

March 17, 2017

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket 4672 - Proposed 2017 Renewable Energy Growth Program Tariff and Rule Changes
Compliance Filing

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the following documents in compliance with the Public Utilities Commission's February 10, 2017 Open Meeting decision in the above-referenced docket for effect as of April 1, 2017:

- Residential Tariff (RIPUC No. 2151-C)
- Non-Residential Tariff (RIPUC No. 2152-C)
- RE Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects
- RE Growth Program Solicitation and Enrollment Process Rules for Solar (greater than 25kW), Wind, Hydro and Anaerobic Digester Projects
- National Grid SolarWise Customer Guide

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4672 Service List
Leo Wold, Esq.
Jon Hagopian, Esq.
Steve Scialabba, Division

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

Certificate of Service

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

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



Jennifer Brooks Hutchinson

March 17, 2017

Date

**Docket No. 4672 – Renewable Energy Growth Program for Year 2017
RI Distributed Generation Board and National Grid**

Service List updated 1/5/17

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

1. 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 Customer’s service location, or a Project with a nameplate capacity up to 250 kW that is operating as a Shared Solar Facility. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the aggregate On-Site Use of the Residential Customer and the Bill Credit Recipient(s), if applicable, as measured over the previous three (3) years at the eligible electric service account(s) located on the same parcel of land as the Residential Customer’s service location; 2) the aggregate annualized On-Site Use over the period of service to the Residential Customer and Bill Credit Recipient(s) if such service has been provided for less than three years; or 3) a reasonable estimate of the aggregate annual On-Site Use of the Customer and the Bill Credit Recipient(s) 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 Bill Credit Recipient, 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.

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 Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.

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- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to on-site use subject to the eligibility requirements and provisions of Section 6.
- d. Bill Credit Recipient: a customer receiving retail delivery service pursuant to Rate A-16 or Rate A-60, and that is eligible to receive Bill Credits from a Shared Solar Facility or Standard DG Project pursuant to the eligibility rules in Section 6. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any payment plans or other agreements with the Company, including but not limited to an interconnection service agreement.
- e. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. 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.
- g. Commission: the Rhode Island Public Utilities Commission.
- h. Company: The Narragansett Electric Company d/b/a National Grid.
- i. Customer: an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60 and who is the customer of record at the location on which a Project is installed.
- j. Customer Payment/Credit Transfer Form: a form submitted by the Applicant prior to the commercial operation date of the DG Project, which is updated periodically as necessary, and contains all required information to process monthly Performance-Based Incentive Payments and Bill Credits.
- k. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- l. 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.
- m. 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

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when the Applicant has been awarded a Certificate of Eligibility pursuant to the Solicitation and Enrollment Process Rules.

- n. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- o. 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.
- p. 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.
- q. Shared Solar Facility: a single Small-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in Section 6. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.
- r. 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.
- s. 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.
- t. Standard DG Project: a Project that is not classified as a Shared Solar Facility.

3. 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.

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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 or a single parcel 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.

4. 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).

5. 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

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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.

6. 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 Bill Credit Recipient(s) associated electric service account is not in arrears and 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

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term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

If applicable, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 6.d.

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 Bill Credit Recipients in accordance with the rules below.

Applicants will be responsible for designating Bill Credit Recipient billing account(s) and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account. The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipients

- i. Standard DG Projects may designate only the Customer as the sole Bill Credit Recipient.
- ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
- iii. The Bill Credit Recipients of Standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the Project. Properties that are separated by a public way will not be considered to be adjacent.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's Maximum Annual Limit defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the Maximum Annual Limit will be estimated initially. The Maximum Annual Limit may be requested to be reset once a total of three (3) years of billing history are available.

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3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

The Bill Credit Recipient'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 Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear as a separate line item on the Bill Credit Recipient's bill.

