the customer’s location and an invitation to the online SolarWise
10 Marketplace (the Marketplace). As explained in detail below, the Marketplace contains
11 information about solar PV systems to help customers learn everything from the basics of
12 how solar PV systems work to how they are financed. For the existing non-residential
13 market, buildings that go through a technical assessment (TA) will receive
14 recommendations to reduce energy consumption and will also be provided with the
15 information about solar, the SolarWise bonus awards, and the potential amount and value
16 of solar energy that could be produced at the customer’s location.

17
18 Second, customers who choose to visit the Marketplace may update their solar PV
19 screening with the quantity of kilowatt hours (kWh) savings they have installed or are
20 committed to installing from the EE measures. Customers can then submit their
21 information to independent solar installation vendors enrolled in the Marketplace and

1 seek solar installation quotes. Through the Marketplace, participating solar vendors may
2 provide quotes for the installation of solar, and the customers will be able to compare
3 these quotes. The Marketplace is password protected and confidential. When customers
4 express an interest in moving forward with a solar installation, they may contact the
5 vendors, obtain more information, and ultimately contract with the solar installation
6 vendor of their choice. Vendors that participate in the Marketplace are screened based on
7 experience, licensing, and customer complaint history, among other factors.

8
9 Third, customers pursuing a solar installation can qualify for a “bonus” in the form of a
10 higher Performance-Based Incentive (PBI) from the RE Growth Program if they have
11 achieved target levels of energy savings and sized their solar array to be no greater than
12 their new, smaller, electric load.

13
14 **Q. SolarWise sounds similar to other programs in Rhode Island. What is the**
15 **difference between EnergyWise, Solarize, and SolarWise?**

16 A. EnergyWise is the gateway in-home energy efficiency program for all Rhode Island
17 customers in residences with one to four units. Under the EnergyWise Program, EE
18 auditors assess the home, install products that create instant energy savings (i.e., energy
19 efficient bulb, advanced power strips, and shower aerators), and offer an EnergyWise
20 Action Plan that will help the customer achieve additional energy improvements. In
21 addition, the auditor also educates the customer about other EE opportunities, such as

1 efficient heating and cooling systems, refrigerator recycling, efficient lighting, and
2 financing options. The EE Assessment provided through the EnergyWise Program is
3 expected to be the main vehicle that will bring SolarWise to customers. SolarWise builds
4 on the name recognition of EnergyWise and seeks to align the solar offer services in the
5 new program with the existing assessment program.

6
7 Solarize Rhode Island (Solarize RI) is a program designed to encourage the adoption of
8 residential and commercial solar photovoltaic (PV) systems through a coordinated
9 education, marketing, and outreach effort in concentrated areas, such as single cities and
10 towns. This is often combined with a tiered pricing structure that provides increased
11 savings to homeowners and businesses as more people sign up for solar. This kind of
12 program also relies on rebates from the Commerce Rhode Island Renewable Energy Fund
13 and the utilization of the Company's Net Metering Provision at present. As a result,
14 customers choosing to pursue solar through these programs are not eligible for RE
15 Growth or the SolarWise bonus awards. "Solarize" is also a general term used nationally
16 to describe this community marketing technique.

17
18 **Q. Who will perform the EE Assessment?**

19 A. National Grid will perform the EE Assessment through its Lead Vendors. The residential
20 program, referred to as the EnergyWise Program, is serviced by RISE Engineering. For
21 residential customers, the EE Assessment looks for opportunities for air sealing,

1 insulation, and direct installation of energy efficient bulbs, water-savings opportunities
2 such as faucet and shower aerators as well as pipe insulation, and advanced power-strips.
3 Through the Residential New Construction Program, the Lead Vendor, CLEAResult,
4 conducts a technical review of design documents and provides recommendations for
5 achieving high levels of EE. Subsequent in-field inspections are conducted to verify
6 proper EE methodologies are completed in the home. For non-residential existing
7 buildings, the Company offers scoping studies at no cost to the customer and additional
8 detailed technical assessments (TA). These studies, performed by an array of Company
9 approved vendors (also called TA vendors), looks for the right mix of energy-efficient
10 technologies and financial incentives to implement them. For new construction projects,
11 the Company offers incentives to the customer's design team so they can design the
12 building based on EE targets determined by the new construction program. In addition,
13 the Company approved TA vendors review the work of customer's design team to ensure
14 they meet program requirements.

15
16 **Q. Who pays for the EE assessments and incentives for additional EE measures?**

17 A. The EE Assessments and all incentives for EE measures are delivered and paid through
18 the Company's existing EE Program. The solar PV screening and the additional audit
19 costs related to providing the solar PV screening will be incremental costs to the RE
20 Growth Program. These solar-related costs will not come from the Company's EE
21 Program.

1 **Q. Are customers who have completed the No-Cost EE Assessment and implemented**
2 **energy savings measures prior to April 1, 2015 eligible for SolarWise?**

3 A. Yes. Customers who had an EE Assessment and implemented energy savings measures
4 in 2014 or 2015 are eligible for SolarWise. Note that the Company will only be able to
5 offer this option to customers for whom it has an e-mail address on record, as this will be
6 our preferred low-cost means of extending the SolarWise Program to those past
7 participants. Customers receive EE Assessments every three years, and the Company
8 did not want Customers who are in between assessments to be excluded from SolarWise
9 simply because of timing.
10

11 **Q. How many EE Assessments are conducted every year?**

12 A. National Grid conducts approximately 9,000 to 10,000 residential EE Assessments every
13 year, and works with approximately 400 – 500 new construction residential projects. In
14 the non-residential sector, the Company conducts hundreds of technical assessments
15 which results in approximately 2,000 electric projects and 800 gas EE projects (based on
16 2014 data). For new construction, the Company works with approximately a dozen new
17 buildings or extensive retrofits per year.
18

19 **Q. How do customers move forward with a solar installation vendor?**

20 A. Customers move forward with a solar installation vendor at their own pace using their
21 own judgment. In other words, customers are not required to use a vendor from the

