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September 27, 2019

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

Re: Episcopal Diocese of Rhode Island Petition for Dispute Resolution – Docket No. 4973

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (the Company), enclosed is the Company's Response to the Petition for Dispute Resolution filed by the Episcopal Diocese of Rhode Island in the above-referenced matter.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,

John K. Habib

John K. Habib, Esq.

Enclosures

cc: Docket No. 4973 Service List

Episcopal Diocese of RI – Petition for Dispute Resolution – Docket No. 4973
Service List Updated 9/17/2019

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

Episcopal Diocese of Rhode Island Petition for Dispute Resolution	)	Docket No. 4973

THE NARRAGANSETT ELECTRIC COMPANY'S RESPONSE TO PETITION

The Narragansett Electric Company d/b/a National Grid (TNEC),[1] pursuant to Section 9.2 of the Standards for Connecting Distributed Generation, R.I.P.U.C. No. 2180 (the Tariff), hereby responds to the Petition for Dispute Resolution (Petition) filed by the Episcopal Diocese of Rhode Island (Diocese) in the above-captioned matter.[2]

I. INTRODUCTION

TNEC is committed to fairly and efficiently processing all applications for interconnection of distributed generation in its service territory and highly prioritizes its goal of providing excellent customer service in this and all areas of its business. In this particular case, TNEC has worked hand-in-hand with the Diocese and its representatives through each step of the interconnection process. TNEC fully appreciates how important these projects are to the success of the Diocese's Conference Center and Camp and remains committed to working with the Diocese to find an acceptable solution.

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[1] Pursuant to the Commission's request, this document refers to The Narragansett Electric Company or TNEC for the distribution company, New England Power or NEP for the transmission company, and National Grid, USA for the service company.

[2] Section 9.2(a) of the Tariff provides that "within ten business days after the written request to the Commission for dispute resolution, the other party shall also submit a summary of the situation to the Commission and provide a copy of the summary to the Requesting Party." For organizational purposes, TNEC has set forth its specific response to each of the factual allegations stated in the Petition. TNEC reserves the right to further respond to the legal arguments contained in the Petition at a later date in this dispute resolution process, should the Commission determine additional legal briefing is necessary.

The challenge has been that the Diocese proposed a project that, in aggregate, would exceed 6 MW to be interconnected in a relatively rural area where the distribution system was sized appropriately to accommodate the limited load in the area. As a result, TNEC's analysis has indicated that interconnection of projects at the scale proposed by the Diocese would be very expensive or infeasible from an engineering perspective. TNEC has gone above-and-beyond its obligations under the terms of the Tariff to work in collaboration with the Diocese to explore other options that may be more cost-effective. In fact, TNEC has been meeting with the Diocese representatives and exploring potential solutions up to the day this Petition was filed. TNEC is ready and willing to continue pursuing alternatives with the Diocese through this dispute resolution process, or after.

TNEC understands the Diocese's frustration that it has been unable to successfully develop its proposed projects despite the efforts of all parties over the last few years. However, the Petition reflects apparent confusion or mischaracterization of those efforts and, unfortunately, includes several inaccurate and provocative allegations against TNEC. Below, TNEC responds to each of the Diocese's factual assertions and legal arguments for the Commission's consideration.

II. RESPONSE TO FACTUAL CLAIMS.

A. The Camp and the Project.

Diocese Claim:

"Although the Diocese initially applied to interconnect 6.8 MW of capacity, given NGrid's response to the application and the Diocese's improved understanding of the requirements of ISO's planning process, the Diocese has since resolved and clearly communicated its intent that the projects will have less than 5 MW of generating capacity when aggregated." Petition at 2.

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TNEC Response:

The Diocese applied for two arrays, which in aggregate will be larger than 5 MW. As originally applied, the Diocese proposed 2.4 MW for its east array and 4.32 MW on the west array. The Diocese later revised that proposal to 2.2 MW for the east array and 3.4 MW for the west array. TNEC studied both arrays at those stated sizes. At this time, the Diocese has yet to decide which arrays they wish to move forward with, and at what capacity. The Diocese has not provided any documents or communication indicating their intent to keep the projects under 5 MW.

B. The Feasibility Study.

Diocese Claim:

"The Diocese first submitted pre-application paperwork to NGrid on September 22, 2017. NGrid rejected that filing as wrongly submitted because it was outside NGrid's service territory on. The Diocese refiled with supporting NGrid invoices. NGrid accepted the application as correct on December 5th, admitting that it had made a mistake in rejecting the original application. There was no distributed generation in the queue for the circuit NGrid studied for capacity in the pre-application report from September. However, as a result of NGrid's error, 2640 kW got ahead of the Diocese's Project in queue by the December approval. That change, due to improper processing of the Diocese's initial application, negatively impacted its queue positions, especially for the transmission study." Petition at 2.