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

Where:

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

$$\text{ALLOC} = \text{Bill Credit Recipient's allocated generated kWh as determined per Section 6.c.2).i.}$$

$$\text{DCHG} = \text{the sum of all retail delivery service per-kWh charges applicable to the Bill Credit Recipient's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

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

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form a check (or by other agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipient(s) will be responsible for paying any balance due on their individual electric bills in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, each Bill Credit Recipient 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 Bill Credit Recipient(s) or the recipient identified on the Application.

d. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments. Applicants with a Shared Solar Facility may be

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eligible to receive SolarWise Bonus payments provided that the Customer associated with the Shared Solar Facility has qualified for the SolarWise Bonus. The Bonus Tier will be determined by the energy savings estimate achieved by the Customer, but all Bill Credit Recipients of a Shared Solar Facility must have received an energy efficiency audit through the Company's Energy Efficiency Program. 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.

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.

7. 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.

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- 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.

8. 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.

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

10. 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, 2017

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

Program Year: April 1, 2015 through March 31, 2016

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)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years

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	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
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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	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years

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

Program Year: April 1, 2017 through March 31, 2018

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	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years

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

Program Year: April 1, 2017 through March 31, 2018

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	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small Scale Standard DG Projects.

**Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.

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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 Bill Credit Recipient(s), 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.
- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: means a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to On-Site Use subject to the eligibility requirements and provisions of Section 8.
- d. Bill Credit Recipient: a Customer receiving retail delivery service pursuant to one of the Company's retail delivery service rate schedules, and which is eligible to receive Bill Credits from a Community

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Remote Distributed Generation System, a Shared Solar Facility, or Standard DG Project pursuant to the eligibility rules in Section 8. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any applicable electric service, payment plans or agreements, including but not limited to meeting all obligations under an interconnection service agreement.

- e. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. 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.
- g. 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.
- h. 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).
- i. Commission: the Rhode Island Public Utilities Commission.
- j. Community Remote Distributed Generation System: a distributed generation facility with a nameplate capacity greater than two hundred fifty kilowatts (250 kW) and which allocates Bill Credits for each kilowatt-hour (kWh) generated to a minimum of three (3) eligible recipient customer accounts pursuant to the rules specified in Section 8. The Community Remote Distributed Generation System may be owned by the same entity that is the Applicant, the Customer, or another party.
- k. Company: The Narragansett Electric Company d/b/a National Grid.
- l. 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. The Customer may be the Applicant, a Bill Credit Recipient or a third party.
- m. Customer Payment/Credit Transfer Form: means a form submitted by the Applicant prior to the commercial operation date of the DG Project, and updated periodically as necessary, containing all required information necessary to process monthly Performance-Based Incentive Payments and Bill Credits.
- n. 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.

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- o. 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.
- p. 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.
- q. 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).
- r. 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).
- s. 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.
- t. Office: the Rhode Island Office of Energy Resources.
- u. On-Site Use: the amount of energy used at a Customer or Bill Credit Recipient service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- v. 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.
- w. 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.
- x. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- y. 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).
- z. 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.
- aa. Shared Solar Facility: a single Small-Scale or Medium-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in

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Section 8. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.

- bb. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- cc. 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 other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).
- dd. 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.
- ee. 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.
- ff. Standard DG Project: a project that is not classified as either a Shared Solar Facility or a Community Remote Distributed Generation System.
- gg. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

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

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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.
- 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

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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

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 required remote communication

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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 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.

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- (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, all Bill Credit Recipient(s) must remain in good standing with regard to the electric service account(s) receiving Bill Credits pursuant to this tariff, or the Company may withhold Bill Credits until such an account is again in good standing.

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.

If applicable, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

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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 for Standard DG Projects and Shared Solar.

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have been awarded a Certificate of Eligibility for a DG Project will receive Performance-Based Incentive Payments in accordance with the rules specified in this section. Except for Shared Solar Facilities, Applicants may choose to receive Performance-Based Incentive Payments in the form of either cash or a combination of cash and Bill Credits. Shared Solar Facilities will receive Performance-Based Incentive Payments as a combination of cash payments and Bill Credits. Applicants will be responsible for designating Bill Credit Recipient billing account(s), and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For DG Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

- 1) Bill Credit Recipients
 - i. Standard DG Projects are not required to designate a Bill Credit Recipient. However, if Standard DG Projects choose to designate a Bill Credit Recipient, they may designate only the Customer as the sole Bill Credit Recipient.
 - ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
 - iii. Shared Solar Bill Credit Recipients must be in the same customer class (i.e. Residential or Non-Residential) but may be in different retail delivery service rate classes.
 - iv. The Bill Credit Recipients of standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the DG Project. Properties that are separated by a public way will not be considered to be adjacent. Applicants who operate a Shared Solar Facility on behalf of a Public Entity may designate Bill Credit Recipients without regard to physical location so long as the Shared Solar Facility's and Bill Credit Recipient's points of service, which must all belong to the same municipality or public entity, are located within the same municipality.
 - v. The Applicant may make changes to the Bill Credit Recipients of a Shared Solar facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.