1 Marketplace and may choose any solar installation offer, including vendors found outside
2 of the Marketplace. Customers who use vendors outside the Marketplace will still be
3 eligible to receive the SolarWise Bonus Award.
4

5 **Q. What is National Grid's role in the solar installation process?**

6 A. National Grid is not involved in the process of either contracting with or directly
7 installing the solar PV at the customer location. The customer and the solar installation
8 vendor of the customer's choice agree upon the terms and conditions for a solar
9 installation.
10

11 **Q. Who will be developing and managing the SolarWise Marketplace?**

12 A. National Grid is partnering with EnergySage, Inc., to develop, operate, and manage the
13 online Marketplace.
14

15 **Q. What is EnergySage?**

16 A. EnergySage is a Massachusetts Corporation located in Boston, Massachusetts.
17 EnergySage owns and manages energysage.com, an online marketplace for solar
18 PV systems. EnergySage, currently operates in 30 states, including Rhode Island, and
19 has approximately 15 Rhode Island solar installers that are enrolled in the marketplace.
20 National Grid will be EnergySage's first utility client.
21

1 **Q. Please describe the EnergySage online marketplace.**

2 A. The EnergySage online marketplace contains information about solar PV systems to help
3 customers learn everything from the basics of how solar PV systems work to how they
4 are financed. The marketplace works similarly to an online ticket booking service, such
5 as Expedia, except that the parties do not transact or contract directly on the website.
6 EnergySage has a user-friendly interface, which includes the rapid development of
7 customer project profiles. This enables customers to share their profiles with
8 participating vendors, who then provide quotes for customers to review and compare to
9 other quotes they may have received. The Company has contracted with EnergySage to
10 create the SolarWise Marketplace, which will be a customized version of the EnergySage
11 marketplace that currently exists.

12
13 **Q. In addition to creating and operating the SolarWise Marketplace, will Energy Sage**
14 **be doing anything else?**

15 A. Yes. With input and approval from National Grid, Energy Sage will prepare the
16 customer solar PV screening that will be provided along with the EE Assessment.
17 Energy Sage will also provide customer support to help customers navigate the
18 Marketplace and evaluate the solar offers they receive.

19
20 **Q. How is the solar PV screening conducted, and why does a vendor need to provide it?**

21 A. The solar PV screening will analyze the suitability of a customer's property for solar (e.g.,

1 sufficient sunshine). The analysis uses remote sensing data (referred to as LIDAR - Light
2 Detection and Ranging) to evaluate available roof space for a solar PV system that is
3 combined with the customer's electric consumption data and local market data. This
4 evaluation will generate an estimated total cost of installing solar PV. Finally, the
5 evaluation will provide a summary of the total net savings or payments to a customer for
6 their solar energy, under available transaction types (cash, finance, or lease/Power
7 Purchase Agreement) when enrolled in the RE Growth Program.

8
9 **Q. How will the Marketplace work?**

10 A. Customers who choose to use the Marketplace will find a profile of their property based
11 on their solar PV screening posted in the Marketplace. The customer can then adjust the
12 specifics of the solar array they would like to have quoted, including the resizing of the
13 system following any EE savings that are implemented or committed to. Solar installers
14 may offer quotes for the profile that a customer submits to them and then engage with the
15 property owner to answer questions. All quotes for one property will be presented to the
16 customer in a standardized format. After receiving quotes, the customer can decide to
17 move forward with either a vendor from inside or outside the SolarWise Marketplace. If
18 a customer chooses a quote from a vendor in the Marketplace, the customer will select it
19 online, and the installer will be notified immediately. All other installers that submitted a
20 quote for that customer will also be notified that they have not been selected. The

1 selected installer will follow up with the customer to finalize a contract for installation,
2 and the customer and vendor will then proceed to the installation.
3

4 **Q. How does Energy Sage earn revenue in this relationship with National Grid?**

5 A. National Grid has agreed to pay certain set up and operating fees to Energy Sage, which
6 are included in Attachment IS2 (SolarWise 2016 Program Year Estimated Budget). In
7 addition, Energy Sage will charge each installation vendor a fee when the customer
8 selects that vendor's quote offered in the Marketplace and when the quote leads to a fully
9 executed solar installation contract.
10

11 **Q. What is the financial relationship between Energy Sage and the installation**
12 **vendors?**

13 A. Energy Sage will invoice the vendor for the fee mentioned above when the contract is
14 complete. There is no other payment between the vendors and Energy Sage.
15

16 **Q. Will National Grid customers share in the revenue generated from these payments?**
17 **If so, will this offset costs?**

18 A. Yes. National Grid has established a revenue sharing mechanism with Energy Sage. At
19 this time, the Company will credit the income from the revenue sharing against the costs
20 of providing the solar PV screenings and Marketplace, and potentially, other costs of the
21 SolarWise/RE Growth Program. Presently, the Company is not proposing to keep any of

1 the revenue sharing for shareholders. Instead, all the revenue sharing will be used to
2 offset RE Growth Program costs. As this revenue sharing grows and both parties gain
3 experience with the program, the Company may propose different sharing arrangements
4 in the future.

5
6 **Q. Why does the Company believe that the Marketplace will work?**

7 A. First, the Marketplace will provide specialized and customized information to customers
8 about their energy choices at their location. Second, the Marketplace will create value for
9 customers by encouraging competition among solar installation vendors, who know they
10 will be compared side by side. Finally, the Marketplace will provide value to solar
11 installation vendors by generating prospective customer “leads” less expensively than
12 their usual channels of direct marketing and in-person sales. In addition, the rapid
13 delivery of custom solar quotes, displayed in a standardized format, should help
14 customers feel that they have a better sense for market pricing and should make them
15 more comfortable moving forward with a solar purchase. EnergySage reports that, on
16 average, 30 percent of their website participants move forward with installing solar in
17 approximately three months. This compares favorably to national sales conversion rates
18 of two to three percent and sales cycles of nine months, on average. Therefore, the
19 Company believes that the Marketplace, which will be a modified version of the Energy
20 Sage online marketplace, will be successful.