TNEC Response:

The Diocese's initial pre-application paperwork and site plans submitted on September 22, 2017 all indicated that the projects would be located on property with an address of 872 Reservoir Road in Pascoag, Rhode Island. TNEC provided a Pre-Application Report on September 26, 2017 noting that the address provided is not within TNEC's service territory. Because TNEC

determined that this address was not within its service territory, the remaining data in the Pre-Application Report of September 26, 2017 was not fully completed.

The Diocese submitted another application for a Pre-Application Report on December 5, 2017. The application still referenced the address as 872 Reservoir Road in Pascoag, Rhode Island, but the Diocese clarified by email that the address was, in fact, located in Chepachet, Rhode Island. Based on this information, TNEC issued a Pre-Application Report on December 19, 2017. The report indicated that the nearest feeder would be feeder 53-34F2 on the Chopmist substation and that the nearest three-phase line was approximately 3,000 feet away. The report indicated that pending and existing distributed generation on feeder 53-34F2 totaled 2,640 kW.

The 2,640 kW of pending and existing distributed generation on this feeder did not "get ahead of" the Diocese's projects between the September and December Pre-Application reports. That amount of pending and existing distributed generation was already present on the feeder. Moreover, the Pre-Application Report is a non-binding report provided before an Interconnecting Customer submits its application. Tariff at Sheet 7 (defining Pre-application Report); Tariff at Sheet 14 (describing the Pre-Application Reports, noting they are "non-binding"). Submission of a request for a Pre-Application Report does not secure queue positioning for projects.

The Diocese did not confirm the correct address of the proposed project until September 16, 2018 when it reported the address for the eastern array as 155 Reservoir Road in Glocester, Rhode Island and 0 Reservoir Road in Glocester for the western array. The customer provided a corrected site plan with accurate town lines on October 10, 2018.

Diocese Claim:

"On December 21, NGrid sent the Diocese a pre-application report informing the Diocese that there was a three-phase line approximately 1.25 miles distant, which was not yet being utilized for distributed generation." Petition at 2.

TNEC Response:

As noted above, TNEC issued a second Pre-Application Report dated December 19, 2017. TNEC assumes for the purpose of this response that the December 19, 2017 report was received by the Diocese on December 21 and is the same report referred to in the above-referenced statement. The report indicated that the nearest three-phase line was 3,000 feet away. It is unclear what the Diocese relies upon to suggest that the line "was not yet being utilized for distributed generation." The report indicates that there was 2,640 kW of existing or pending distributed generation on the feeder at the time of the report.

Diocese Claim:

"The feasibility study arrived in April 2018 estimating a cost of $602,000 for each interconnection." Petition at 2.

TNEC Response:

TNEC issued two separate feasibility studies, both dated April 13, 2018: Application 25672190 for the west array at 4,320 kW (AC), and Application 25728432 for the east array at 2,400 kW (AC). The feasibility study for the east array included the following statement:

> The proposed generation capacity, when combined with the existing and proposed distributed generation value on the feeder queue, reaches near the feeder capacity limits at this time. Be advised that the proposed generation capacity may require substantial system modifications effecting the customer's budget and schedule planned.

The feasibility study for the west array included a similar statement, as follows:

> The proposed generation capacity, when combined with the existing and proposed distributed generation value on the feeder queue, exceeds the feeder capacity limits at this time. Be advised that the proposed generation capacity may be infeasible or may require substantial system modifications effecting the customer's budget and schedule planned.

Both feasibility studies also indicated that further engineering review by TNEC would be required in the form of ISRDG to move forward with the interconnection.

The cost estimates provided in the feasibility studies are non-binding high-level estimates. The Tariff defines a Feasibility Study as follows:

> A high-level project assessment that includes an estimate of the cost of interconnecting a Renewable Distributed Generation Resource to the distribution system that would be assessed on the applicant for an interconnection. **Such estimate is not based on any engineering study**, but is based on past experience and judgment of the Company, taking into account the information in the application, the location of the interconnection, and general knowledge of the distribution and transmission system. **Such estimate cannot be relied upon the by applicant for the purposes of holding the Company liable or responsible for its accuracy as long as the Company has provided the estimate in good faith**. The feasibility study estimate shall be a range within which the Company believes the interconnection costs are likely to be and shall include a disclaimer that explains the nature of the estimate.

