

March 9, 2018

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4692 - 2018 Renewable Energy Standard (RES) Charge and Reconciliation Responses to Division Data Requests – Set 1

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed ten (10) copies of the Company's responses to the first set of data requests issued by the Rhode Island Division of Public Utilities and Carriers in the above-referenced docket.

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4692 Service List
John Bell, Division
Leo Wold, Esq.

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

Certificate of Service

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

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

Joanne M. Scanlon

March 9, 2018

Date

**Docket No. 4692 - National Grid – 2018 Standard Offer Service (SOS) and Renewable Energy Standard (RES) Procurement Plans
Service List updated 3/23/17**

Name/Address	E-mail Distribution	Phone
Raquel Webster, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Raquel.webster@nationalgrid.com ;	781-907-2121
	Celia.obrien@nationalgrid.com ;	
	margaret.janzen@nationalgrid.com ;	
	Joanne.scanlon@nationalgrid.com ;	
	James.Ruebenacker@nationalgrid.com ;	
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	Lwold@riag.ri.gov ;	401-274-4400
	Steve.scialabba@dpuc.ri.gov ;	
	Al.mancini@dpuc.ri.gov ;	
	Joseph.shilling@dpuc.ri.gov ;	
	Jonathan.Schrag@dpuc.ri.gov ;	
	dmacrae@riag.ri.gov ;	
	jmunoz@riag.ri.gov ;	
Richard Hahn Daymark Energy Advisors One Washington Mall, 9 th floor Boston, MA 02108	rhahn@daymarkea.com ;	617-778-2467
	mneal@daymarkea.com ;	
File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2017
	Alan.nault@puc.ri.gov ;	
	Todd.bianco@puc.ri.gov ;	
	Cynthia.WilsonFrias@puc.ri.gov ;	
	Linda.George@puc.ri.gov ;	
Office of Energy Resources Nicholas Ucci Christopher Kearns	Nicholas.ucci@energy.ri.gov ;	
	Christopher.Kearns@energy.ri.gov ;	
	Danny.Musher@energy.ri.gov ;	
Douglas Gablinske, TEC-RI	Doug@tecri.org ;	401-741-5101

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 4692
In Re: Renewable Energy Standard (RES) Charge and Reconciliation
Responses to Division's First Set of Data Requests
Issued March 5, 2018

Division 1-1

Request:

Please refer to Attachment 1, page 2, and provide a detailed breakdown with all supporting documentation for the remaining expenses for obligation year 2017 of \$2,028,060, in Excel format with formulae intact.

Response:

The estimated remaining expenses for obligation year 2017 are calculated in the electronic spreadsheet titled "RI RES Rate 2018 Div-Password", which the Company provided to the Division on March 9, 2018. The remaining expenses of \$2,028,060 for the Renewable Energy Standard are calculated on the tab titled "Remaining Est."

The Narragansett Electric Company
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Division 1-2

Request:

Please refer to Attachment 2, page 1 column (b), and provide a breakdown of the monthly RES revenue, including but not limited to the kWhs and the rates used to calculate these revenues, in Excel format with formulae intact.

Response:

The monthly revenues are shown in the electronic spreadsheet, "NECO_Recs_RES_2017_Div", which is provided with these data requests on a USB Flash Drive. Revenues billed for the Renewable Energy Standard are shown on tab "Input-Rev", in Table B. These revenues are not calculated directly in the reconciliation; rather, they are provided through monthly reports that are generated by the Company's billing system. Calculations for the revenue proration for the first and last months of the reconciliation period are shown in the non-printable area of the "RES P1" tab of the same spreadsheet.

The Narragansett Electric Company
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Division 1-3

Request:

Please refer to Attachment 2, page 1 columns (c), and provide a breakdown of the RES expenses, in Excel format with formulae intact.

Response:

The RES expenses are calculated in the electronic spreadsheet titled "RI RES Rate 2018 Div-Password", which was provided to the Division on March 9, 2018. The RES expenses of \$538,398 for the Renewable Energy Standard Reconciliation are calculated on the tab titled "RES Exp."

The Narragansett Electric Company
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Division 1-4

Request:

Please refer to Attachment 2, page 1 columns (d), and provide a breakdown of the REC purchases under long-term contracts, including but not limited to the volume of RECs and the price paid, in Excel format with formulae intact.

Response:

The REC expenses from long-term contracts and the RE Growth program are calculated in the electronic spreadsheet titled "RI RES Rate 2018 Div-Password", which the Company provided to the Division on March 9, 2018. The REC expenses totaling \$5,991,175 for the Renewable Energy Standard Reconciliation are calculated on the tab titled "LTC & REG."

The Narragansett Electric Company
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Division 1-5

Request:

Please explain if the Company has seen a continued trend of REC market prices dropping compared to the Company's estimation of REC prices.

Response:

The expected cost of Renewable Energy Certificates (RECs) included in each annual Renewable Energy Standard (RES) Charge filing is based on the most recently available environmental broker quotes at the time of the filing. The REC market prices will fluctuate from the prices included in the filing throughout the obligation year, and the actual costs may differ from the expected costs included in the RES Charge. The table below compares the expected costs included in the RES Charge filing and the actual costs for the last three years. For all three years, the Actual New RECs are lower than the Expected New RECs.

Obligation	New		Existing	
Year	Expected	Actual	Expected	Actual
2015	52.75	44.47	1.00	0.89
2016	47.50	26.58	1.00	1.15
*2017	25.88	14.49	1.11	1.54

* The actual REC costs for 2017 have not been finalized.