

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: LONG-TERM CONTRACTING FOR :
RENEWABLE ENERGY RECOVERY FACTOR : DOCKET NO. 4775

REPORT AND ORDER

On November 15, 2017, The Narragansett Electric Company d/b/a National Grid (National Grid or Company) filed with the Public Utilities Commission (PUC) its Long-Term Contracting for Renewable Energy Recovery Factor for the period January 2018 through June 2018.¹ In its filing, National Grid estimated that the six-month contract cost for thirty renewable energy contracts, which include twenty-six distributed generation contracts and four non-distributed generation contracts, would be \$30,374,859.² The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$12,324,309 for the same period.³ The difference between the estimated contract costs and market value is expected to be \$18,050,550. Dividing the above-market value by National Grid's forecasted kilowatt hour (kWh) deliveries for the upcoming six-month period, and adjusted for uncollectibles and the current reconciliation Factor, results in a proposed Factor of 0.622 cents per kWh. This is a decrease of 0.042 cents per kWh from the currently effective factor. The bill impact on a residential customer using 500 kWh per month would be a decrease of 0.22 cents per month.⁴

On December 8, 2017, the Division of Public Utilities and Carriers (Division) filed with the PUC a memorandum summarizing the filing and recommending approval of the proposed Factor for effect on January 1, 2018. In his memorandum, Division Rate Analyst, Mr. Alberico

¹ National Grid's Semi-Annual LTC Recovery Factor Filing (Nov. 15, 2017) (Filing); http://www.ripuc.org/eventsactions/docket/4775-NGrid-LTCRER-Jan-June2018_11-15-17.pdf.

² Filing at Attach. 1, at 2.

³ None of the energy under the contracts is expected to cost less than the projected market value of the energy for the period. Filing at Attach. 1, at 4.

⁴ *Id.* at Attach. 1, p. 1.

Mancini, noted that the slight decrease in the proposed Factor from the currently effective Factor is the result of lower estimated generator output and increased estimated market revenues from the sale of energy, REC's, and capacity.⁵ The Division also submitted a memorandum from its consultant, Richard Hahn of Daymark Energy Advisors. Mr. Hahn opined that assumptions and calculations the Company made to estimate REC, energy, and capacity prices were reasonable. And he recommended that the Factor be approved as filed.⁶

At an Open Meeting on December 20, 2017, the PUC reviewed the filing and, relying on the Division's reasoning and recommendations, approved the proposed Long-Term Contracting for Renewable Energy Recovery Factor for electricity consumed on and after January 1, 2018.

Accordingly, it is hereby

(23033) ORDERED:

The Narragansett Electric Company d/b/a National Grid's Long-Term Contracting for Renewable Energy Recovery Factor of 0.662 cents per kWh for the period January 2018 through June 2018 is hereby approved. The new rate shall apply to electricity consumed on and after January 1, 2018.

⁵ Mem. of Alberico Mancini (Dec. 8, 2017); [http://www.ripuc.org/eventsactions/docket/4775-DPU-Mancini-Memo\(12-8-17\).pdf](http://www.ripuc.org/eventsactions/docket/4775-DPU-Mancini-Memo(12-8-17).pdf).

⁶ Mem. of Richard Hahn (Dec. 7, 2017); [http://www.ripuc.org/eventsactions/docket/4775-DPU-Hahn-Memo\(12-8-17\).pdf](http://www.ripuc.org/eventsactions/docket/4775-DPU-Hahn-Memo(12-8-17).pdf).

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2018 PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 20, 2017. WRITTEN ORDER ISSUED FEBRUARY 15, 2018.

PUBLIC UTILITIES COMMISSION



Margaret E. Curran

Margaret E. Curran, Chairperson

Marion S. Gold

Marion S. Gold, Commissioner

Abigail Anthony

Abigail Anthony, Commissioner

NOTICE OF RIGHT OF APPEAL: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.