1 **Q. What is the budget for the SolarWise Program?**

2 A. Please see Attachment IS2 (SolarWise 2016 Program Year Estimated Budget
3 for a description of the SolarWise budget, which has four categories: (1) Estimated Set-
4 up Costs; (2) Estimated Operating Costs; (3) Estimated Bonus Award Costs; and (4)
5 Estimated Revenue.
6

7 **Q. How many megawatts from the RE Growth Program is National Grid requesting be**
8 **allocated to the SolarWise Program?**

9 A. The RE Growth statute provides that up to 50 percent of the megawatts (MW) allocated
10 for the small and medium-scale solar project enrollments may be allocated for a program
11 like SolarWise. *See* R.I. Gen. Laws § 39-26.6-19(a). This means that this part of the
12 small and medium classes would be reserved for those that qualify for the Bonus Awards
13 through SolarWise. At this time, the Company is requesting that the PUC approve a
14 reserve allocation of 2.5 MW from the small-scale solar class, and 1 MW from the
15 medium-scale solar class for the 2016 SolarWise Program. These are both less than 50
16 percent of the class allocations recommended by the Distributed Generation (DG) Board
17 for these two classes in 2016. After the third enrollment period concludes in 2016, the
18 Company will confer with the DG Board on whether it should either release some of the
19 reserve allocation, or seek greater capacity for SolarWise bonus awards, depending on
20 program performance.
21

1 **Q. The Bonus Award costs are shown as a year-one cost in the 2016 Program Year**
2 **budget. Won't they continue for the term of the tariff payments, and how much**
3 **does that add up to?**

4 A. The bonus award costs will last for the term of the tariff payments. To show that total
5 cost, the reserve allocation for the 2016 SolarWise Program was modeled across the
6 available tariff levels. The Company then calculated the total bonus award amounts and
7 the amount of additional incentive that would be paid to National Grid on those amounts.
8 *See IS3 (Estimated SolarWise Bonus Award Costs: Year One and Term of Tariff).*
9

10 **Q. What are the expected benefits of the SolarWise Program?**

11 A. Overall, for the 2016 program year, the SolarWise Program is expected to increase the
12 number of participants in the RE Growth Program, while also saving those participants
13 money by reducing the cost of solar installations through a decreased number of solar
14 panels needed to serve their annual usage. *See Attachment IS4 (Estimated Increase in*
15 *Participants by SolarWise Class and PBI Type – Year 1 and Attachment IS5 (Example*
16 *Participant Savings per Project).*
17

18 **Q. What will the costs per participant be compared to today under RE Growth?**

19 A. The RE Growth cost per participant per year and over the term of the tariff will be less
20 under the SolarWise Program, despite the increased cost from the bonus awards. The
21 energy use savings required to qualify for the bonus award tiers are greater than the

1 bonus amounts. Therefore, although the total payment in cents per kilowatt-hour for the
2 output is expected to be higher, the total amount paid per customer is expected to be
3 lower, as shown on Attachment IS5 (Example Participant Savings and RE Growth
4 Savings Per Participant).

5
6 **Q. Will SolarWise participants save money by participating in the SolarWise Program**
7 **as opposed to participating in the RE Growth without EE first?**

8 A. Yes. The Company expects that SolarWise participants would first, on average, install
9 smaller systems than they would without first achieving the EE savings. Second, Energy
10 Sage indicates that customers participating in their marketplace can expect some savings
11 compared to average costs outside of their marketplace. This is due to the competition
12 among installation vendors in the marketplace who are quoting the work, as well as
13 potentially lower vendor costs for customer acquisition that are passed through as savings
14 to the customer. The Company believes that this will also be the case for participants in
15 the SolarWise Marketplace.

16
17 **Q. How does the bonus award component of SolarWise work?**

18 A. Bonus awards are intended to encourage customers to pursue solar after taking substantial
19 steps toward deeper EE. To that end, the SolarWise Program bonus awards offer
20 increased RE Growth payments when high levels of energy savings are reached by the
21

1 customer, providing incentive to also participate in the RE Growth Program, which
2 requires additional customer expenditure.

3
4 The bonus awards are add-ons to the pre-set PBI payments for each kilowatt-hour of
5 generation. They are available for the SolarWise reserve allocations of the Small-Scale
6 Solar (1-25 kW DC) and Medium-Scale Solar (26-250 kW DC) classes of the RE Growth
7 Program. Approval for bonus payments must be obtained through the SolarWise
8 Program prior to applying for enrollment in the RE Growth Program.

9 As noted previously, if a customer chooses not to utilize the Marketplace to identify a
10 solar installation vendor, the customer may still receive a SolarWise bonus award and
11 apply to the RE Growth Program as long as they meet the energy savings requirements of
12 the SolarWise Program. They would apply for the bonus award in the same way as a
13 participant in the Marketplace.

14
15 **Q. To what degree does a customer need to reduce their electricity usage to qualify for**
16 **the SolarWise bonus awards, and how will National Grid measure this?**

17 A. The electricity savings of a project or set of EE measures is based on the estimated
18 savings from an EE measure as installed at the customer location. For most residential
19 measures, as well as some commercial measures, these savings are average levels as
20 determined by engineering calculations. For larger customer measures, the technical
21 study will identify the potential savings based on customer specific information. For new

1 construction, savings are measured on a total energy use basis, by measuring the level
2 above which a project exceeds the commercial building code or the residential User
3 Defined Reference Home (UDRH). New construction must meet total energy savings
4 levels that are better than code, based on building modeling/estimates. The level of
5 efficiency savings pursued by any customer is subject to the customer's discretion.
6 The SolarWise Bonus Award eligibility criteria, which are based on existing EE Program
7 levels and/or measures that are part of National Grid's EE Program Plan for 2016, are
8 shown in the Attachment IS1 (SolarWise Customer Guide), Table 1, pages 4-5. The
9 eligibility criteria were selected based on an examination of savings achieved recently by
10 participants in the various programs. The eligibility criteria represent target levels above
11 the predominant level of customer savings that National Grid has seen in the recent past.
12 These levels are shown in Attachment LR1 (EE Customer Savings Experience).