Tariff, Sheet 4 (emphasis added).[3] The feasibility studies included the required disclaimers explaining the nature of the estimate. The feasibility study cost estimate was limited to high level costs of a line extension and standard point of common coupling equipment typically required, as well as 3V0 equipment which was known to be required at this location. It did not consider other required protective devices, which are determined through further engineering analysis during the System Impact Study process.

[3] The prior version of the Tariff, R.I.P.U.C. 2163, included the same definition of "Feasibility Study."

Diocese Claim:

"The final cost estimate was subject to change based on the impact study, but the Diocese was led to believe that any change would be within a small range." Petition at 2.

TNEC Response:

TNEC is not aware of any communication to the Diocese suggesting that changes to the feasibility study cost estimate "would be within a small range." To the contrary, the disclaimer contained in the feasibility study is clear that the estimate is provided in good faith based on previous experience, but that it is not based on any engineering analysis and cannot be used to hold TNEC responsible for its accuracy.

C. Impact and Transmission Studies.

Diocese Claim:

"On February 26, 2018, the Diocese applied for impact studies on both projects. In June 2018, it paid NGrid two statutory $10,000 impact study fees." Petition at 2.

TNEC Response:

The Diocese was provided an ISRDG agreement on April 13, 2018. The Diocese did not return a signed ISRDG agreement until May 22, 2018. Payment for the studies was received on June 6, 2018 and the agreement was countersigned on June 8, 2018.

Diocese Claim:

"The Diocese asked NGrid to put the impact studies on hold pending resolution of the moratorium. NGrid was unclear on whether it would hold the studies for the period of the Town moratorium. Initially it refused and then on June 14th it indicated they would hold the projects. However, on June 21 a portal message said NGrid would not hold the studies: Milestone Screening-Complete-Pending Customer Decision has been active for 14 Business Days, and we

have not received a response. If this milestone is not completed within a total of 30 Business Days, your application will be withdrawn from the queue." Petition at 2.

TNEC Response:

The Diocese, through its developer, requested that the study be placed on hold on June 13, 2018. TNEC placed the studies on hold the next day, June 14, 2018. The message sent through the portal on June 21, 2018 was an automated message. TNEC followed up by phone with Diocese representatives to explain that the message was automated, and that the system impact study remained on hold as requested. The Diocese asked TNEC to remove the hold on July 2, 2018.

Diocese Claim:

"In July, NGrid requested clarifications and updates to the project drawings, which the Diocese provided in September 2018 after working to clarify the requests. In September 2018, NGrid's requested more information and changes. The Diocese made all requested changes and addressed technical solutions to issues raised by NGrid, all finalized in December 2018 for NGrid's further study." Petition at 2-3.

TNEC Response:

On July 22, 2018, within 15 business days of the project being taken off-hold, the Diocese informed TNEC that both the eastern and western arrays may be increasing in size. On July 27, 2018, TNEC notified the Diocese that if the projects were to increase in size, updated one-line diagrams and site plans would be required and system impact study review would be placed on hold until such documents were provided.

At that time, TNEC also informed the Diocese through email that the feeder where the projects would interconnect is near capacity and that the projects will more than likely require reconductoring of the main line and 3V0 upgrades at the substation. TNEC noted that the feeder

is identified as a "Challenging Feeder" and may result in more substantial system modification costs. TNEC asked the Diocese to confirm whether it still wanted to increase the size of the projects. The Diocese responded that they had another meeting with town officials the following week that would inform their decision.

TNEC continued to study the projects at the applied capacity. On July 31, 2018, a 20-business day review was provided via email to the Diocese. TNEC informed the Diocese that the preliminary analysis indicated high voltage issues on the circuit caused by the two proposed sites and that a decrease in site size and/or extensive reconductoring may be required, subject to confirmation during voltage analysis. The 20-business day review also identified the following required protection upgrades: (1) PCC recloser; (2) fuses at pole 416 Putnam Pike replaced with a recloser with live line reclose blocking; (3) live line reclose blocking required on pole 396 Putnam Pike recloser; and (4) live line reclose blocking required on pole 46 Chopmist Hill Road recloser.

On September 19, 2018, the Diocese provided revised one-line diagrams and site plans for the projects because the Diocese modified the size of each array. Engineering review of the new documents triggered new questions and comments from TNEC.

