STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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

February 1, 2017

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

In Re: Docket 4631 – Tariff Advice Filing to Amend Net Metering Provision R.I.P.U.C. No. 2169

Dear Luly,

Please find for filing ten (10) copies of the Division of Public Utilities and Carriers, (the "Division"), February 1, 2017, Memorandum authored by Ms. Carrie Gilbert and Mr. John Athas of Daymark Energy Advisors on behalf of the Division, setting forth their findings and recommendations in response to the proposed tariff advice filing to amend Net Metering Provision R.I.P.U.C. No. 2169 filed by National Grid for consideration by the Public Utilities Commission (the "Commission") in its review of the above captioned docket.

The Division submits the referenced Memoranda in lieu of pre-filed testimony and will have its consultant Mr. Athas of Daymark Energy Advisors available at hearing.

I appreciate your cooperation in this matter.

Very truly yours,

Jon G. Hagopian Senior Legal Counsel



MEMORANDUM

To: Rhode Island Public Utilities Commission

FROM: CARRIE GILBERT AND JOHN ATHAS—DAYMARK ENERGY ADVISORS ON BEHALF OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES AND CARRIERS

DATE: FEBRUARY 1, 2017

SUBJECT: DOCKET NO. 4631 – NATIONAL GRID'S TARIFF ADVICE FILING TO AMEND NET METERING PROVISION

RIPUC No. 2169

In this memo, I summarize the results of our review of the Net Metering Tariff amendments proposed by National Grid for the Renewable Energy Growth (REG) Program. These changes were presented by National Grid in its November 30, 2016 filing in Docket 4631.

Daymark Energy Advisors has been requested to review the proposed changes to the Tariff in the context of the revisions made to Rhode Island House Bill "2016 – H 8354 A". Overall, we believe that the changes proposed by the Company to the Tariff are comprehensive and responsive to the REG Amendments enacted in 2016. In this memo, we summarize the Tariff changes and have found that the changes are consistent with the program changes.

SUMMARY OF TARIFF PROVISIONS

The Rhode Island General Assembly amended the REG program in June 2016. This action created two new REG programs:

- Shared Solar Facilities. This program allows multiple customers to share a solar facility up to 250 kW as long as the customers are on the same or adjacent parcel of land.
- Community Remote Distributed Generation. This program allows multiple customers to share the benefits of a renewable energy distributed generation facility larger than 250 KW. These customers do not need to be adjacent to each other.

The Company has proposed "amendments to the Net Metering Tariff to: (1) implement the statutory provisions regarding the Community Remote Net Metering (CRNM) Pilot (Pilot), which went into effect on June 27, 2016; (2) clarify the way in which the Company applies net metering credits to customer

bills; and (3) simplify and clarify certain Tariff provisions." The Company provided clean and redline versions of the proposed Tariff.

NATIONAL GRID SUMMARY OF TARIFF PROVISIONS

At the January 18, 2017 Technical Session, there was a lot of discussion and clarifications regarding the requirements of the proposed Community Renewable Net metering program. The discussions also provided details on the manner in which National Grid will be administering the program. Daymark participated in that Technical Session. Daymark was able to enhance our understanding of the program.

General Changes

The Company has assigned RIPUC No. 2178 as the new Tariff number replacing RIPUC No. 2169. In addition, the effective date of the new Tariff was proposed to be January 1, 2017.

Section I, Definitions

There were several key definitional additions, revisions and clarifications in order to make the Tariff accommodate the new programs.

The Added definitions included;

Residential Credit Recipient
Low or Moderate Income Housing Eligible Credit Recipient
Community Remote Net Metering
Eligible Credit Recipients
Net Metering Credits

Revisions to definitions included;

Net Metering Customer Renewable Net Metering Credit Eligible Net Metering System Eligible Net Metering Site

Definitions deleted included;

Renewable Self-Generator Eligible Net Metering System

Daymark Observations

The definition changes proposed by the Company are necessary and sufficient to allow National Grid's customers to better understand the nuances of the Community Remote Net Metering program elements. We did not find a need to suggest further editing of the proposed Tariff, nor add yet additional definitions. A key addition of the Low or Moderate-Income Housing participation related definitions and detailed program limitations and options is an important revision to the Tariff Section I (b).

Section II, Terms and Conditions

The Terms and Conditions needed substantial revisions, mostly in the form of additions. The Terms and Conditions not only need to define the interactions with the specific customers that participate in the CRNM program, but must also provide the formal CRNM program structure in order to formalize the adoption of the program.

Section II (2) is focused on the program structure defining such aspects as the total aggregate amount of solar capacity that could participate in the program, 30 MW. It also defined the timeline for the start and stop of the selection of participants in the program from the applications that were received.

Section II (5) is added in order to define the generating system that would be eligible and the manner in which the energy generated by the solar PV would be distributed among the participants. This clearly defines the 12-month period for the accounting to determine the amounts of energy generated that can flow through the program.

Section II (7) incorporates the number of participants provisions that were specified in the legislation.

Daymark Observations

Daymark found that the changes to this Tariff section are also necessary and sufficient to encode the program characteristics that have been described by the Company in their January 18, 2017 presentations to the Commission and its staff and other stakeholders. The manner in which the renewable credits will be distributed were clearly provided in the tariff additions.

Section III, Rates for Distribution Service to Net Metering Customers and Net Metered Accounts, and Section IV, Cost Recovery

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The Company describes the slight revisions within these sections of the Tariff as necessary to incorporate the aforementioned revisions to the definitions in order for these sections to support the new program.

Daymark Observations

The changes were necessary and sufficient.

Schedule B – Additional Information Required for Net Metering Service

The Company includes revisions to Schedule B in order to capture the new or revised definitions. No other changes were proposed for Schedule B.

Daymark Observations

The changes were necessary and sufficient.

SUMMARY OF DAYMARK REVIEW OF THE PROPOSED CHANGES TO TARIFF

Daymark finds that the Net Metering Tariff changes proposed by National Grid are necessary and sufficient to implement the Community Remote Distributed Generation and Shared Solar programs.

DAYMARKEA.COM 4