13
14 **Q. What are the PBI bonus award levels?**

15 A. When customers meet the EE Eligibility Criteria detailed in Attachment IS1 (SolarWise
16 Customer Guide), they will qualify for the Bonus Award level of PBI payments, which
17 are described in on page seven of the guide and in the revisions to the Residential and
18 Non-Residential Tariffs. For all systems except third-party owned systems, the bonus
19 levels are five percent for Tier 1, and 10 percent for Tier 2 of the SolarWise Program.
20 For third-party owned systems, the bonuses are two percent for Tier 1 and four percent
21 for Tier 2.

1 The Tier 1 and Tier 2 PBI percentage increase apply to any of the PBI levels approved
2 for the RE Growth Small-Scale Solar and Medium-Scale Solar classes, and are shown
3 specifically in the RE Growth Tariffs for each tariff class. The bonus levels are lower
4 for third-party owned (TPO) systems, given the higher sensitivity of these owners' return
5 on equity, as modeled by the DG Board's consultant in the PBI determination processes,
6 when the bonus is applied.
7

8 **Q. Why is there a big difference in the savings levels required to participate in the**
9 **bonus award by customer type?**

10 A. The SolarWise Bonus Award Eligibility Criteria were designed to award customers who
11 implement energy efficiency measures to achieve a reduction in their load. For the
12 Residential and Commercial and Industrial market sectors, the eligibility criteria were
13 based on historical energy efficiency data for projects in 2014 and 2015, feedback from
14 vendors and sales and technical teams to confirm feasibility, and the Company's
15 continued services and incentives to drive energy efficiency and market transformation.
16 Because the levels of savings vary greatly among different types of customers, the
17 eligibility criteria also vary.
18

19 **Q. How do customers apply for SolarWise bonus awards?**

20 A. To apply for a SolarWise PBI award, customers must submit applications to National
21 Grid. Directions will be found on the residential and non-residential SolarWise

1 Application forms, which will be developed before program launch and made available
2 on National Grid's web pages. SolarWise Applications must be received and approved
3 before the end of the 2016 program year on March 31, 2017 in order to be eligible to
4 participate in the 2016 SolarWise Bonus Awards Program. Medium-Scale project
5 applicants will need to obtain this approval before participating in a two-week open
6 enrollment period. Applicants will receive the Company's decision on their application
7 and, if approved, their Tier Level, in written form.
8

9 **Q. Is there any supporting documentation that must go along with the application for**
10 **SolarWise bonus award approval?**

11 A. Yes. Residential customers must include in their application proof that the customer has
12 achieved the required savings through installation of the appropriate measures. Non-
13 residential customers will be able to use measures they have committed to complete via
14 contract since such customers usually take longer to fully implement EE measures. The
15 savings, in either case, must be shown in total, and then as a percentage of the customer's
16 most recent 12-month usage to obtain a percentage reduction in annual use. If a non-
17 residential customer does not follow through with its committed measures, the Company
18 may audit those customers. If they did not achieve the needed level of EE savings, the
19 Company may seek approval from the PUC to remove the bonus award from their PBI
20 tariff level.
21

1 **Q. Are there adjustments to the customer’s annual energy use available for specific**
2 **exempted technologies, either for the bonus determination or for system sizing**
3 **under RE Growth?**

4 A. Yes. Customers who have recently added one of the technologies listed below (the
5 Exempted Technologies) will have their 12-month usage recalculated for purposes of
6 qualifying for the SolarWise bonus awards, so that energy savings comparisons are based
7 on the customer’s remaining load. In addition, resistance electric heat customers who
8 have switched fuels in the last 12 months, or have committed to do so, the estimated
9 usage associated with the heating system will similarly be deducted from their 12-month
10 usage. The associated load of Exempted Technologies that will continue to be used may
11 then be added back to the baseline for calculating the maximum size of the system that
12 the customer can install under the RE Growth Program. This process is more fully
13 described in Attachment IS1 (SolarWise Customer Guide). The Exempted Technologies
14 are:

- 15 • Plug-in electric vehicle (all electric or hybrid plug-in)
- 16 • Air Source Heat Pump
- 17 • Ground Source Heat Pump
- 18 • Fuel switching from electric resistance heat to other source if not an electrically
- 19 powered Air Source/Ground Source Heat Pump
- 20

21 **Q. Is the Company filing the proposed SolarWise Program in accordance with the RE**
22 **Growth statute?**

23 A. Yes. The RE Growth Statute, R.I. Gen. Laws, § 39-26.6 provides that:

1
2 In consultation with the [Rhode Island Office of Energy
3 Resources], the electric-distribution company may make a request
4 to the commission that up to half of the megawatts for the small-
5 and medium-scale solar project enrollments be allocated by the
6 commission for selection through a process coordinated with the
7 energy-efficiency program in order that specified, solar incentives
8 may be tied with energy-efficiency program incentives in order to
9 allow the electric-distribution company to implement a
10 coordinated, energy efficiency and solar program offering. In such
11 case, the electric-distribution company will propose criteria for
12 eligibility for performance-based incentives for solar that requires
13 certain energy-efficiency standards be met at the customer location
14 in order to be eligible for performance-based incentives for a
15 small-scale and/or medium-scale solar installation.
16

17 R.I. Gen. Laws § 39-26.6-19(a).
18
19

20 **Q. Did the Company consult with the Rhode Island Office of Energy Resources (OER)**
21 **on the proposed SolarWise Program?**

22 A. Yes. The Company had several meetings with the OER during which the parties
23 consulted on the elements of SolarWise. Thereafter, in October 2015, the Rhode Island
24 DG Board voted to endorse SolarWise. The Company understands that the OER also
25 supports SolarWise.
26

27 **Q. The RE Growth statute provides that the Company's coordinated EE and solar**
28 **program (i.e., SolarWise) must include program parameters that do not disrupt**
29 **competition among small-scale and/or medium-scale solar developers. Does**
30 **SolarWise meet this requirement?**

31 A. Yes. As explained in detail above, SolarWise is structured so that it will neither disrupt

1 competition among small-scale and/or medium-scale developers nor give any developers
2 exclusive rights or other market advantages over their competitors.