On October 11, 2018, the Diocese again provided new one-line diagrams, site plans and other forms required to move forward with the study. On October 18, 2018, TNEC determined that study of the west array could move forward, but that more information was needed to continue review of the east array. However, on November 20, 2018, TNEC placed the west array study back on hold due to open comments pertaining to both projects.

Diocese Claim:

"The Diocese made all requested changes and addressed technical solutions to issues raised by NGrid, all finalized in December 2018 for NGrid's further study." Petition at 2-3.

TNEC Response:

The Diocese did not finalize any open comments in December 2018. Engineering questions remained pending.

Diocese Claim:

"In December 2018, NGrid changed the requirement of a 15-foot wide access road to an 18-foot wide road, apologizing for their confusion on the required width of the road." Petition at 3.

TNEC Response:

On December 6, 2018, TNEC confirmed the required access road width should have been an 18-foot-wide road. The Diocese confirmed on the same date that the drawings would be updated to reflect this width. The other remaining comments remained open.

Diocese Claim:

"On January 24th NGrid advised the Diocese that it was reviewing the revised plans. On February 4th, NGrid sent the Diocese word that the plans remained incomplete. However, on February 5th, NGrid reported that the documents had been properly submitted to engineering for review. On February 12, NGrid accepted the revised filing as complete and continued the impact studies." Petition at 3.

TNEC Response:

The Diocese submitted revised plans on January 23, 2019. The Diocese's last submission prior to that date was October 11, 2018, noted above. TNEC was on force majeure for the Aquidneck Island Gas Incident from January 22, 2019 through January 28, 2019 and did not complete any work on the Diocese's submission during that time.

On February 5, 2019, TNEC sent a notice to the Diocese through the DG portal stating: "The updated one line and site plan has been sent to engineering for review. If all is correct we can resume the study." Contrary to the Diocese's claim, TNEC did not send any communications to the Diocese on February 4, 2019. TNEC accepted the plans and resumed the studies on February 12, 2019.

Diocese Claim:

"In March 2019, NGrid requested additional time to complete the Impact Studies. On April 17th, 2019, rather than delivering to the Diocese the Impact Studies it had applied and paid for, NGrid once again delayed providing the study results. NGrid emailed that it had chosen to study a circuit it deemed the least cost route of interconnection, and that interconnection of the Diocese Projects would not be possible on that circuit." Petition at 3.

TNEC Response:

TNEC notified the Diocese on March 21, 2019 that additional time was required to complete the voltage analysis for the studies and evaluate mitigation options. On April 17, 2019, TNEC sent the Diocese two options to move forward based on the voltage issues that TNEC identified in the 20-business-day review and confirmed in its voltage analysis. On the same date, the Diocese requested a call with TNEC to discuss those options.

Diocese Claim:

"NGrid gave no clarity on the technical issues that prevented interconnection despite its determination of feasibility in December." Petition at 3.

TNEC Response:

TNEC never determined that the projects as proposed were feasible. To the contrary, the results of both feasibility studies indicated that the proposed generating capacity was near or

exceeded the feeder capacity limits and that **the proposed generation capacity may be infeasible or may require substantial system modifications** effecting the customer's budget and schedule planned. Thus, the Diocese should have been aware of these issues as of April 13, 2018.

TNEC again informed the Diocese of potential high-voltage concerns at the time of the 20-business-day review on July 27, 2018. TNEC did not give the Diocese any "determination of feasibility" in December 2018, or at any other time.

On April 23, 2019, TNEC held a meeting with the Diocese to explain the results of the voltage analysis and to present options for a path forward. In addition to certain system modifications that would be required under either circumstance, the options included the following: (1) downsize to 3.0 MW/MVA aggregate and reconductor approximately 10,200 feet of 4/0 overhead primary; or (2) downsize to 2.0 MW/MVA aggregate. Discussions at that time indicated ball-park estimates for line extension work in the range of $600,000 to $800,000 per mile. Total interconnection costs were not discussed at that time, though TNEC had already informed the Diocese that, at a minimum, a three-phase line extension and 3V0 would be required at additional costs. The thermal and voltage issues identified would also need to be addressed following competition of the System Impact Study.

On April 30, 2019, in response to the meeting, the Diocese objected to TNEC's proposed options and demanded a final impact study. On the same date, TNEC responded to explain that all results of the study to date indicate that the projects cannot be interconnected as proposed. Because the purpose of a System Impact Study is to determine necessary system modifications based on actual project design, TNEC required the Diocese to identify a preferred option to proceed with a feasible project design. TNEC also indicated that a final System Impact Study could not be

issued for the east array before receiving final approval from ISO-New England regarding transmission level impacts of the project.