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2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's maximum annual limit, which is defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. A Bill Credit Recipient may request that the Company reset its three (3) year annual average use once three (3) years of billing history is available.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

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. Applicants with Shared Solar Facilities must select Option 2. Standard DG Projects may select Option 2 only if the DG Project can be configured to serve on-site load. If the Applicant selects Option 2, the DG Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use or the aggregate On-site Use of all Bill Credit Recipients if the DG Project is a Shared Solar Facility, as measured over the previous three (3) years at the electric service account located at the Customer or Bill Credit Recipient's service location(s); 2) the annualized On-Site Use over the period of service to the Customer or Bill Credit Recipient's service location(s) if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the DG 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
2. Option 2: A combination of direct payment and Bill Credit Recipient Bill Credits.

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

The Bill Credit Recipient'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 Bill Credit Recipient's retail delivery service rate class. The

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Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

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

Where:

BC = Bill Credit

ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.c.(2)(i).

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 Bill Credit Recipient'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 Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipients will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, the Bill Credit Recipients 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 Bill Credit Recipients or the recipient identified on the Application.

d. Performance-Based Incentive Payment for Community Remote Distributed Generation Systems

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have received a Certificate of Eligibility for a Community Remote Distributed Generation System will receive Performance-Based Incentive Payments in the form of Bill Credits applicable to a minimum of three (3) eligible Bill Credit Recipients and residual cash payments. Applicants will be responsible for designating Bill Credit Recipient billing accounts and other required information on the Customer Payment/Credit Transfer Form prior to the commercial operation date of the DG Project. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

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The following rules apply to the administration of Performance-Based Incentive Payments:

1) Bill Credit Recipient Accounts

- i. No more than fifty percent (50%) of the kWh generated by the DG Project may be allocated to a single Bill Credit Recipient.
- ii. At least fifty percent (50%) of the kWh generated by the DG Project must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system.
- iii. Provided that the conditions specified in (i) and (ii) above have been met, there is no limit to the number of Bill Credit Recipients that may receive Bill Credits from the DG Project. However, the aggregate kWh transferred to Bill Credit Recipients during a 12-month period, may not exceed the aggregate three (3) year average on site use of the Bill Credit Recipients. For Bill Credit Recipients that have less than three (3) years of actual on-site use, a projection of annual on-site use may be used until the actual three (3) year average on-site use becomes available for use in determining the number of eligible Bill Credit Recipients.
- iv. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules.

2) Allocation of kWh Generation to Bill Credit Recipients:

- i. Applicant must specify each Bill Credit Recipient's percentage share of the DG Project's output on the Customer Payment/Credit Transfer Form.
- ii. On a monthly basis, and in the aggregate, generated kWh may be allocated to Bill Credit Recipients up to the amount of available generated kWh.
- iii. Generated kWh available to allocate during a month is equal to the current month's generated kWh plus any generated kWh not allocated during prior months.
- iv. Allocation of generated kWh to Bill Credit Recipient accounts in any billing month will not exceed each individual Bill Credit Recipient's on-site use during that month.
- v. If available aggregate generated kWh is greater than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their monthly use, subject to the Bill Credit Recipient's annual maximum limit.
- vi. If available aggregate generated kWh is less than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their designated percentage share of generator output, subject to the Bill Credit Recipient's annual maximum limit.
- vii. Bill Credit Recipients will receive monthly kWh allocations as long as the cumulative annual allocation is less than the Bill Credit Recipient's maximum annual limit.
- viii. Each Bill Credit Recipient's maximum annual allocation limit will be that Bill Credit Recipient's three (3) year annual average on-site use. For Bill Credit Recipient accounts that have not established a three-year on-site usage history, the maximum annual allocation

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- limit will be estimated initially. Bill Credit Recipients may request that the Company reset their three (3) year annual average once three (3) years of billing history is available.
- ix. Unallocated generated kWh for each month will be calculated as the monthly generated kWh less the sum of the generated kWh allocated to the Bill Credit Recipients for the month. Unallocated generated kWh will be cumulated on an annual basis and the cumulative unallocated generated kWh calculated for each month will be used to increase or decrease the available generated kWh for the subsequent month within the program year. Any unallocated kWh remaining at the end of the program year will be paid to the designated cash recipient pursuant to Section 8.d.3.
 - x. Each Applicant may change the specified Bill Credit Recipients associated with a CRDG facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.