3
4 **V. Conclusion**

5 **Q. Does this conclude your testimony?**

6 **A.** Yes.

2016 SolarWise Customer Guide

Integrating Solar and Energy Efficiency to Help Customers Manage their Energy Future

Overview

Each year in Rhode Island, thousands of customers seek to reduce their energy use and save money by accessing services and incentives through National Grid's Energy Efficiency (EE) Program. Similarly, many customers are interested in enrolling in the Renewable Energy (RE) Growth Program, which compensates participating customers for the output from their solar photovoltaic (PV) equipment at their homes or businesses.

The SolarWise program helps customers do both. SolarWise enables customers who are pursuing EE options to easily access information regarding solar opportunities available to them. Customers who choose to install solar in conjunction with investment in significant EE savings may qualify for additional solar payment incentives under the RE Growth Program. Specifically, National Grid's EE Programs identify savings opportunities for both Residential and Commercial and Industrial (C&I) customers and the RE Growth program offers customers Performance Based Incentives (PBIs) for each kilowatt-hour of generation, as governed by the RE Growth Tariffs which can be accessed at: www.ngrid.com/regrowth.

How It Works

SolarWise provides several solar-related services. First, customers will receive, at no cost to them, a Solar PV Screening as part of an EE assessment. After completion of the EE assessment, customers will be provided the assessment results, a list of potential energy savings, a solar PV screening and an invitation to the on-line SolarWise Marketplace, where they can request, and compare, offers from independent solar installation companies to install solar PV at their location. Finally, customers can qualify for a bonus award from National Grid's RE Growth Program when they reach a set level of energy savings and properly size their solar array to their new, smaller, electric load. The SolarWiseBonus Awards will be available for solar PV systems participating in the Small Solar (1-25 kW DC) or Medium Solar (26-250 kW DC) classes of the RE Growth Program. Approval for such bonus payment must be obtained through the SolarWise program prior to applying for enrollment in the RE Growth program.

Program Offerings

Solar PV Screenings

All Rhode Island residential customers are eligible for a No-cost EE Assessment through National Grid's EnergyWise Program. The No-cost EE Assessment includes no-cost installation of energy efficient light bulbs, shower aerators, and advanced power-strips and a provides a list of energy saving measures that customers can choose to implement. For more information or to sign up for the No-cost EE Assessment, please visit www.myngrid.com/energywise.

For non-residential customers, the Commercial Technical Study helps customers find the right mix of energy-efficient technologies for their operations and identify financial incentives to implement them. For more information or to sign up for the Technical Study, please visit www.ngrid.com/ri-ee or call 1-866-903-2811.

The EE Programs are also available to residential and commercial new construction projects, which includes some substantial renovations of existing buildings. Technical support offered during the design phase and in the field will help customers achieve a high-efficiency project. Efficiency of a project is measured based on the level above which a project exceeds the commercial building code or the residential User Defined Reference Home (UDRH).

When a customer arranges for any of the above-referenced EE Assessment Services, the SolarWise program will provide a no-cost solar PV screening for adding solar PV to the customer's home or building, which will be provided during the EE Assessment. Customers will receive information about the appropriateness of solar at their locations, and the potential amount and value of solar energy that could be produced. With the screening, customers will receive an internet address and log-in information so they may review and further customize their screening results and also gain access to the SolarWise Marketplace (see "SolarWise Marketplace Services" below).

Important things to know regarding the Solar PV Screening:

- There is no charge for the Solar PV Screening to the customer
- All Solar PV Screening information is confidential to the customer, and subject to National Grid's Data Privacy Policy
- Customers only need to receive an EE audit, or register for the EE New Construction Program to receive the solar screening
- There is no obligation to follow up on the Solar PV Screening
- Customers will receive Solar PV Screenings after the start of the RE Growth program year on April 1, 2016. Customers who received EE Assessments prior to April 1 in 2016, as well as those in program years 2015 and 2014, will also be eligible for the SolarWise program. They will be provided a Solar PV Screening by email only.
- Upon entry into the residential or commercial new construction program, customers will be informed about the potential for solar PV on their proposed building (assuming it is not already part of the new construction plan).
- A service provider to National Grid, Energy Sage, Inc., will provide the Solar PV Assessment under the SolarWise Program.

SolarWise Marketplace Services

Along with the Solar PV Screening Services outlined above, each customer will receive access to the SolarWise Marketplace. The Marketplace will allow customers to request and review quotes from multiple solar installers in a standardized, comparable format. If a customer chooses to use the Marketplace, they will update their solar screening information with additional details about their

energy efficiency savings as implemented, and submit their profile to solar installers participating in the Solar Marketplace. Participating solar installers will then provide quotes for the installation of solar, and the customer will be able to compare these quotes on the Marketplace.

Customers who choose to move forward with a solar installer will be responsible for all aspects of their contractual relationship with the installer. Other than providing access to the on-line SolarWise Marketplace, National Grid will not be involved in the transaction between the customer and the solar installer. Once a customer and a solar installer have agreed upon terms and conditions of a proposed solar array, either the customer or the installer, on behalf of the customer, may submit applications for interconnection services and RE Growth incentives to National Grid. More information on the RE Growth Program, including interconnection application forms, can be found at www.ngrid.com/regrowth.

If a customer chooses not to utilize the SolarWise Marketplace to identify a solar installer, that customer can still apply to the RE Growth Program for the SolarWise Bonus Award as long as they meet the energy savings requirements of the SolarWise program as outlined in Table 1 and Table 2 below.

Important things to note about the SolarWise Marketplace Services:

- Customers whose premises have been screened and are appropriate for solar can move forward on their own schedule
- Customers are not obligated to seek quotes from solar installers
- A customer eligible for the SolarWise program must apply for and receive approval for a SolarWise Bonus Payment from April 1, 2016 through March 31, 2017. Please note that the number of installers may fluctuate over the course of the program year.
- A service provider to National Grid, Energy Sage, Inc., will provide the solar PV screening and the Marketplace under the SolarWise Program.