Diocese Claim:

"In the email, NGrid informed the Diocese that it must cut the Project capacity in half, and that, even then would have to fund significant substation upgrades to several circuits serving other customers to solve pre-existing problems on the system and accommodate other renewable energy projects queued for interconnection (the 'reconductoring')." Petition at 3.

TNEC Response:

Reducing the project capacity was an option presented by TNEC to resolve the observed high-voltage issues that prevented interconnection of the project as proposed. The proposed system modifications, including reconductoring, would still be necessary to address the impacts of the reduced project on the distribution feeder. Reconductoring would not benefit other customers. It would be a necessary system modification for the Diocese's projects to interconnect to the distribution feeder without causing voltage issues for customers along the circuit. TNEC is obligated to hold distribution voltages at customer service points to defined limits in ANSI Standard C84.1-2006.

Diocese Claim:

"The email offered to proceed to study either 3MW or 2MW of project capacity with projected costs of $3.5 MM or $3 MM." Petition at 3.

TNEC Response:

At the time of presenting reduced-capacity options, TNEC did not assign projected system modification costs beyond those associated with the line extension cost, mentioned above.

Diocese Claim:

"NGrid was well beyond the statutory timeline for study and was requiring the Diocese to pay for upgrades that would benefit other NGrid customers." Petition at 3.

TNEC Response:

As addressed above, TNEC was not asking the Diocese to pay for any system modifications beyond those necessary to interconnect its project to the distribution system. Additionally, the Diocese had consented to TNEC's request for additional study time via email on March 21, 2019, noted above. The timeline for completing the System Impact Studies was also placed on hold several times at the request of the Diocese and due to the Diocese's delay in providing necessary information.

Diocese Claim:

The Diocese discussed its concerns with NGrid from March through July of 2019. Initially, the Diocese asked NGrid's technical team how much capacity it could put on the system without re-conductoring. At the Diocese's request, NGrid modeled the circuit it had chosen for interconnection and determined that it could handle capacity for 2 MW without re-conductoring, at a cost of $650,000 (a number that was consistent with NGrid's original Feasibility Study.)

TNEC Response:

Downsizing to 2 MW without reconductoring was one of the options presented at the April 23, 2019 meeting. However, TNEC reported at that time that a 2 MW project would still require a line extension to bring the three-phase line to the site at an estimated cost of $600,000 to $800,000 per mile. That estimate did not include any other system modification costs that would be required to interconnect a 2 MW project.

Diocese Claim:

The Diocese, concerned that 2 MW for $650,000 of interconnection cost might be difficult to finance, requested 2.2 MW of capacity for the Eastern Project, and NGrid eventually responded that 2.2 MW would also be feasible at the same cost. The Diocese asked NGrid to finish the impact study for the Eastern Project at 2.2 MW of capacity while it sought to resolve the issues confronting interconnection of the Western Project." Petition at 3.

TNEC Response:

On June 5, 2019, TNEC informed the Diocese that downsizing to 2.2 MW for the eastern array would not require the addition of approximately 7,100 feet of reconductoring. However, that communication did not include any estimates for interconnection costs.

Diocese Claim:

"In June 2019, with the Parties having seemingly worked out a path forward for the Eastern Project and seemingly as a result of cascading delays that started with the improper rejection of the pre-application, NGrid informed the Diocese that the Eastern Project would be subject to a transmission system 'transfer study' that would take 6 to 9 months and could lead to further, longer transmission system impact studies and result in the assessment of additional costs for transmission system upgrades if/as required, before an interconnection services agreement would be provided. That study pushed the Project schedule out an additional year, and creates unmanageable uncertainty about more costs that could ruin the economics of the Eastern Project. The Diocese was faced with losing its federal tax credit incentive and all certainty of the interconnection schedule and cost, fundamentally affecting the viability of the Project." Petition at 3-4.

TNEC Response:

ISO-NE's determination that the Diocese's eastern array project would require review for transmission system impacts was not the result of any delays, as the Diocese suggests. TNEC requested that a Generator Notification Form be submitted to ISO-NE in accordance with TNEC's obligations under the ISO-NE Transmission, Markets and Services Tariff, Section I.3.9, in April 2019. ISO-NE determined that the project required Level III analysis in accordance with its Planning Procedures. After ISO-NE made that determination, NEP, the affected transmission owner, worked in coordination with ISO-NE to develop the study process for the project and similarly situated projects in the area.[4] As discussed further below, the need for this study was determined by ISO-NE in accordance with its discretion under the operating tariffs and planning procedures.

