

March 29, 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 4774 - 2018 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 Rhode Island Public Utilities Commission's approval of the 2018 Renewable Energy Growth Program²:

1. Residential Tariff (RIPUC No. 2151-E)
 - Revised tariff to clarify the effective period of the performance based incentives (PBI) (Fourth Tariff Supplement, Sheet 1)
 - Revised tariff to reflect new renewable energy classes, system sizes, ceiling prices and applicable PBIs, and terms of service (Fourth Tariff Supplement, Sheet 1)
2. Non-Residential Tariff (RIPUC No. 2152-E)
 - Revised tariff to reflect approved revisions to definition of Bill Credit Recipient (Sheet 1)
 - Revised tariff to reflect approved revisions to the definition of Customer (Sheet 2)
 - Revised tariff to reflect approved revisions to the definition of Bill Credit Rate (Sheets 13 and 14)
 - Revised tariff to add a Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities (Sheets 4 and 5 of Third Tariff Supplement; Sheet 3 of Fourth Tariff Supplement)
 - Revised tariff to clarify the effective period of the performance based incentives (PBI) (Fourth Tariff Supplement, Sheet 1)
 - Revised tariff to reflect new renewable energy classes, system sizes, ceiling prices and applicable PBIs, and terms of service (Fourth Tariff Supplement, Sheet 1)

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

² The substantive changes are highlighted in this cover letter.

3. RE Growth Cost Recovery Provision (RIPUC No. 2208)
 - Revised cost recovery provision to reflect that remuneration will be based on actual costs, in compliance with the PUC's Order (Sheet 5)
 - Deleted reference to remuneration as it relates to the calculation of the RE Growth factor (Sheet 4)
4. RE Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects
 - Clarified that all projects are subject to the rules
 - Added that there is a minimum bill credit amount set for projects participating as community remote distributed generation (CRDG) facilities each year. (Section 2.5.1, p.13)
 - Deleted references to Carport I and Carport II renewable energy classes since these classes were not approved for the 2018 RE Growth Program (Schedule 2)
 - Revised CRDG ceiling prices (Schedule 3)

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4774 Service List
Leo Wold, Esq.
John Bell, Division
Al Mancini, Division

Residential Tariff (RIPUC No. 2151-E)

REDLINED VERSION

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 who 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. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- 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.

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- 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 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: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued 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.

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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 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 who have applied for and received approval for a SolarWise Bonus Payment by October 1, 2017 must complete the requisite energy efficiency measures prior to receiving payment under this Tariff.

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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 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

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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.

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.

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

Where:

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

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

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

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

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.

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d. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Tier by October 15, 2017 are eligible to receive SolarWise Bonus Payments. 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.

~~15, 2017~~ April 1, 2018

Effective Date: ~~October~~ November

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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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 |

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Tariff Supplement

| 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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.

| <u>Renewable Energy Class</u> | <u>System Size</u> | <u>Ceiling Price/Standard Performance-Based Incentive (per kWh)</u> | <u>Term of Service</u> |
|--|--------------------|---|------------------------|
| <u>Small-Scale Solar I, Host Owned</u> | <u>1 to 10 kW</u> | <u>324.25¢</u> | <u>15 years</u> |
| <u>Small-Scale Solar I, Host Owned</u> | <u>1 to 10 kW</u> | <u>28.57.75¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar I, Third-Party Owned</u> | <u>1 to 10 kW</u> | <u>324.25¢</u> | <u>15 years</u> |
| <u>Small-Scale Solar I, Third-Party Owned</u> | <u>1 to 10 kW</u> | <u>28.57.75¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar II</u> | <u>11 to 25 kW</u> | <u>29.46.55¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar II, Third-Party Owned</u> | <u>11 to 25 kW</u> | <u>29.46.55¢</u> | <u>20 years</u> |

*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 include ~~be inclusive of~~ all eligible federal incentives.

Non-Residential Tariff (RIPUC No. 2152-E)

REDLINED VERSION

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

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, as defined below, ~~receiving retail delivery service pursuant to one of the Company’s retail delivery service rate schedules, and~~ who is eligible to receive Bill Credits

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from a Community 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. Bill Credit Recipients shall receive Bill Credits from a single DG Project.

- 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 person or entity that is receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules for a single location having an electric service billing account, and the person or entity is listed as the customer-of-record on the billing account associated with the service location. If the person or entity has more than one account as the Customer-of-record, each account service location will be considered as a separate Customer. 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

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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.