Solar Comparison and Support Services

When considering offers to install solar PV, customers may have questions about comparing quotes, the amount of solar to install at their location, equipment or services available from different installers, financing, leasing, and /or other issues. Customers can access no-cost SolarWise Support through email, on-line chat, or telephone to obtain assistance with these and other issues. These support services will be provided by Energy Sage, Inc., and will pertain only to Solar PV Screening and SolarWise Marketplace services in the SolarWise Program. SolarWise support can be reached at:

Email: [To be updated when final]

Telephone: [To be updated when final]

On-line chat support:, [To be provided],

For electric service issues, including billing, interconnection, RE Growth payments, metering, and similar matters, customers should call National Grid Customer Service at 1-800-322-3223.

SolarWise Bonus Awards

Overview and Award Eligibility Criteria

National Grid’s EE programs strive to incentivize the most energy efficient homes and buildings through the No-Cost Energy EE Assessment and Commercial Technical Study recommendations for energy savings, supported by all associated incentives. However, the level of efficiency savings pursued by any customer is subject to the customer’s discretion.

In an effort to help encourage owners to pursue solar while also taking substantial steps toward deeper energy efficiency, the SolarWise Bonus Awards offer increased RE Growth payments when high levels of energy savings are reached by a customer at their location.

SolarWise eligibility criteria are based on existing EE program levels and/or measures – all of which have been reviewed and approved by the Rhode Island Public Utilities Commission as elements of National Grid’s Energy Efficiency Program Plans. To be counted toward qualifying for a SolarWise Bonus Award, measures must be approved as part of their respective EE Program Plan in 2014, 2015 or 2016, and implemented or committed to prior to the end of the RE Growth program year, on March 31, 2017, when the application to SolarWise is made. In addition, applications for RE Growth eligibility accompanied by approval for any SolarWise Bonus Award, as detailed below, must be received and approved before the end of the RE Growth program year. **Table 1. Residential SolarWise Bonus Award Eligibility Criteria¹**

	SolarWise Tier 1	SolarWise Tier 2	Methodology
New Homes and Major Renovation/Rehabilitation	31% lower total energy use than RI reference home (Residential New Construction program Tier 2)	45% lower total energy use than RI reference home (Residential New Construction program Tier 3)	Calculated based on energy modeling (electricity and heating fuel) of proposed efficient total energy use divided by the RI Residential New Construction User Defined Reference Home (UDRH) usage.
Existing Building Retrofit (lighting, weatherization, and individual appliances)	Implement electricity savings measures totaling at least 15% of last 12-months of usage, as identified through the No Cost Energy Assessment	Tier One threshold PLUS: All Weatherization recommendations from No Cost Energy Assessment, OR Other electric-specific	Calculated by adding up electricity savings associated with each measure. Savings are predetermined through energy modeling by the EE

¹ 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.

		measures that total at least 400 kWh per year	Program and provided to the customer through the Energy Assessment.
Table 2. Commercial and Industrial SolarWise Bonus Award Eligibility Criteria			
New Buildings and Major Renovation / Rehab	15% lower total energy use than current IECC modeled energy usage	20% lower total energy use than current IECC modeled energy usage	Calculated based on energy modeling of proposed total energy use (electricity & heating fuel) divided by the modeled International Energy Conservation code (IECC) usage of the same building.
Existing Building Retrofit (lighting, weatherization, individual appliances, and mechanical systems) For customers served on rates C-06 or G-02	Implement electric savings measures totaling at least 20% of last 12 months of electric usage	Implement electric savings measures totaling at least 25% of last 12 months of electric usage	Calculated by adding up electricity savings associated with each measure. Savings are predetermined through energy modeling by the EE Program and through custom estimations in the customer's Technical Study.
Existing Building Retrofit (lighting, weatherization, individual appliances, and mechanical systems) For customers served on Rates B/G-32 or B/G-62	Implement electric savings measures totaling at least 7% of last 12 months of electric usage	Implement electric savings measures totaling at least 12% of last 12 months of electric usage	Calculated by adding up electricity savings associated with each measure. Savings are predetermined through energy modeling by the EE Program and through custom estimations in the customer's Technical Study.

1. International Energy Conservation code (IECC) is currently referenced as the building energy efficiency code in RI
2. RI UDRH – Rhode Island User Defined Reference Home is referenced as the baseline for new construction in Rhode Island
<http://www.rieermc.ri.gov/documents/evaluationstudies/2012/Final-RI-RNC-2011-Baseline-Report-sent-10-8-12.pdf>
3. Commercial New Building Energy Savings Calculations
 - a. Provide Energy consumption for Baseline building (either using simulation model or engineering calcs)=A

- b. Baseline building = a building designed to 'meet' the 2012 IECC code, with same sqft as the proposed building
- c. Provide Energy consumption in KBtus (electric plus Therm) for proposed building (either using simulation model or engineering calcs)=B
- d. Show percentage reduction in total energy consumption: $B/A = X\%$, $1-X = Y$
- e. If Y equals or is greater than 15%, project is eligible for Tier One SolarWise bonus
- f. If Y equals or is greater than 20%, project is eligible for Tier Two SolarWise bonus

Excluded Technologies Adjustments

Customers who have recently added one of the technologies listed below will have their 12-month usage recalculated for purposes of qualifying for the SolarWise Bonus Payments, so that energy savings comparisons are based on remaining load. For resistance electric heat customers who have switched fuels in last 12 months, or are committed to do so, the estimated usage associated with the heating system will similarly be deducted from their 12 month usage. Excluded technologies are the following:

- Plug-in electric vehicle (all electric or hybrid plug-in)
- Air Source Heat Pump
- Ground Source Heat Pump
- Fuel switching from electric resistance heat to other source if not an electrically powered Air Source/Ground Source Heat Pump

Application and Approval Process

All customers wishing to access the SolarWise Bonus Awards must show that they have achieved the required savings levels as described above by submitting an application and required documentation to National Grid per the directions on the Residential and C&I SolarWise Application forms, available on the RE Growth and SolarWise webpages. Commercial class customers will also be able to use committed measures, with evidence of commitment as outlined in the application.