Diocese Claim:

"In August 2019, NGrid finally produced its impact study for the Eastern Project which quoted a cost of $1.5 MM to interconnect 2.2 MW; almost three times the cost projected in its 2017 feasibility study, and more than double the cost quoted from modeling done months earlier." Petition at 4.

TNEC Response:

As noted above, the feasibility study provided only a non-binding high-level estimate of costs, not based on any engineering analysis specific to the project. In addition, the feasibility study identified that the project may not be feasible at the size proposed or may require significant system modifications. Lastly, contrary to the Diocese's allegation, no system modification cost estimates were provided at the time of TNEC modeling the project at 2.2 MW.

[4] More information about the Rhode Island Cluster Study is available here: https://ngus.force.com/s/article/Rhode-Island-Transmission-System-Impact-Analysis-RI-Cluster-Study-Update

Diocese Claim:

"NGrid stated that pre-existing voltage and flickering issues with its existing customer load limit the capacity to connect distributed generation despite the results of the prior feasibility study, without providing more specific information." Petition at 4.

TNEC Response:

This claim is inconsistent with the results of the feasibility study and 20-business day review noted above. TNEC put the Diocese on notice early in the process that voltage and flicker issues were prevalent on this feeder and that a decrease in capacity and/or extensive reconductoring would be required. These issues were discussed with the Diocese on numerous occasions.

Diocese Claim:

"In a dispute resolution meeting held on July 31, 2019, the Diocese noted NGrid's confirmation of capacity for 2.2 MW without re-conductoring at a cost of $650,000, asking what had happened to that model? NGrid replied that the prior estimate was for upgrading its line from single-phase to three-phase but did not contemplate the need to modify protection along the other circuits in the area and at the point of common coupling with the facility, to manage voltage issues on the system, and to provide for anti-islanding – all of which resulted in over $1 million in additional costs." Petition at 4.

TNEC Response:

This claim is based on the false premise that TNEC estimated the cost of interconnecting 2.2 MW of capacity at $650,000. TNEC did not provide an interconnection cost estimate at the time of modeling the 2.2 MW project. Moreover, TNEC had previously identified multiple protective upgrades that would be required at reduced capacity *in addition to* three-phase line

extension costs of $600,000 to $800,000 per mile. In that context, it was unreasonable for the Diocese to assume that all interconnection costs would be $650,000 or less.

Diocese Claim:

"When the Diocese consultants pointed out that NGrid's published heat map showed plenty of system capacity in this area, NGrid's technical team responded that their heat maps are incomplete because they do not analyze all impacts of interconnected distributed generation and, therefore, need to be supplemented with Impact Studies for accuracy." Petition at 4.

TNEC Response:

TNEC's publicized heat maps provide the best information available regarding available capacity in an area but cannot guarantee that a given project can interconnect at a given location. The heat map includes the following disclaimer:[5]

> Please note that the portal and maps are not a guarantee that generators can interconnect at any particular time and place. A number of factors drive the ability and cost of interconnecting distributed generation to the electric system and actual interconnection requirements and costs will be determined following detailed studies. These studies will consider your specific project location, operating characteristics and timing. Additionally, environmental and other required permits are independent of interconnection process and may limit the suitability of a particular site.

Diocese Claim:

"On June 28, 2019, the Diocese sent NGrid an alternative proposal on a possible path forward on the Western Project in light of NGrid's conclusion that the Eastern Project would consume all the available capacity, even at its reduced output of 2.2 MW. The Diocese raised integration of a storage system as a possible means to address the system capacity concern. NGrid

[5] https://www.arcgis.com/apps/MapSeries/index.html?appid=36c3c4ba3f92493a8d81aea4fae22d9d

requested a proposal. Given the Diocese's limited access to data about how that circuit (or any other circuit) functions, it sent NGrid an outline of a possible solution." Petition at 4.

TNEC Response:

TNEC responded to the Diocese's proposal with a request to fill out the Energy Storage System Data Collection sheet and applicable application details regarding the storage proposal. This information was required for TNEC to develop an understanding of what the Diocese would like to study. TNEC informed the Diocese that it is not within its normal practice to develop projects, including energy storage, in conjunction with customers and it is the developer's responsibility to propose a complete project for study. The Diocese did not respond to TNEC's request for information.

