

January 8, 2016

BY HAND DELIVERY AND ELECTRONIC MAIL

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

**RE: Docket 4589-A-Proposed 2016 Renewable Energy Growth Program Tariff and Rule
Changes and Proposed SolarWise Program
Rebuttal Testimony**

Dear Ms. Massaro:

I have enclosed ten copies of National Grid's¹ rebuttal testimony of Ian M. Springsteel in the above-referenced docket.

This filing is also accompanied by a Motion for Protective Treatment in accordance with Rule 1.2(g) of the PUC's Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(i)(B). Therefore, pursuant to the PUC's Rules, I have enclosed one copy of the unredacted confidential version of the testimony and attachment.

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

Very truly yours,



Raquel J. Webster

Enclosure

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

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

Certificate of Service

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

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



Joanne M. Scanlon

January 8, 2016

Date

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

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

Service List updated 11/20/15

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

**IN RE: NARRAGANSETT ELECTRIC COMPANY'S
RENEWABLE ENERGY GROWTH PROGRAM
TARIFF AND RULE CHANGES
AND PROPOSED SOLARWISE PROGRAM**

DOCKET NO. 4589-A

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

National Grid¹ respectfully requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure certain confidential information submitted in this proceeding, as permitted by R.I. Gen. Laws § 38-2-2(4)(B) and Rule 1.2(g) of the PUC's Rules of Practice and Procedure. National Grid also respectfully requests that, pending entry of that finding, the PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2(g)(2).

I. BACKGROUND

On January 8, 2016, National Grid filed with the PUC its rebuttal testimony in this docket. The rebuttal testimony includes details and a confidential attachment regarding National Grid's revenue sharing arrangement with EnergySage, the vendor with whom National Grid has contracted to provide services under the proposed SolarWise program. The financial details regarding the revenue sharing arrangement between National Grid and EnergySage are the subject of a confidential agreement between National Grid and EnergySage, and public disclosure of these details could harm both parties' ability to negotiate such contracts in the

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

future. Therefore, National Grid respectfully requests that the PUC afford confidential treatment to certain portions of its rebuttal testimony filed in this docket as well as the confidential attachment to the rebuttal testimony.

II. LEGAL STANDARD

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

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

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

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would likely either (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001). The first prong of the test is satisfied when information is provided voluntarily to the governmental agency and that information is of a kind that would not customarily be released to the public by the person from whom it was

obtained. Providence Journal, 774 A.2d at 47. National Grid meets the second prong of this test, which applies here.

III. BASIS FOR CONFIDENTIALITY

The Company seeks confidential treatment of the financial information regarding the Company's revenue sharing arrangement with EnergySage, the vendor National Grid has contracted with to provide services for the proposed SolarWise program. The financial details regarding the Company's revenue sharing arrangement with EnergySage and vendor fees under this arrangement are highly sensitive and commercial information that would cause commercial harm to EnergySage and National Grid if disclosed publicly. Disclosing this information could harm both parties' ability to negotiate such contracts in the future, which could harm National Grid's customers since future potential bidders could use this information in such a way that would impede the Company's ability to obtain the best possible price for its customers. Moreover, this information is the type of confidential and privileged information that the Company would not ordinarily disclose to the public.

IV. CONCLUSION

Accordingly, National Grid respectfully requests that the PUC grant protective treatment to certain portions of its rebuttal testimony filed in this docket as well as the confidential attachment to the rebuttal testimony.

Respectfully submitted,

NATIONAL GRID

By its attorneys,



Raquel J. Webster, RI Bar # 9064
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Dated: January 8, 2016

REBUTTAL TESTIMONY

OF

IAN SPRINGSTEEL

January 8, 2016

TABLE OF CONTENTS

I. Introduction..... 1

II. Purpose of Rebuttal Testimony 1

III. Rebuttal to Division’s Memorandum..... 1

IV. Conclusion 8

1 **I. Introduction**

2 **Q. Mr. Springsteel, are your title and qualifications the same as those submitted to the**
3 **Rhode Island Public Utilities Commission (PUC) in your joint Pre-Filed Testimony**
4 **in this proceeding dated November 15, 2015?**

5 A. Yes, they are.
6

7 **II. Purpose of Rebuttal Testimony**

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of my rebuttal testimony is to address the memorandum dated December 14,
10 2015 from Mr. Alvaro E. Pereira of Daymark Energy Advisors (the Memo), which was
11 submitted on behalf of the Rhode Island Division of Public Utilities and Carriers
12 (Division). This rebuttal addresses the following three topics, which were addressed in
13 the Memo: (1) SolarWise project sizing; (2) SolarWise marketplace costs; and (3) Non-
14 profit, affordable housing, income-eligible customers.
15

16 **III. Rebuttal to Division's Memorandum**

17 **Q. Please explain National Grid's partnership with EnergySage, specifically how**
18 **National Grid reached agreement with EnergySage to help develop, operate, and**
19 **manage the SolarWise Marketplace.**

20 A. National Grid (or the Company) sought a services provider for the SolarWise program
21 through a Request for Proposals (RFP), which resulted in five proposals. Review of all

1 the proposals revealed that EnergySage was the only company that offered all of the
2 services that are required to get SolarWise started and to make it successful.

