

**Joint Comments of the Rhode Island Office of Energy Resources and the  
Rhode Island Division of Public Utilities & Carriers in Docket #4756  
re: National Grid's proposed 2018 System Reliability Procurement Report**

**November 20, 2017**

The Rhode Island Office of Energy Resources (OER) and the Rhode Island Division of Public Utilities & Carriers (DPUC) jointly submit these comments regarding the 2018 System Reliability Procurement (SRP) Report filed by National Grid on November 1, 2017. In our review of the 2018 SRP Report, OER and DPUC have thoroughly considered compliance and consistency with the state's System Reliability and Least-Cost Procurement mandate, the State Energy Plan, and broader state energy policy goals, including Power Sector Transformation.

Based on our participation in the development of the 2018 SRP Report, working in collaboration with the Energy Efficiency and Resource Management Council (EERMC), the EERMC Consultant Team, National Grid, and the Collaborative, OER and DPUC offer the following comments:

Overall Comments on the 2018 SRP Report

OER and DPUC appreciate National Grid's coordination with various stakeholders over the past few months to transform SRP in 2018. This Report reflects a new direction for non-wires alternatives and will allow third parties greater visibility into the distribution system. In particular, the 2018 SRP Report includes:

- A shift from a project-based to an information-based approach;
- A commitment to transparency through the development of a data portal and public dissemination of maps, distributed energy resource (DER) avoided costs, and other relevant distribution grid information;
- A marketing and engagement plan to encourage third-party participation and input;
- An issuance of two new requests for proposals (RFP) from third-party developers to spur action and innovation; and
- An incentive mechanism that supports achievement of specific near-term planning milestones and a sharing of long-term cost savings between the utility and its customers.

Future Work on SRP

There is significant work to be done to successfully implement – and enhance – the initiatives proposed in the 2018 SRP Report. OER and DPUC look forward to continuing our discussions with National Grid and stakeholders to advance SRP in several areas, including:

- Gaining further clarity and transparency on the NWA project screening process and results (particularly for partial NWA);
- Ensuring consideration of all the costs and benefits of projects, including the cost-effectiveness of delaying versus avoiding projects;
- Using SRP to address a broader set of potential NWA applications to address system needs such as voltage performance, reactive power compensation, and constraints related to distributed generation;
- Establishing specific parameters (e.g., definition of need within a discrete planning horizon, benefit-cost analysis) to evaluate whether an existing NWA effort (such as Tiverton/Little

Compton) should be continued or discontinued, as well as how targets (and budgets) in an area of need will be set for traditional NWA as well as heat map initiatives in the future;

- Understanding the SRP RFP response, evaluation, and selection process; and
- Ensuring information exchange and interaction between the Infrastructure, Safety and Reliability Planning and SRP Planning processes.

#### Potential Refinements to the 2018 SRP Report

There are several specific refinements that may need to be considered for the 2018 SRP Report, including:

- There is not sufficient data to confidently conclude whether the benefit-cost analysis provided for the Little Compton Battery Storage Project conforms to the procedure outlined in Section 2.3.F of the 2017 update of the SRP Standards; and
- It is not clear that the illustrative SRP incentive calculation for the Battery Storage Project conforms to the proposed savings-based incentive methodology described in the Report.

#### Key Future Milestones within SRP and Distribution System Planning

Finally, OER and DPUC would like to note that the 2018 SRP Report takes important, incremental steps towards achieving state objectives for improved distribution system planning. However, there is much more work to be done. Key milestones that OER and DPUC look forward to achieving, in collaboration with National Grid and stakeholders going forward, include:

- The 2018 SRP Report proposes to develop a distribution system loading constraint heat map for a relatively small section of the state (northwest Rhode Island). Future heat maps should be statewide and address circuit loading, but also other distribution system planning criteria such as voltage. Heat maps should also be updated at increasingly more frequent intervals;
- The 2018 SRP Report proposes to establish a timeline for implementing hosting capacity analysis. Hosting capacity analysis should be implemented expeditiously consistent with the release of commercially-available software for completing such analysis that meets the minimum requirements agreed upon by the Parties; and
- Per the Power Sector Transformation Initiative Phase One Report, OER and DPUC anticipate several other key milestones including: improvements to forecasting (and a stakeholder input process), plans for customer and third-party data access, and further progress on locational compensation of DER.

OER and DPUC appreciate the opportunity to comment and look forward to working with the Public Utilities Commission, National Grid, and stakeholders to advance Rhode Island's leadership in transforming the power sector and achieving a reliable, affordable, and clean energy future.

Sincerely,



Carol J. Grant  
Commissioner  
Office of Energy Resources



Macky McCleary  
Administrator  
Division of Public Utilities & Carriers