Diocese Claim:

"In follow up discussions, NGrid noted other circuits accessible to the Western Project that might be able to handle the impact of the Western Project that had not been studied yet. If the Diocese paid for more impact studies that would take months or more to complete, NGrid could provide additional information about connecting through those other accessible circuits." Petition at 5.

TNEC Response:

Although it had no requirement to do so, TNEC did provide a very high-level review of the minimum costs to interconnect the west array to other nearby circuits based on line extension costs and whether 3V0 installation would be required. The high-level estimates suggested interconnection costs would be, at a minimum, in excess of $3 million. TNEC explained that a full System Impact Study would be required to determine the total costs.

Also, at the request of the Diocese, TNEC provided a high-level review (at no cost) of the east array at a reduced 999 kW capacity to determine if it could be interconnected at a more reasonable cost.

Diocese Claim:

"The Diocese still lacks transparency on the voltage concern on the Western Project that would enable its technical consultants to fully assess viability of the Project. NGrid has not provided the impact study results needed to demonstrate why system voltage constraints limit project capacity, especially considering the huge quoted cost of system improvements. Given NGrid's admission of existing system deficiencies in this area, it is not clear whether the proposed improvements would benefit current and future customers in the area (and must be charged to all customers) or only benefit the Project. The Diocese raised these concerns with NGrid, but they still have not been adequately addressed." Petition at 5.

TNEC Response:

A draft System Impact Study for the western array was provided to the Diocese detailing the voltage concerns at this location. The existing circuit is sufficiently robust to serve all existing load in that location. TNEC's analysis and operating experience indicated no existing issues in this area, absent the Diocese's proposed projects. The system modifications presented with respect to the east array are solely attributable to interconnecting the project.

Diocese Claim:

"In the dispute resolution meeting held on July 31, 2019, NGrid's senior manager admitted that the problem with the circuit they chose to study is that the Chopmist station is their weakest point on the distribution system where it butts up against Connecticut and the voltage fluctuation is very large, a distribution system deficiency that would take NGrid years to correct. Such system

deficiencies would have been apparent to NGrid at the feasibility stage, before the Diocese and its partners spent hundreds of thousands of dollars and years of time studying connection to a circuit that they knew could not handle the capacity, rather than other circuits that could."

TNEC Response:

This claim misstates what was said at the dispute resolution meeting. TNEC explained that the point at which the Diocese is proposing to locate these projects is not at the best location for large distributed generation to interconnect without substantial system modifications. The same would be true for any project proposed to be located at the end of a feeder. Moreover, TNEC **did** identify these issues at the feasibility stage, noting that the proposed generation capacity may be infeasible or require substantial system modifications resulting in impacts to the project budget and schedule. The Diocese and its partners chose to move forward despite those cautionary statements.

D. Market Context.

The Diocese's allegation that TNEC's ability to fairly administer the interconnection of distributed generation projects is conflicted by its goal to maximize projects from large capital investments is entirely without merit. In the first instance, the Diocese's concern that TNEC may "discourage distributed generation through its administration of interconnection" was addressed decades ago by the passage of the Public Utility Regulatory Policies Act of 1978 (PURPA) and implementing regulations. Specifically, 18 C.F.R. § 292.303, passed in accordance with Section 210 of PURPA, requires electric utilities to "make such interconnections with any qualifying facility as may be necessary to accomplish purchases or sales under this subpart." 18 C.F.R. § 292.303(c)(1); American Paper Institute, Inc. v. American Elec. Power Serv. Corp., 461 U.S. 402, 407, 103 S. Ct. 1921, 1925 (1983). The rule is consistent with the goal of PURPA to prevent

discrimination against qualifying small power producers. American Paper Institute, Inc., 461 U.S. at 419-422.

The Diocese's contention is also belied by the dramatic growth of distributed generation interconnected in TNEC's service territory in recent years. TNEC has interconnected over 240 MW of distributed generation in its service territory and has over 735 MW of additional interconnections pending.

Lastly, the terms of the Amended Settlement Agreement in TNEC's last base rate case in Docket Nos. 4770 and 4780 included certain performance-based incentive mechanisms intended to support key state energy policy goals, including the interconnection of distributed generation. TNEC agreed to track and report scorecard metrics for distributed generation interconnection based on the number of business days from executed ISA to distribution system modifications by category of interconnection (i.e., simplified, expedited, standard). TNEC also agreed to track its performance in meeting or outperforming tariff timelines for providing an executable interconnection service agreement. TNEC has an opportunity to earn performance incentives for achieving certain targets through the Performance Incentive Recovery Provision. See The Narragansett Electric Company, Docket Nos. 4770/4780, Amended Settlement Agreement, at 75-77 (August 16, 2018).

