

STATE OF RHODE ISLAND  
DIVISION OF PUBLIC UTILITIES AND CARRIERS  
MEMORANDUM

TO: LULY MASSARO  
CLERK, PUC

DATE: 3/23/17

FROM: STEPHEN SCIALABBA  
DPUC

SUBJECT: NATIONAL GRID DOCKET 4692, THE 2018 STANDARD OFFER  
PROCUREMENT PLAN AND RENEWABLE ENERGY PROCUREMENT PLAN.

On March 1, 2018, National Grid filed a letter with the Commission regarding its 2018 Standard Offer Procurement Plan the ("Plan"). In its letter, National Grid indicated a desire and intent to continue to procure Standard Offer supply in the same manner as approved in the 2016 plan, which was approved by the Commission for both 2016 and 2017<sup>1</sup>. The Division concurs with the proposal to continue to procure Standard Offer supply in accordance with the approved 2016 Plan, which procures small amounts of supply at various times through various procurements, leaving 10% of the supply obligation to the spot market. We agree that the Plan will meet the Company's goals of mitigating volatility for small customers, minimizing risks of price shock, and sending some seasonal price signals through the newly initiated pricing periods of April-September and October-March. We therefore recommend the continuation of the Standard Offer procurement plan currently in place for the 2018 year.

Also on March 1, National Grid filed a letter in Docket 4692, the Renewable Energy Standard Procurement Plan. To summarize the RES Procurement Plan, the Company intends to use New Renewable Energy Certificates (RECs) obtained through both the Long-Term Renewable Contracts and the RE Growth Program to fulfill the 2018 RES obligation. Any REC's obtained that exceed the obligation and banking capability will be sold in the market and the revenues will be used to offset costs of the Long-Term Contracting program and the RE Growth program. The Company projects having an excess of RECs in comparison to their obligation for the next several years. The methods described by the Company to sell the RECs appear reasonable. NGrid's issuance of REC RFPs will diminish and will be used primarily for meeting the Existing RES requirement. The Division has reviewed the proposed 2018 Renewable Energy Standard Procurement Plan and finds it to be reasonable and recommends its approval.

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<sup>1</sup> National Grid did propose changes in its 2017 Plan, but the Commission rejected those changes and directed the Company to follow the 2016 Plan for 2017 as well. (See Order No. 22677 in Docket 4605, pursuant to a 6/27/16 Open meeting)