3) Calculation of Bill Credits Applicable to Bill Credit Recipients:

The Bill Credit Recipient'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 Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

$$BC = \text{ALLOC (kWh)} \times \text{Bill Credit Rate}$$

Where:

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

$$\text{ALLOC (kWh)} = \text{Bill Credit Recipient's allocated generated kWh as determined per Section 8.d.2.}$$

BILL CREDIT RATE = a per kWh rate used to calculate each Bill Credit Recipient's monthly Bill Credit that may be either a fixed per kWh rate determined by the Applicant or the Default Bill Credit Rate. The Bill Credit Rate must be specified on the Customer Payment/Credit Transfer Form. The Default Bill Credit Rate is defined as the sum of the Standard Offer Service Rate, the Standard Offer Service Adjustment Factor, the Standard Offer Service Administrative Cost Adjustment Factor, the Transmission Service Cost Adjustment Factor, and the Non-bypassable Transition Service Charge, applicable to the Bill Credit Recipient's rate schedule in effect at the time of the application of the monthly Bill Credit to the Bill Credit Recipient's account. The fixed Bill Credit Rate must be equal to or less than the Default Bill Credit Rate in effect at the time that the Bill Credit Recipient's account

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information is submitted by the Applicant on the Customer Payment/Credit Transfer Form. The selection of the fixed or Default Bill Credit Rate applicable to each Bill Credit Recipient may not be changed once the initial selection is made.

4) Payment of Residual Performance-Based Incentive Payment

- i. Cash payment to the Applicant or designated payment recipient for each month will be as follows:

$$\text{Cash Payment} = \text{Performance-Based Incentive Payment} - (\text{sum of Bill Credit Recipient Bill Credits}) - (\text{Unallocated Bill Credits})$$

Where

Unallocated Bill Credit=the unallocated generated kWh multiplied by the Default Bill Credit Rate applicable to the Applicant's rate class

- ii. Any unallocated generated kWh remaining at the end of the Program Year will be valued at the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output with ISO-NE over the course of the year and will be paid to the designated payment recipient in a lump sum.

e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award are eligible to receive SolarWise Bonus payments. Applicants with a Shared Solar Facility may be eligible to receive SolarWise Bonus payments provided that the Customer has applied for and received approval for a SolarWise Bonus Tier. Applicants with a Community Remote Distributed Generation Facility are ineligible to participate in the SolarWise Program. The Bonus Tier will be determined by the energy savings Bonus Tier achieved by the Customer, but all Bill Credit Recipients of a Shared Solar Facility must have received an energy efficiency audit through the Company's Energy Efficiency Program. 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. 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.

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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.

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**

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.

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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, 2017

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

Program Year: April 1, 2015 through March 31, 2016

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

Renewable Energy Class	System Size	Ceiling Price/Standard Performance –Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years
Medium-Scale Solar	26 to 250 kW	24.40¢	20 years

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Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

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	20.95¢						20 years
Large-Scale Solar	16.70¢						20 years
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	19.85¢						20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	22.75¢						20 years
Wind II (3.0MW to 5.0MW) with Investment Tax Credit	18.20¢						20 years
Wind II (3.0MW to 5.0MW) with Production Tax Credit	19.45¢						20 years
Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives	22.35¢						20 years
Anaerobic Digestion (150kW to 1,000kW) with Production Tax Credit	20.20¢						20 years

Effective Date: April 1, 2015

Issue Date: August 12, 2016

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

Program Year: April 1, 2015 through March 31, 2016

Renewable Energy Class	Ceiling Price	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives	20.60¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.80¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.35¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.55¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	20.10¢						20 years

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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	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years
Small-Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years