Applications to the RE Growth Program must then be received and approved before the end of the program year on March 31, 2017 in order to be eligible for the 2016 SolarWise Bonus Awards as described in this Guide. Applicants will receive notification of their approval or rejection, and their Tier level, which can then be included in their application to the RE Growth program.

SolarWise Billing and System Resizing Requirements

In order to be eligible for SolarWise Bonus Awards, non-residential customers must choose payment Option 2 in the RE Growth Non-Residential Tariff, to receive bill credits from the RE Growth program. Residential customers are already required to receive bill credits. Non-residential customers must opt to receive bill credits and must size the solar PV facility appropriately to do so.

All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the customer at that location minus the estimated annual electric energy (kWh) savings from the

realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer’s solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible “Excluded Technologies.” For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

SolarWise Bonus Levels

When customers meet the EE Eligibility Criteria as outlined in Table 1 and Table 2 above, they will qualify for higher solar incentives as described below.

SolarWise Tier	Renewable Energy Growth Program Performance Based Incentive Percentage Increase
Tier One	5%
Tier Two	10%
Tier One – Small Solar TPO ²	2%
Tier Two – Small Solar TPO	4%

The Tier 1 and Tier 2 PBI percentage increase apply to any of the PBI levels approved for the RE Growth Small Solar and Medium Solar classes, and are shown specifically in the RE Growth Tariffs.

Qualification of Marketplace Vendors

The SolarWise Marketplace is open to all installers that pass a screening process managed by Energy Sage, Inc. and National Grid. Criteria for acceptance of an installer include the installer’s experience, licensing, and customer complaint history. A full list of the acceptance criterion along with application guidelines are [to be provided on the website once developed]. **National Grid does not endorse, guarantee, or warrant any installer or product in connection with the SolarWise Program, and makes no warranties or guarantees in connection with the SolarWise Program, or any item or services**

² Third-party Owned

performed in connection with the SolarWise Program, whether expressed, or implied, including, without limitation, warranties of merchantability and fitness for a particular purpose. National Grid makes no representations of any kind regarding the benefits or energy savings in connection with the SolarWise Program. National Grid shall have no responsibility or liability to any customer or any third party in connection with the SolarWise Program or otherwise, except the responsibility to provide the incentives to customers (if any) under the SolarWise Program explicitly agreed to in writing by National Grid.

SolarWise Bonus Reserve Allocation

Each year the Rhode Island Distributed Energy Board (Board) recommends to the Rhode Island Public Utilities Commission (PUC) the amount of capacity in kW that shall be offered to each class of the RE Growth Program, including whether to subdivide classes into smaller groupings. The PUC reviews and approves the Board's recommendations. The RE Growth law allows National Grid to reserve up to 50% of the Small-Scale Solar and Medium-Scale Solar classes for the SolarWise Program in each year.

For the 2016 program year, the SolarWise Bonus Award capacity reserve allocation will be 2,500 kW of the Small-Scale Solar class and 1,000 kW of the Medium-Scale Solar class (from either the Medium or the Non-Profit/Multifamily Medium Classes). Please see the applicable RE Growth Solicitation and Enrollment Rules for a full listing of annual capacity allocations and capacity available for each enrollment.

SolarWise 2016 Program Year Estimated Budget

	Cost Category	Description	Amount
1	Setup Costs	EnergySage solar estimate setup, program partner training, finance mini-site, solar installer management; RISE programming and data exchange; and National Grid internal IS costs for data export and security setup	\$ 77,500
2	Operating Costs	EnergySage solar estimate processing, marketplace and customer advisor fees, program management, and program marketing; RISE auditor services; National Grid application processing, data processing, and program/vendor management	\$ 174,313
3	Bonus Award Costs	RE Growth SolarWise PBI Bonus Costs (Weighted 50% for Year 1)	\$ 39,742
4	Revenues	Estimated EnergySage installer fee sharing	\$ 147,000
5	Estimated Net Cost	Lines 1 + 2 + 3 - 4	\$ 144,555
6	Estimated Cost per Bonus Award Participant	Line 5/319 estimated participants, Attachment IS-4	\$ 453

Estimated SolarWise Bonus Award Costs: Year 1 and Term of Tariff

	2016 Proposed Capacity Reservation (kW)	Estimated KWh, Year 1	Baseline PBI, Weighted (cents/kwh)	A Baseline Cost, Year 1 (Full Year)	B Baseline Cost, Term of Tariff
Baseline PBI Cost Table					
Small Solar I and II	2500	2,954,310	34.48	\$ 1,018,758	\$ 18,602,186
Medium Solar	1000	1,178,220	27.23	\$ 320,859	\$ 6,121,313
National Grid Incentive (1.75% of PBI)				\$ 23,443	\$ 432,661
Total				\$ 1,363,061	\$ 25,156,160

		C SolarWise PBI Cost, Year 1 (Full Year)	D SolarWise PBI Cost, Life of Tariff	E = (A - C) SolarWise Bonus Award Cost, Year 1	F = (B - D) SolarWise Bonus Award Cost, Term of Tariff
SolarWise Bonus Award Cost Table	SolarWise PBI, Weighted (cents/kwh)				
Small Solar I and II	36.48	\$ 1,077,623	\$ 19,677,038	\$ 58,865	\$ 1,074,852
Medium Solar	28.87	\$ 340,110	\$ 6,488,591	\$ 19,252	\$ 367,279
National Grid Incentive (1.75% of PBI)		\$ 24,810	\$ 457,899	\$ 1,367	\$ 25,237
Total		\$ 1,442,544	\$ 26,623,528	\$ 79,483	\$ 1,467,368

Supporting Calculations

Bonus PBI Levels	Tier 1 Average PBI	Tier 2 Average PBI	Weighted Average PBI	Increase over Baseline, Tier 1	Increase over Baseline, Tier 2
Small	36.14	37.80	36.48	4.8%	9.6%
Medium	28.59	29.96	28.87	5.0%	10.0%