3
4 EnergySage, which is located in Boston, Massachusetts, currently operates in 30 states,
5 including Rhode Island. EnergySage already owns and manages an online marketplace
6 for solar photovoltaic systems. Indeed, EnergySage was the only bidder that offered a
7 portal/software application that was already built and immediately available.

8 Furthermore, EnergySage already has approximately 15 Rhode Island solar installers
9 enrolled in its marketplace. National Grid chose EnergySage not only because of its
10 operations and real experience with the type of screening, marketplace, and advisory
11 activities that the proposed SolarWise program would offer to Rhode Island customers,
12 but also because out of the five bidders, EnergySage presented the lowest upfront, fixed
13 setup costs.

14
15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]

4
5 **A. SolarWise Project Sizing**

6 **Q. The Division recommends that the definition (and any necessary calculations and**
7 **adjustments) used to size solar facilities to be developed under the SolarWise**
8 **program be clarified in the tariffs to be consistent with the more detailed**
9 **description found in the SolarWise Guide. (Memo at pgs. 1-2). What is the**
10 **Company's response to this recommendation?**

11 **A.** National Grid will make these recommended changes to the residential and non-
12 residential Renewable Energy (RE) Growth Program Tariffs in a separate compliance
13 filing.
14

15 **B. SolarWise Marketplace Costs**

16 **Q. Does the Company agree with the Division's recommendation that the Company**
17 **should collect additional revenues through one of the following: (1) Higher fees to**
18 **solar installers that execute contracts with customers, (2) assessment of revenues on**
19 **all vendors that participate in the SolarWise Marketplace, or (3) alteration of the**
20 **revenue sharing mechanism to provide National Grid (and, therefore, customers) a**
21 **larger share of the solar installer fees? (Division Memo at p. 2.)**

1 A. No. National Grid believes that the agreement it has established with EnergySage
2 provides the best balance of risks and costs for all parties involved.

3
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]

10
11 **Q. Does National Grid believe that EnergySage’s current fee structure is in the best**
12 **interest of customers?**

13 A. Yes. National Grid believes that EnergySage’s current fee structure is in the best interest
14 of customers for several reasons. First, the fees to be charged by EnergySage in Rhode
15 Island are based on its experience with various installer partners in multiple states.
16 Indeed, the Company’s discussions with several stakeholders revealed that a few
17 installers think EnergySage’s fees are already too high. Under such circumstances,
18 increasing fees could be counterproductive to the proposed SolarWise program and could
19 push smaller installers out of the program. As such the Company does not believe the fee
20 level should be changed. Notably, if the SolarWise program continues beyond the first
21 year and the number of participants increases, the revenue sharing will continue, further
22 offsetting costs.

1 Second, the fees are generally lower than the costs most installers would have to pay for
2 marketing, sales commissions, and other customer acquisition costs if they were seeking
3 solar customers on their own. This is important because more installers will be enticed to
4 participate in the SolarWise program, which, in turn will bring solar to more customers
5 with more competition.

6
7 [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED] In short,

11 the SolarWise partner arrangement and pricing structure with EnergySage strikes a good
12 balance that is required for the success of the SolarWise program.

13
14 Finally, the agreement with EnergySage allows National Grid to terminate at any time,
15 which provides the Company with the necessary flexibility to best protect its customers.
16 Based on all of the foregoing factors and considerations, National Grid believes that it
17 negotiated effectively on behalf of customers, and that it has established an innovative,
18 balanced approach that will promote solar and benefit customers in both the near term
19 and over time.

20

1 **Q. What is term of the Company’s agreement with EnergySage?**

2 A. The agreement is a one-year agreement, with the option to renew every year. In
3 addition, the agreement includes terms that allow the Company to cancel for regulatory or
4 other reasons. Therefore, the Company may revisit the agreement with EnergySage over
5 the next year and address any terms that may require changes after the first year of the
6 SolarWise program.

7
8 **Q. Is EnergySage’s fee structure the same in all states?**

9 A. Yes. EnergySage’s fee structure is the same in all states.
10

11 **Q. Since Rhode Island customers can use EnergySage now, why are fixed up-front fees
12 to EnergySage necessary?**

13 A. EnergySage is a web-based company whose existing operating model matches inbound
14 web visitors with local solar installers in 30 different states *via* an online instant estimate
15 and solar marketplace. Although Rhode Island customers can access these online
16 services today, the services available to Rhode Island customers *via* the marketplace have
17 not included the services that will be offered under the proposed SolarWise program.
18 For the SolarWise program, National Grid has contracted with EnergySage to not only
19 develop and tailor its online marketplace services for solar contractors and potential
20 customers under the RE Growth program specifically, but also to provide a set of
21 additional program implementation services to National Grid. These services include but
22 are not limited to: batch processing of customized solar estimates for hard copy delivery

1 to National Grid audit customers; process integration with National Grid Energy
2 Efficiency channel partners; custom integration of SolarWise bonus program information
3 into marketplace materials and online registration process; customized rules for
4 participating SolarWise installers; and training of EnergySage's in-house customer
5 advisors on the RE Growth Program and the SolarWise program. In short, the focus on
6 RE Growth and the additional program implementation services EnergySage will provide
7 under the SolarWise program are not pre-existing features of EnergySage's web-based
8 business model.