~~h.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.

~~o.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.

~~p.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).

~~q.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).

~~r.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.

~~s.t.~~ Office: the Rhode Island Office of Energy Resources.

~~t.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.

~~u.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.

~~v.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.

~~w.x.~~ Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

~~x.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).

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~~y-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.

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

~~aa-bb.~~ Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).

~~bb-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).

~~ee-dd.~~ SolarWise Program: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.

~~dd-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.

~~ee-ff.~~ Standard DG Project: a project that is not classified as either a Shared Solar Facility or a Community Remote Distributed Generation System.

~~ff-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.

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- 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 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.

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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 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.

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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 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.

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- (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.

- (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

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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, for any Customer who has applied for and received approval for a SolarWise Bonus Tier and has met all of the requirements to receive a SolarWise Bonus by October 15, 2017, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

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.

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- 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.

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'

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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 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.

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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.

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 the cumulative 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.

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- 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 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

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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 information is submitted by the Applicant on the Customer Payment/Credit Transfer Form, and must be greater than the Minimum Bill Credit amount, as indicated in the Tariff Supplement for the Program Year in effect under which the Applicant received a Certificate of Eligibility. The Minimum Bill Credit amount will be calculated as 50% or the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. 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.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period is less than the monthly generation of the DG Project during the same period, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in a decrease in the monthly cash payment.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period exceeds the monthly generation of the DG Project during the same period, but is less than the available generated kWh as defined in Section 8.d.2.ii, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in an increase in the monthly cash payment.

- 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.

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e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award by October 1, 2017 are eligible to receive SolarWise Bonus payments. 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.

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 SolarWise 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

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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.

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, 2018~~October 15,~~

~~2017~~

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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 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: October 15, 2017

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| 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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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(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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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(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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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 (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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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(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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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(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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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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| 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.

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Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

| <u>Renewable Energy Class</u> | <u>Minimum Bill Credit</u> |
|-------------------------------|----------------------------|
| | |
| <u>Wind I</u> | <u>0.600¢ per kWh</u> |
| <u>Wind II</u> | <u>0.550¢ per kWh</u> |
| <u>Wind III</u> | <u>0.600¢ per kWh</u> |
| <u>Commercial Solar</u> | <u>0.950¢ per kWh</u> |
| <u>Large Solar</u> | <u>0.950¢ per kWh</u> |
| | |

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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.

| <u>Renewable Energy Class</u> | <u>System Size</u> | <u>Ceiling Price/Standard Performance-Based Incentive (per kWh)</u> | <u>Term of Service</u> |
|-------------------------------|---------------------|---|------------------------|
| <u>Small-Scale Solar I</u> | <u>1 to 10 kW</u> | <u>324.25¢</u> | <u>15 years</u> |
| <u>Small-Scale Solar I</u> | <u>1 to 10 kW</u> | <u>28.57.75¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar II</u> | <u>11 to 25 kW</u> | <u>296.545¢</u> | <u>20 years</u> |
| <u>Medium-Scale Solar</u> | <u>26 to 250 kW</u> | <u>22.4.95¢</u> | <u>20 years</u> |

*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.

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

Program Year: April 1, 2018 through March 31, 2019

| <u>Renewable Energy Class</u> | <u>Ceiling Price (per kWh)</u> | <u>Enrollment Date</u> | <u>Applicant Name</u> | <u>DG Facility Address</u> | <u>Nameplate Capacity (MW)</u> | <u>Performance Incentive (per kWh)</u> | <u>Term of Service</u> |
|---|--------------------------------|------------------------|-----------------------|----------------------------|--------------------------------|--|------------------------|
| <u>Commercial-Scale Solar</u> | <u>197.65¢</u> | | | | | | <u>20 years</u> |
| <u>Commercial-Scale Solar - CRDG</u> | <u>22.450.30¢</u> | | | | | | <u>20 years</u> |
| <u>Large-Scale Solar</u> | <u>16.4.65¢</u> | | | | | | <u>20 years</u> |
| <u>Large-Scale Solar - CRDG</u> | <u>18.926.85¢</u> | | | | | | <u>20 years</u> |
| <u>Small Wind (1 to 99 kW)</u> | <u>20.82.25¢</u> | | | | | | <u>20 years</u> |
| <u>Large Wind (1.0MW to 5.0MW)</u> | <u>17.56.35¢</u> | | | | | | <u>20 years</u> |
| <u>Large Wind – CRDG (1.0MW to 5.0MW)</u> | <u>19.38.05¢</u> | | | | | | <u>20 years</u> |