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

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	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years
Medium-Scale Solar (including ITC/PTC & Bonus Depreciation)	26 to 250 kW	22.55¢	23.68¢	24.81¢	n/a	n/a	20 years

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Tariff Supplement

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

Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar (including ITC/PTC & Bonus Depreciation)	19.30¢						20 years
Large-Scale Solar (including ITC/PTC & Bonus Depreciation)	15.10¢						20 years
Wind I (1.5MW to 2.99MW) (including ITC/PTC & Bonus Depreciation)	18.75¢						20 years
Wind II (3.0MW to 5.0MW, 2-turbine) (including ITC/PTC & Bonus Depreciation)	18.00¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) (including ITC/PTC & Bonus Depreciation)	17.40¢						20 years
Anaerobic Digestion I (150kW to 500 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢						20 years
Anaerobic Digestion II (10kW to 250 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢						20 years
Small-Scale Hydropower I (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	18.65¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	17.45¢						20 years

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Program Year: April 1, 2017 through March 31, 2018

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	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small-Scale Solar I, Third-Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years
Small-Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years

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Program Year: April 1, 2017 through March 31, 2018

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	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years
Medium-Scale Solar	26 to 250 kW	22.75¢	23.89¢	25.03¢	n/a	n/a	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

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Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar	18.75¢						20 years
Commercial-Scale Solar - CRDG	20.65¢						20 years
Large-Scale Solar	15.05¢						20 years
Large-Scale Solar – CRDG	16.85¢						20 years
Small Wind (10 to 999 kW)	21.45¢						20 years
Wind I (1.0MW to 2.99MW)	19.45¢						20 years
Wind I (1.0MW to 2.99MW) – CRDG	20.65¢						20 years
Wind II (3.0MW to 5.0MW, 2-turbine)	18.25¢						20 years

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Tariff Supplement

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Wind II (3.0MW to 5.0MW, 2-turbine) CRDG	19.35¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine)	17.35¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) CRDG	18.55¢						20 years
Anaerobic Digestion I (150kW to 500 kW)	20.15¢						20 years
Anaerobic Digestion II (501kW to 1,000 kW)	20.15¢						20 years
Small-Scale Hydropower I (10kW to 250kW)	22.45¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW)	22.45¢						20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.



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, 2017

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I. Introduction and Overview

National Grid (the Company) 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 2 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.

To be eligible to receive approval for the current program year's tariff rates and capacity allocations, Small-Scale Solar Applicants must submit and the Company must receive all required forms and documentation, as listed on the RE Growth application checklist, and all must be filled out and signed with no deficiencies of information, by 4 p.m. Eastern Prevailing Time on March 31, 2017. Any application which is found to be missing required forms or information that is supplied after that time and date will be considered for participation in the following program year at that year's tariff rates and class allocations.

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. 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 or a single parcel 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 Non-Residential RE Growth Tariff.

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.

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, less the value of Bill Credits for the energy and capacity value that is deemed to be used on site by the customer and must be deducted from the value listed in the Supplements.

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.

Projects participating in Shared Solar may participate in SolarWise provided that the Customer location where the Shared Solar Project is located has been approved for a SolarWise Bonus Tier based on savings achieved through the Company's energy efficiency program. The Bonus Tier will be determined by the energy savings estimate achieved by the Customer, but all recipient accounts of a Shared Solar Project must have participated in the Company's energy efficiency programs through an energy efficiency audit.

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 3 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.

2.6 Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients' accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use once three (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and standard offer supply rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

In no case will the annual allocated credits in kWh exceed the prior three (3) year annual average usage, less any reductions for verified energy efficiency measures installed at the customer premises, of the customer account to which the Bill Credits are transferred.

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

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)
Small-Scale Solar I – Host Owned (15 Year Tariff)	6.55 MW DC
Small-Scale Solar I – Host Owned (20 Year Tariff)	
Small-Scale Solar I – Third Party Owned (15 Year Tariff)	
Small-Scale Solar I – Third Party Owned (20 Year Tariff)	
Small-Scale Solar II	

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

Schedule 2

Approved Small-Scale Solar Standard PBI Applicable to Current Program Year

Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Small-Scale Solar I – Host Owned (1-10 kW)	34.75	15 Year Tariff
Small-Scale Solar I – Host Owned (1-10 kW)	30.85	20 Year Tariff
Small-Scale Solar I – Third Party Owned (1-10 kW)	27.05	15 Year Tariff
Small-Scale Solar I – Third Party Owned (1-10 kW)	24.05	20 Year Tariff
Small-Scale Solar II (11-25 kW)	27.75	20 Year Tariff

Note: The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.