Estimated Increase in Customers by SolarWise Class and PBI Type: Year 1

Estimated Average System Size	Baseline System Size (Pre-SolarWise)	% of Class (by kw)	Estimated Total KWs from Class	G	Adjusted System Size (Post-SolarWise)	H	I = (H - G)
				Baseline Number of Customers		Adjusted Number of Customers	Increase in Number of Customers
Small I, Resident Owned	8.04	59%	1,486	185	6.64	224	39
Small I, Third party owned	8.04	7%	186	23	6.64	28	5
Small I, Non-Profit & Affordable Housing	8.04	7%	186	23	6.64	28	5
Total Customers - Small I				231		280	49
Small II	25	23%	578	23	20.6	28	5
Small II, Non-Profit & Aff Hous	25	3%	64	3	20.6	3	1
Total Customers - Small II				26		31	6
Total Customers - Small I and II				257		311	54
Medium Solar	145	90%	900	6	124.1	7	1
Medium Solar, Non-Profit & Aff Hous	145	10%	100	1	124.1	1	0
Total Customers - Medium				7		8	1
Grand Totals			3,500	264		319	56

Example Participant Savings and RE Growth Cost Savings per Participant

Participant Savings on Cost of Solar PV

Pre-SolarWise Customer Cost of PV System

	Small I	Example Customers Medium (Smaller Business)	Medium (Larger Business)
Solar PV Required to Serve 100% Baseline Annual Usage (kw)	8.04	100	250
Cost per watt	\$ 3.84	\$ 2.96	\$ 2.96 <i>i</i>
Installed System Cost	\$ 30,874	\$ 296,000	\$ 740,000

SolarWise Customer Cost of Solar PV System

	Residential Retrofit 15% electric savings vs. last 12 months	Commercial Retrofit 20% electric savings vs. last 12 months	Commercial Retrofit 7% electric savings vs. last 12 months
Tier 1 Energy Savings Achieved			
Solar PV Required to Serve 100% Adjusted Annual Usage (kw)	6.83	80	232.5
Installed System Cost	\$ 26,227	\$ 236,800	\$ 688,200 <i>ii</i>
Tier 1 Customer Savings	\$ 4,646	\$ 59,200	\$ 51,800

	Tier 1 savings, plus 400kwh/year (est.)	25% electric savings vs. last 12 months	12% electric savings vs. last 12 months
Tier 2 Energy Savings Achieved			
Solar PV Required to Serve 100% Adjusted Annual Usage (kw)	6.49	75	220
Installed System Cost	\$ 24,922	\$ 222,000	\$ 651,200 <i>ii</i>
Tier 2 Customer Savings	\$ 5,952	\$ 74,000	\$ 88,800

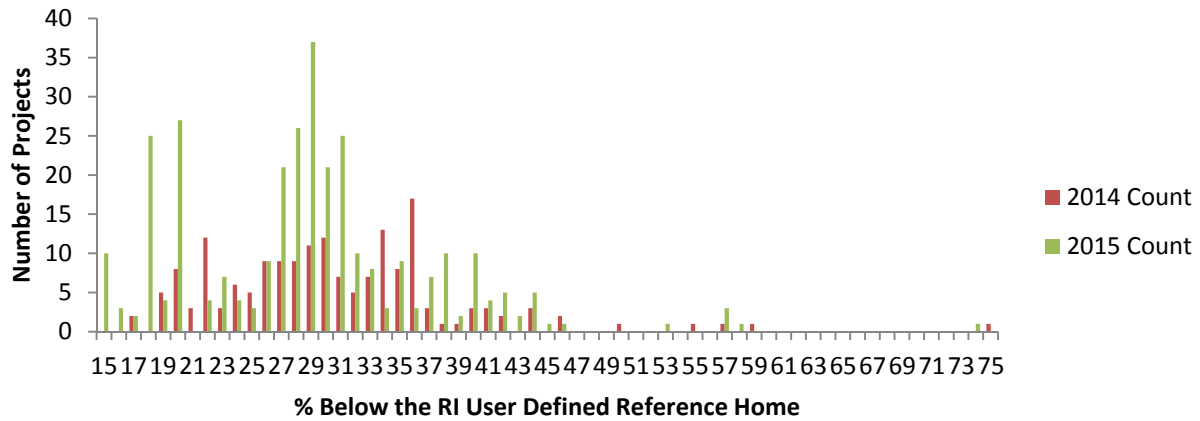
Program Cost Savings: Year 1	Example Customers			
	Small I	Medium (Smaller Business)	Medium (Larger Business)	
Year 1 Baseline KWh Produced by PV	9,501	117,822	294,555	
Baseline PBI	34.48	27.23	27.23	
Baseline PBI Cost: Year 1	\$ 3,276	\$ 32,086	\$ 80,215	
Adjusted KWh After SolarWise Tier 1	8,071	94,258	273,936	
Tier 1 Bonus Level	\$ 36.14	\$ 28.59	\$ 28.59	
Tier 1 Bonus Percentage (Weighted by Tariff Type)	4.8%	5.0%	5.0%	iii
PBI Cost with Tier 1 Bonus: Year 1	\$ 2,917	\$ 26,952	\$ 78,330	
Program Savings per Tier 1 Customer	\$ 359	\$ 5,134	\$ 1,885	
	11.0%	16.0%	2.4%	
Adjusted KWh After SolarWise Tier 2	7,669	88,367	259,208	
Tier 2 Bonus Level	37.80	29.96	29.96	
Tier 2 Bonus Percentage (Weighted by Tariff Type)	9.6%	10.0%	10.0%	iii
PBI Cost with Tier 2 Bonus: Year 1	\$ 2,899	\$ 26,471	\$ 77,648	
Program Savings per Tier 2 Customer	\$ 377	\$ 5,615	\$ 2,567	
	11.5%	17.5%	3.2%	

i - Cost per watt drawn from SEA models for Ceiling Price presentation (9/21/15)

ii - Customer cost may be lower through competitive SolarWise Marketplace

iii- Small I bonus percentage reflects the weighting across tariff types (resident owned and TPO)

Residential New Construction Projects % Below the RI User Defined Reference Home



EnergyWise Annual kWh Savings Experience, 2014 - 2015