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

Program Year: April 1, 2018 through March 31, 2019

| <u>Renewable Energy Class</u> | <u>Ceiling Price (per kWh)</u> | <u>Enrollment Date</u> | <u>Applicant Name</u> | <u>DG Facility Address</u> | <u>Nameplate Capacity (MW)</u> | <u>Performance Incentive (per kWh)</u> | <u>Term of Service</u> |
|--|--------------------------------|------------------------|-----------------------|----------------------------|--------------------------------|--|------------------------|
| <u>Hydroelectric (1.0MW to 5.0MW)</u> | <u>24.53.35¢</u> | | | | | | <u>20 years</u> |
| <u>Anaerobic Digestion I (1.0MW to 5.0 MW)</u> | <u>20.519.75¢</u> | | | | | | <u>20 years</u> |

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

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

| <u>Renewable Energy Class</u> | <u>Minimum Bill Credit</u> |
|-------------------------------|----------------------------|
| | |
| <u>Large Wind</u> | <u>0.850.900¢ per kWh</u> |
| <u>Commercial Solar</u> | <u>1.25050¢ per kWh</u> |
| <u>Large Solar</u> | <u>1.1.23500¢ per kWh</u> |
| | |

RE Growth Cost Recovery Provision (RIPUC No. 2208)

REDLINED VERSION

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company d/b/a National Grid.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by 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, and connected to an electrical power system owned, controlled, or operated by the Company.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

| <u>Rate Class</u> | <u>Percentage</u> |
|-------------------|-------------------|
| A-16/A-60 | 52.78% |
| C-06 | 9.71% |
| G-02 | 14.68% |
| B/G-32 | 13.82% |
| B/G-62/X-01 | 3.79% |
| Streetlighting | 5.21% |

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by R.I. Gen. Laws § 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in R.I. Gen. Laws § 39-26-2(15).

Short Term Interest Rate shall mean the interest rate applicable to borrowers from the National Grid USA Money Pool.

3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- iv) §39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = [(\text{PBIP}_x - \text{PRDCTS}_x - \text{NFCMP}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx}] \div (1 - \text{UP})$$

where

- x = the Reconciliation Period;
- s = designates a separate factor for each rate class;
- PBIP_x = the estimated Performance-Based Incentive Payments, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;
- PRDCTS_x = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;
- NFCMP_x = the estimated Customer Share of Net Forward Capacity Market Proceeds during period x;
- ADM_x = the administrative expense the Company estimates it will incur during period x, including:

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

~~1) the Remuneration pursuant to Section 3.ii) above;~~

~~2)1)~~ the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;

~~3)2)~~ all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above;

~~4)3)~~ the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above; and

~~5)4)~~ the estimated incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;

RBA_s = Rate Base Allocator;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Company's Short Term Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((PPRA_{x-1} + I_x) \times RBA_s) \div FBill_{sx}] \div (1 - UP)$$

where

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

x = the period during which the RE Growth Reconciliation Factor will be in effect;

s = designates a separate factor for each rate class;

PPRA_{x-1} = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:

(a) actual costs incurred during the Reconciliation Period, which shall include the sum of:

- 1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;
- 2) actual Customer Share of Net Forward Capacity Market Proceeds;
- 3) ~~the actual~~ Remuneration pursuant to Section 3.ii);
- 4) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);
- 5) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant Section 3.iii);
- 6) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;
- 7) ~~the actual~~ costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and
- 8) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;

and

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

(b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;

RBA_s = Rate Base Allocator;

I_x = interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the Company's Short Term Interest Rate during the Reconciliation Period;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with this RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to R.I. Gen. Laws § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

~~Effective Date: March 1, 2017~~

RE Growth Program Solicitation and Enrollment Process Rules for Solar
(Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects

REDLINED VERSION



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, 2018

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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~~ all projects subject to these Solicitation and Enrollment Process Rules, 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

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.

class. The application allows Applicants to provide additional information relative to the 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 [submitting competitive bids](#) 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.~~

2.1.52.1.4 Competitive Bidding for Distributed Generation Projects

~~All distributed generation projects subject to these Solicitation and Enrollment Process Rules~~
~~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 [medium-scale](#), 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 Applicants, 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 34.

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. There is a minimum bill credit amount set for projects participating as CRDG facilities each year. The Minimum Bill Credit Amount will be calculated as 50% of the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. These are shown in the Non-Residential tariff supplements applicable to each program year.