Schedule 3

Renewable Energy Growth Program PBIs Inclusive of SolarWise Bonus

SolarWise Tier One: 5% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar I – Host Owned (1-10 kW)	36.49 (15 Year Tariff)
Small-Scale Solar I – Host Owned (1-10 kW)	32.39 (20 Year Tariff)
Small-Scale Solar II (11-25 kW)	29.14 (20 Year Tariff)

SolarWise Tier Two: 10% PBI Increase	
Renewable Energy Class (Nameplate kW)	Ceiling Price/Standard PBI (cents/kWh)
Small-Scale Solar I – Host Owned (1-10 kW)	38.23 (15 Year Tariff)
Small-Scale Solar I – Host Owned (1-10 kW)	33.94 (20 Year Tariff)
Small-Scale Solar II (11-25 kW)	30.53 (20 Year 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 I – Third Party Owned (1-10 kW)	27.59 (15 Year Tariff)
Small-Scale Solar I – Third Party Owned (1-10 kW)	24.53 (20 Year Tariff)
Small-Scale Solar II (11-25 kW)	28.31 (20 Year 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 I – Third Party Owned (1-10 kW)	28.13 (15 Year Tariff)
Small-Scale Solar I – Third Party Owned (1-10 kW)	25.01 (20 Year Tariff)
Small-Scale Solar II (11-25 kW)	28.86 (20 Year Tariff)



The Narragansett Electric Company d/b/a National Grid

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

Effective Date: April 1, 2017

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I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

National Grid (the Company) 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.

Program Year	2015	2016	2017	2018	2019
Annual Target (Nameplate)	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, which will be updated periodically, and Schedule 2 of this application.

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 for the approved Ceiling Prices and Standard PBIs for the current program year.

1.1.1 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 class. The application allows Applicants to provide additional information relative to the

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.

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.

1.1.2 Eligibility Requirements

1.1.2.1 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.

1.1.2.2 Eligible Applicant

An Applicant must be in good standing on its obligations to National Grid. Such obligations include but are not limited to meeting 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.

1.1.2.3 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 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.

1.1.2.3.1 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 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 2.

1.1.2.3.2 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.

1.1.2.3.3 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 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.

1.1.2.3.4 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 for approved renewable energy classes that are eligible for the current enrollment.

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, if any, must be paid by the Applicant of the distributed generation (DG) project in accordance with the payment plan identified within the Interconnection Service Agreement. 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 5. 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 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.

Because 250 kW DC nameplate capacity is the maximum size of SolarWise Renewable Energy Classes, projects participating in Community Distributed Generation are ineligible to participate in the SolarWise Program. Projects participating in Shared Solar may participate in SolarWise provided that the Customer location where the Shared Solar Project is located has been approved for a SolarWise Bonus Tier based on savings achieved through the Company’s energy efficiency program. The Bonus Tier will be determined by the energy savings Bonus Tier achieved by the Customer, but all recipient accounts of a Shared Solar Project must have participated in the Company’s energy efficiency programs through an energy efficiency audit.

Applicants wishing to obtain the SolarWise Bonus Payment must show that they have achieved, (or, for large C&I customers, 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 3 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 2 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.

2.5 Community Remote Distributed Generation

Community Remote Distributed Generation (CRDG) enables customers who cannot or choose not to install renewable technologies at their service location to participate in the RE Growth Program.

Each CRDG class will have a distinct ceiling price as established by the Board, and each class shall be for resources that are larger than 250 kW (DC for solar, AC for other technologies) nameplate capacity. CRDG projects will compete against other CRDG project in the same CRDG technology and size classes as set by the Board. Each two-week enrollment period will feature these classes as separate categories in which projects will be able to compete. The Company will select CRDG projects as it selects other projects in competitive classes on the basis of prices bid by the project Applicant, and will offer a Certificate of Eligibility to successful Applicants under the same rules and processes as other classes. CRDG renewable energy classes, annual enrollment targets, and ceiling prices are listed on Schedules 1 and 4.