9
10 **C. Non-Profit, Affordable Housing, Income-Eligible Customers**

11 **Q. The Division notes that the Company should include in its materials further**
12 **explanation and guidance regarding the performance base incentives available to**
13 **non-profit, affordable housing, income eligible customers. (See Division Memo at p.**
14 **3). What is the Company's response to this recommendation?**

15 **A.** The Company did not include either the description or eligibility guidelines for the
16 OER's pilot for non-profit, affordable housing, and income-eligible customers in the
17 tariff, enrollment, rules, or customer guide because this pilot, which is being run by the
18 OER, is still in the initial development stages. In addition, the Company has had very
19 limited interaction with the OER regarding the pilot details.

1 **IV. Conclusion**

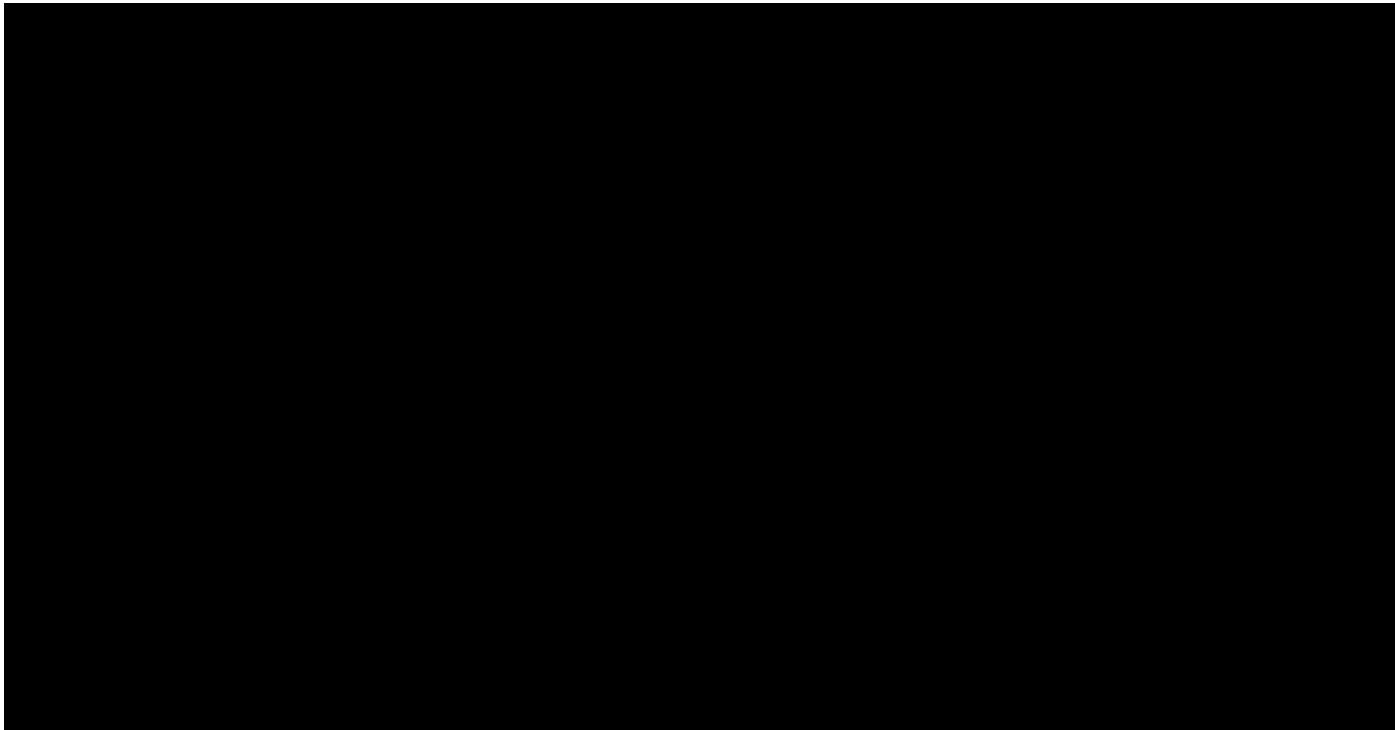
2 **Q. Does this conclude your rebuttal testimony?**

3 **A. Yes.**



Revenue-Sharing with National Grid

Overview of EnergySage fee structure with installers





Revenue-Sharing with National Grid

Overview of proposed revenue-share structure & terms