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 [for Program Year 2018-19](#)

| 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 2018-19**

| Renewable Energy Class (Nameplate kW) | Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh) | Term of Service (years) |
|---|--|-------------------------|
| Medium-Scale Solar (26-250 kW DC) | 24.95 <u>N/A</u> | 20 |
| Commercial-Scale Solar (251-999 kW DC) | 19 <u>7.65</u> | 20 |
| Large-Scale Solar (1,000-5,000 kW DC) | 14.6 <u>4.45</u> | 20 |
| Carport I (1-499 kW DC) | 25.25 | 20 |
| Carport II (500-5,000 kW DC) | 24.65 | 20 |
| Small Wind (1-999 kW) | 22.20 <u>8.5</u> | 20 |
| Large Wind (1,000-5,000 kW) | 17.56 <u>3.5</u> | 20 |
| Anaerobic Digestion (1-5,000 kW) | 20.51 <u>9.75</u> | 20 |
| Hydropower (1-5,000 kW) | 24.53 <u>3.5</u> | 20 |

Schedule 3

Community Remote Distributed Generation (CRDG) Approved Renewable Energy Classes and Ceiling Prices Applicable to ~~Current~~ Program Year 2018-19

| 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) | 22.45 <u>20.30</u> | 20 |
| CRDG - Large Solar (1,000-5,000 kW DC) | 18.92 <u>16.85</u> | 20 |
| CRDG - Wind (1,000-5,000 kW DC) | 19.38 <u>16.05</u> | 20 |

Schedule 4**Anticipated Timeline**

| Event | Anticipated Dates |
|---|--------------------------|
| Enrollment begins | |
| Due Date for Submission of Applications | |
| Notice of Selection | |
| File Results with RI PUC for approval | |
| RI PUC Approval (expected) | |

Residential Tariff (RIPUC No. 2151-E)
CLEAN VERSION

**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 who 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. Bill Credit Recipients shall receive Bill Credits from a single DG Project.
- 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.

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- 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 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: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued 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.

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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 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 who have applied for and received approval for a SolarWise Bonus Payment by October 1, 2017 must complete the requisite energy efficiency measures prior to receiving payment under this Tariff.

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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

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 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

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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.

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.

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

Where:

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

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

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

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

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.

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d. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Tier by October 15, 2017 are eligible to receive SolarWise Bonus Payments. 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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RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

- 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, 2018

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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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 |

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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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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 |

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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 (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase (1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase (1) | 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.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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) | Term of Service |
|---|-------------|--|-----------------|
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 32.25¢ | 15 years |
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 28.55¢ | 20 years |
| Small-Scale Solar I, Third-Party Owned | 1 to 10 kW | 32.25¢ | 15 years |
| Small-Scale Solar I, Third-Party Owned | 1 to 10 kW | 28.55¢ | 20 years |
| Small-Scale Solar II | 11 to 25 kW | 29.45¢ | 20 years |
| Small-Scale Solar II, Third-Party Owned | 11 to 25 kW | 29.45¢ | 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 include all eligible federal incentives.

Non-Residential Tariff (RIPUC No. 2152-E)
CLEAN VERSION

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

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, as defined below, who is eligible to receive Bill Credits from a Community Remote Distributed Generation System, a Shared Solar Facility, or Standard DG Project

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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. Bill Credit Recipients shall receive Bill Credits from a single DG Project.

- 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 person or entity that is receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules for a single location having an electric service billing account, and the person or entity is listed as the customer-of-record on the billing account associated with the service location. If the person or entity has more than one account as the Customer-of-record, each account service location will be considered as a separate Customer. 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

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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.

- 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.

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- 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 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: available only through October 15, 2017, an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encouraged the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursued 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.

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- 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 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.

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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 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.

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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 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.

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- (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.

- (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

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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, for any Customer who has applied for and received approval for a SolarWise Bonus Tier and has met all of the requirements to receive a SolarWise Bonus by October 15, 2017, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

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.

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- 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.

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'

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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 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.

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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.

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 the cumulative 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.

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- 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 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

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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 information is submitted by the Applicant on the Customer Payment/Credit Transfer Form, and must be greater than the Minimum Bill Credit amount, as indicated in the Tariff Supplement for the Program Year in effect under which the Applicant received a Certificate of Eligibility. The Minimum Bill Credit amount will be calculated as 50% or the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. 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.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period is less than the monthly generation of the DG Project during the same period, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in a decrease in the monthly cash payment.