2.5.1 CRDG - Additional Application Materials and Provisions

CRDG Applicants must receive PBI payments in the form of cash and Bill Credits. No more than fifty percent (50%) of the output by kWh generated by the DG Project may be allocated to a single Bill Credit Recipient. At least 50% of the output must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system. Both of these conditions must be met within the operational timelines specified in the Tariff, and must be met prior to being allowed to operate in parallel. CRDG Applicants must submit a Customer Payment/Credit Transfer Form that notes the billing accounts for Bill Credit Recipients and other required information. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules. CRDG Applicants must designate at least three (3) eligible Bill Credit Recipients.

Full Bill Credit Recipient criteria, the allocation of CRDG kWh generation to Bill Credit Recipients, and the calculation of Bill Credits and cash payments are as set forth in Section 8.d. of the Tariff.

2.6 Shared Solar

Shared Solar enables customers who own or rent properties unsuitable for installing solar, or where a single system is preferred, to participate in the RE Growth Program with Small-Scale Solar Projects and Medium-Scale Solar Projects (1-25 kW DC and 26-250 kW DC nameplate capacity, respectively).

To be eligible to participate in the Shared Solar program, at the time of enrollment, each account listed as a recipient must be in good standing on applicable electric service, payment plans or agreements, and other obligations to the Company, including but not limited to meeting all obligations under an Interconnection Service Agreement. Shared Solar Projects can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcel of land as the DG Project. Where two properties are separated by a public way, they will not be considered to be adjacent.

The system size for Bill Credit Recipients will be determined by the sum of the three (3)-year average on-site use over the previous three (3) years of all of the indicated Bill Credit Recipients' accounts at the time of the application. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. The customer may request that the Company reset its three (3)-year annual average use once three (3) years of billing history are available.

Shared Solar Projects will receive the same ceiling price and enroll from the same classes of other projects of the same size and ownership as established by the Board for a given program year.

2.6.1 Shared Solar Additional Application Material and Provisions

At the time of application, Shared Solar Applicants must submit a Customer Payment/Credit Transfer Form that notes what billing accounts will be receiving Bill Credits. The system must be sized to not provide output greater than the total of the aggregate three-year average annual usage of all of the Bill Credit recipients, like other on-site systems. Shared Solar Projects must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts in the same customer class and on the same or adjacent parcels of land. Public entities may allocate such Bill Credits to at least two (2) and up to fifty (50) accounts without regard to location so long as the Shared Solar Project and Bill Credit Recipient points of service, which must all belong to the same municipality or public entity, are within the same municipality.

Shared Solar Applicants will receive PBI payments as a combination of cash payments and Bill Credits (Option 2). The DG Project and Bill Credit Recipients must be in the same customer class (i.e., Residential or Nonresidential). All customer accounts receiving Bill Credits must be in the same customer class (i.e., Residential or Nonresidential) although they may be on different retail delivery service rate classes. The Bill Credit value from the Shared Solar Project shall be determined by the recipients' rate class and not that of the facility owner. The Bill Credit value shall be the distribution, transition, transmission, and standard offer supply rates of the Bill Credit Recipients. Any value of Bill Credits not transferred from the Shared Solar project shall be included in the total Performance Based Incentive. PBI payments and Bill Credits will be calculated as set forth in Section 8.c. of the Tariff.

In no case will the annual allocated credits in kWh exceed the prior three (3) year annual average usage, less any reductions for verified energy efficiency measures installed at the customer premises, of the customer account to which the Bill Credits are transferred.

