

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a NATIONAL GRID’S LONG-TERM CONTRACTING : **DOCKET NO. 4775**
FOR RENEWABLE ENERGY RECOVERY FACTOR :

REPORT AND ORDER

On May 15, 2018, 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 July 2018 through December 2018.¹ In its filing, National Grid estimated that the six-month contract cost for thirty-one renewable energy contracts, which included twenty-six distributed generation contracts and five non-distributed generation contracts, would be \$33,086,434.² The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$11,406,101 for the same period.³ The difference between the estimated contract costs and market value is expected to be \$21,680,333.⁴ Dividing the above-market value by National Grid’s forecasted kilowatt hour (kWh) deliveries for the upcoming six-month period, and adjusting for uncollectibles and the current reconciliation Factor, results in a proposed Factor of 0.647 cents per kWh. This is an increase of 0.060 cents per kWh from the currently effective factor. The bill impact on a residential customer using 500 kWh per month would be an increase of \$0.31 per month or 0.3%.⁵

¹ National Grid’s Long-Term Contracting for Renewable Energy Recovery Factor Filing (May 15, 2018) (Filing); <http://www.ripuc.org/eventsactions/docket/4775-NGrid-LTCRER-May2018.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. This amount includes the customers’ share of net Forward Capacity Market (FCM) proceeds which total \$76,800. The customer’s share of FCM proceeds is 90% or \$69,120. *Id.* at Attach. 1, p. 6.

⁵ *Id.* at Attach. 1, p. 1.

On June 14, 2018, 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 July 1, 2018. In his memorandum, Division Rate Analyst, Mr. Alberico Mancini, noted that the small increase in the proposed Factor from the currently effective Factor is the result of increased estimated generator output and decreased estimated market revenues from the sale of energy, RECs, and capacity.⁶ Mr. Mancini opined that the Company's calculations were correct and that the filing was in accordance with the PUC's order in Docket No. 4338, which approved the Long Term Contracting for Renewable Energy Resources Provision, and therefore recommended that the Factor be approved as filed.⁷

At an Open Meeting on June 28, 2018, 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 July 1, 2018.

Accordingly, it is hereby

(23214) ORDERED:

The Narragansett Electric Company d/b/a National Grid's Long-Term Contracting for Renewable Energy Recovery Factor of 0.647 cents per kWh for the period July 2018 through December 2018 is hereby approved. The new rate shall apply to electricity consumed on and after July 1, 2018.

⁶ Mem. of Alberico Mancini (June 14, 2018); http://www.ripuc.org/eventsactions/docket/4775-DIV-Memo_6-14-18.pdf. See also PUC Order 20905(Dec. 20, 2012); [http://www.ripuc.org/eventsactions/docket/4338-NGrid-Ord20905\(12-20-12\).pdf](http://www.ripuc.org/eventsactions/docket/4338-NGrid-Ord20905(12-20-12).pdf).

EFFECTIVE AT WARWICK, RHODE ISLAND ON JULY 1, 2018 PURSUANT TO AN
OPEN MEETING DECISION ON JUNE 28, 2018. WRITTEN ORDER ISSUED JULY 18, 2018.

PUBLIC UTILITIES COMMISSION

Margaret E. Curran, Chairperson

Marion S. Gold, Commissioner

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.