If the sum of the kWh allocated to the Bill Credit Recipients during a billing period exceeds the monthly generation of the DG Project during the same period, but is less than the available generated kWh as defined in Section 8.d.2.ii, the Unallocated Bill Credit will be calculated as the Default Bill Credit Rate multiplied by the difference between the monthly generated kWh and the sum of the kWh allocated to Bill Credit Recipients, and this amount will result in an increase in the monthly cash payment.

- 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.

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e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award by October 1, 2017 are eligible to receive SolarWise Bonus payments. 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.

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 SolarWise 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.

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- 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.

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, 2018

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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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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: October 15, 2017

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(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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

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(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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

The Narragansett Electric Company
Renewable Energy Growth Program for Non-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.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(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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 |

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

The Narragansett Electric Company
Renewable Energy Growth Program for Non-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(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II 10% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase(1) | Ceiling Price/ Standard Performance-Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase(1) | 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.

(1) SolarWise Bonus available only to DG Projects that have applied for and received approval for a SolarWise Bonus Tier prior to October 15, 2017.

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

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

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Tariff Supplement

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

| Renewable Energy Class | Minimum Bill Credit |
|------------------------|---------------------|
| Wind I | 0.600¢ per kWh |
| Wind II | 0.550¢ per kWh |
| Wind III | 0.600¢ per kWh |
| Commercial Solar | 0.950¢ per kWh |
| Large Solar | 0.950¢ per kWh |
| | |

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Renewable Energy Growth Program for Non-Residential Customers
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Program Year: April 1, 2018 through March 31, 2019

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) | Term of Service |
|------------------------|--------------|--|-----------------|
| Small-Scale Solar I | 1 to 10 kW | 32.25¢ | 15 years |
| Small-Scale Solar I | 1 to 10 kW | 28.55¢ | 20 years |
| Small-Scale Solar II | 11 to 25 kW | 29.45¢ | 20 years |
| Medium-Scale Solar | 26 to 250 kW | 24.95¢ | 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 Growth Program for Non-Residential Customers
Tariff Supplement

Program Year: April 1, 2018 through March 31, 2019

| 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 | 19.65¢ | | | | | | 20 years |
| Commercial-Scale Solar - CRDG | 22.45¢ | | | | | | 20 years |
| Large-Scale Solar | 16.45¢ | | | | | | 20 years |
| Large-Scale Solar – CRDG | 18.92¢ | | | | | | 20 years |
| Small Wind (1 to 999 kW) | 22.25¢ | | | | | | 20 years |
| Large Wind (1.0MW to 5.0MW) | 17.55¢ | | | | | | 20 years |
| Large Wind – CRDG (1.0MW to 5.0MW) | 19.35¢ | | | | | | 20 years |

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

Program Year: April 1, 2018 through March 31, 2019

| Renewable Energy Class | Ceiling Price (per kWh) | Enrollment Date | Applicant Name | DG Facility Address | Nameplate Capacity (MW) | Performance Incentive (per kWh) | Term of Service |
|---|-------------------------|-----------------|----------------|---------------------|-------------------------|---------------------------------|-----------------|
| Hydroelectric (1.0MW to 5.0MW) | 24.55¢ | | | | | | 20 years |
| Anaerobic Digestion I (1.0MW to 5.0 MW) | 20.55¢ | | | | | | 20 years |

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

Minimum Bill Credit Amount for Community Remote Distributed Generation Facilities

The minimum bill credit is calculated as 50% of the difference between the ceiling prices for a Community Remote Distributed Generation project class and the standard ceiling price for the same facility size and technology, but in no case greater than 1.25¢. The Minimum Bill Credit Amounts for the current program year are as follows:

| Renewable Energy Class | Minimum Bill Credit |
|------------------------|---------------------|
| | |
| Large Wind | 0.900¢ per kWh |
| Commercial Solar | 1.250¢ per kWh |
| Large Solar | 1.2350¢ per kWh |
| | |

RE Growth Cost Recovery Provision (RIPUC No. 2208)
CLEAN VERSION

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company d/b/a National Grid.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by 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, and connected to an electrical power system owned, controlled, or operated by the Company.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION**

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

| <u>Rate Class</u> | <u>Percentage</u> |
|-------------------|-------------------|
| A-16/A-60 | 52.78% |
| C-06 | 9.71% |
| G-02 | 14.68% |
| B/G-32 | 13.82% |
| B/G-62/X-01 | 3.79% |
| Streetlighting | 5.21% |

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by R.I. Gen. Laws § 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in R.I. Gen. Laws § 39-26-2(15).