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 5. 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 Annual Enrollment Targets

Renewable Energy Class	Annual Enrollment Target (Nameplate MW)
Medium-Scale Solar	3.0 MW DC
Commercial-Scale Solar	5.0 MW DC
Community Remote - Commercial Solar	3.0 MW DC
Large Solar	12.05 MW DC
Community Remote - Large Solar	3.0 MW DC
Small Wind	0.400 MW DC
Community Remote and Non-Community Remote Wind I, II and III	6.0 MW DC
Anaerobic Digestion I	1.0 MW DC
Anaerobic Digestion II	
Small-Scale Hydropower I	
Small-Scale Hydropower II	

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

Schedule 2

Approved Renewable Energy Classes, Standard PBIs and Ceiling Prices Applicable to Current Program Year

Renewable Energy Class (Nameplate kW)	Standard PBI <i>applicable to Medium-Scale Solar only</i> (Inclusive of assumed eligible federal incentives) (cents/kWh)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	22.75	N/A	20
Commercial-Scale Solar (251-999 kW DC)	N/A	18.75	20
Large-Scale Solar (1,000-5,000 kW DC)	N/A	15.05	20
Small Wind (10-999 kW)	N/A	21.45	20
Wind I (1,000-2,999 kW)	N/A	19.45	20
Wind II (3,000-5,000 kW; 2-turbine)	N/A	18.25	20
Wind III (3,000-5,000 kW; 3-turbine)	N/A	17.35	20
Anaerobic Digestion I (150-500 kW)	N/A	20.15	20
Anaerobic Digestion II (501-1,000 kW)	N/A	20.15	20
Small Scale Hydropower I (10-250 kW)	N/A	22.45	20
Small Scale Hydropower II (251-1,000)	N/A	22.45	20

Schedule 3

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> (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	23.89	20

SolarWise Tier Two: 10% PBI Increase		
Renewable Energy Class (Nameplate kW)	Standard PBI <i>applicable to Medium-Scale Solar only</i> (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
Medium-Scale Solar (26-250 kW DC)	25.03	20

Schedule 4

Community Remote Distributed Generation (CRDG) Approved Renewable Energy Classes and Ceiling Prices Applicable to Current Program Year

Renewable Energy Class (Nameplate kW)	Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh)	Term of Service (years)
CRDG - Commercial Solar (251-999 kW DC)	20.65	20
CRDG - Large Solar (1,000-5,000 kW DC)	16.85	20
CRDG - Wind I (1,000-2,999 kW DC)	20.65	20
CRDG - Wind II (3,000-5,000 kW DC; 2-turbine)	19.35	20
CRDG - Wind III (3,000-5,000 kW DC; 3-turbine)	18.55	20

Schedule 5

Anticipated Timeline

Event	Anticipated Dates
Enrollment begins	April 17, 2017 – 9 AM Eastern Prevailing Time
Due Date for Submission of Applications	April 28, 2017 – 5 AM Eastern Prevailing Time
Notice of Selection	June 2, 2017
File Results with RI PUC for approval	June 12, 2017
RI PUC Approval (expected)	August 14, 2017



The Narragansett Electric Company d/b/a National Grid

Rhode Island Renewable Energy Growth Program

SolarWise Customer Guide 2017-2018

2017-2018 Program Year 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, access to an online Solar PV Screening as part of an EE assessment. After completion of the EE assessment, customers will be provided the EE assessment results, a list of potential energy savings, access to an online Solar PV screening, and an invitation to the online 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 SolarWise Bonus Awards will be available for solar PV facilities 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 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 an informational brochure on the RE Growth program, and access to a no-cost online solar PV screening. Through the online screening, 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. Customers will 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 access to 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 access to 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 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: solarwiseRI@energysage.com

Telephone: 888.802.8806

On-line chat support: available at www.ngrid.com/ri-solarwise

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. To be eligible for a SolarWise Bonus Tier approval, all customers in existing structures must have at least six months of billed usage history in order to estimate a 12-month baseline from which to qualify the customer.

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, 2016 or 2017, and implemented or committed to prior to the end of the RE Growth program year, on March 31, 2018, 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

¹ Residential solar PV facilities 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.

			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 measures that total at least 400 kWh per year	Calculated by adding up electricity savings associated with each measure. Savings are predetermined through energy modeling by the EE 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 Maximum Facility Sizing 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 facilities 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. Facilities 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 facility 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 facility (using a capacity factor of 14%, which reflects National Grid's current practice for sizing) would then decrease from 8.15 kW DC to 6.52 kW DC.

If a customer application included Excluded Technologies Adjustments, the facility 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 facility 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%

² Third-party Owned

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 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 2017 program year (April 1, 2017 to March 31, 2018), 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. Please see the applicable RE Growth Solicitation and Enrollment Rules for a full listing of annual capacity allocations and capacity available for each enrollment.