Short Term Interest Rate shall mean the interest rate applicable to borrowers from the National Grid USA Money Pool.

3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION**

- iv) §39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = [(PBIP_x - PRDCTS_x - NFCMP_x + ADM_x) \times RBA_s] \div FBill_{sx}] \div (1 - UP)$$

where

- x = the Reconciliation Period;
- s = designates a separate factor for each rate class;
- PBIP_x = the estimated Performance-Based Incentive Payments, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;
- PRDCTS_x = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;
- NFCMP_x = the estimated Customer Share of Net Forward Capacity Market Proceeds during period x;
- ADM_x = the administrative expense the Company estimates it will incur during period x, including:

THE NARRAGANSETT ELECTRIC COMPANY
 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- 1) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
- 2) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above;
- 3) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above; and
- 4) the estimated incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;

RBA_s = Rate Base Allocator;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Company's Short Term Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((PPRA_{x-1} + I_x) \times RBA_s) \div FBill_{sx}] \div (1 - UP)$$

where

x = the period during which the RE Growth Reconciliation Factor will be in effect;

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 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

s = designates a separate factor for each rate class;

$PPRA_{x-1}$ = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x , defined as the ending balance of the difference between:

- (a) actual costs incurred during the Reconciliation Period, which shall include the sum of:
- 1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;
 - 2) actual Customer Share of Net Forward Capacity Market Proceeds;
 - 3) actual Remuneration pursuant to Section 3.ii);
 - 4) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);
 - 5) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant Section 3.iii);
 - 6) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;
 - 7) actual costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and
 - 8) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;

and

- (b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;

RBA_s = Rate Base Allocator;

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- I_x = interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the Company's Short Term Interest Rate during the Reconciliation Period;
- $F\text{Bill}_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and
- UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with this RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to R.I. Gen. Laws § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

RE Growth Program Solicitation and Enrollment Process Rules for Solar
(Greater than 25 kW), Wind, Hydro and Anaerobic Digester Projects
CLEAN VERSION



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, 2018

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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 all projects subject to these Solicitation and Enrollment Process Rules, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. See Schedule 2 for the approved Ceiling Prices 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 permitting, financial feasibility, ability to build, and timing for achieving commercial operation

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.

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. Projects submitting competitive bids 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 Competitive Bidding for Distributed Generation Projects

All distributed generation projects subject to these Solicitation and Enrollment Process Rules 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. For medium-scale, 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 project Applicants, 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 3.

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. There is a minimum bill credit amount set for projects participating as CRDG facilities each year. The Minimum Bill Credit Amount will be calculated as 50% of the difference between the ceiling prices of non-CRDG facilities and CRDG facilities of the same technology and class, but in no case will be greater than 1.25¢ per kWh. These are shown in the Non-Residential tariff supplements applicable to each program year.

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 for Program Year 2018-19**

| 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 and Ceiling Prices Applicable to Program Year 2018-19

| Renewable Energy Class (Nameplate kW) | Ceiling Price (Inclusive of assumed eligible federal incentives) (cents/kWh) | Term of Service (years) |
|--|--|-------------------------|
| Medium-Scale Solar (26-250 kW DC) | 24.95 | 20 |
| Commercial-Scale Solar (251-999 kW DC) | 19.65 | 20 |
| Large-Scale Solar (1,000-5,000 kW DC) | 16.45 | 20 |
| Small Wind (1-999 kW) | 22.25 | 20 |
| Large Wind (1,000-5,000 kW) | 17.55 | 20 |
| Anaerobic Digestion (1-5,000 kW) | 20.55 | 20 |
| Hydropower (1-5,000 kW) | 24.55 | 20 |

Schedule 3**Community Remote Distributed Generation (CRDG) Approved Renewable Energy Classes and Ceiling Prices Applicable to Program Year 2018-19**

| 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) | 22.45 | 20 |
| CRDG - Large Solar (1,000-5,000 kW DC) | 18.92 | 20 |
| CRDG - Wind (1,000-5,000 kW DC) | 19.35 | 20 |

Schedule 4

Anticipated Timeline

| Event | Anticipated Dates |
|---|--------------------------|
| Enrollment begins | |
| Due Date for Submission of Applications | |
| Notice of Selection | |
| File Results with RI PUC for approval | |
| RI PUC Approval (expected) | |