TNEC is committed to efficiently processing applications for interconnection of distributed generation to its distribution system in furtherance of Rhode Island's energy policies, in compliance with all state and federal requirements, and consistent with its commitment to meet or outperform tariff timelines. TNEC has not discriminated against the Diocese's projects in any way. Unfortunately, all engineering analysis to date has indicated that the Diocese's proposed

projects are simply not sited in an ideal location for interconnection of large-scale distributed energy resources.

III. RESPONSE TO LEGAL ARGUMENTS

A. TNEC Has Studied The Dioceses' Projects For Distribution System Impacts In Good Faith.

Relying on federal standards under PURPA and the Energy Policy Act, the Diocese argues that "the PUC must carefully police NGrid to ensure its administration of interconnection is not having the effect of making interconnection service unavailable to its electric customers." Petition at 11. The Diocese further suggests that "unauthorized and unanticipated, long and egregious studies and potentially large, uncertain costs of upgrading transmission system without advance notice" is equivalent to "denying availability of interconnection contrary to the Energy Policy Act." Id.

To be clear, TNEC has not and is not denying the Diocese an opportunity to interconnect to its electric distribution system. TNEC studied the Diocese's proposed projects in accordance with the terms of the Tariff. In order to be interconnected to the distribution system, however, all Interconnecting Customers must pay for all system modification costs necessary to meet the technical and operational requirements under the Tariff. Tariff, Section 2.0. In the Diocese's case, those system modification costs are simply too onerous and costly to justify interconnecting the projects as proposed.

Throughout this process, TNEC has worked with the Diocese to explore other options for interconnection, such as decreasing the proposed capacity. Nevertheless, it is the responsibility of the Interconnecting Customer to design all necessary equipment on its property for connection to TNEC's distribution system. TNEC cannot study infinite iterations of a proposal to determine the maximum capacity of distributed generation that can be interconnected on a feeder, or study

multiple circuits to determine which, if any, may present the most cost-effective interconnection as the Diocese suggests. See Petition at 5.

B. TNEC Reasonably Complied With All Applicable Statutory Timeframes.

Rhode Island General Laws Section 39-26.3 sets forth certain interconnection standards, including timelines for delivering an executable Interconnection Service Agreement. Section 39-26.3-3(d) provides that an impact study shall be provided within 90 days of receipt of a request for an impact study and payment of the applicable impact study fee. R.I. Gen. Laws § 39-26.3-3(d). Section 39-26.3-4.1(d) provides, in part, that "[t]he maximum time allowed between the date of the completed application and delivery of an executable interconnection service agreement shall be one hundred seventy-five (175) calendar days or two hundred (200) calendar days if a detailed study is required." R.I. Gen. Laws § 39-26.3-4.1(d).

The Diocese imprecisely argues that "[t]hese timelines cannot be extended due to customer delays in providing required information, all of which must be requested and obtained before completion of the impact study." Petition at 11-12. In fact, the statute says that "[t]hese **system modification deadlines** cannot be extended due to customer delays in providing required information, all of which must be requested and obtained before completion of the impact study." R.I. Gen. Laws § 39-26.3-4.1(d) (emphasis added). The system modification deadlines are tied to the date of an executed interconnection service agreement. Id. The statute does not prohibit extension of timelines to complete system impact studies due to the Interconnecting Customer's delay in providing necessary information.

In this case, the Diocese paid for the system impact studies on June 6, 2018 and the agreement was countersigned on June 8, 2018. However, the timeframe to complete the system impact studies was delayed several times throughout the process, as detailed above. First, the

study was put on hold at the request of the Diocese from June 13 to July 2, 2018 while it worked to resolve a local zoning moratorium on solar development. Review was again placed on hold following the Diocese's submission of revised site plans on September 19, 2018, which triggered open questions from the engineering team. Those questions were not resolved until the Diocese's submission of revised plans on January 23, 2019. TNEC confirmed all issues were resolved effective February 4, 2019 and continued review of the projects. Then, in March 2019, TNEC requested additional time to complete the studies, which was agreed to by the Diocese. Lastly, after reporting the results of the voltage analysis to the Diocese on April 23, 2019, the parties remained in extended discussions about available options for more effective interconnection through July 2019. A draft System Impact Study for the eastern array was provided on July 11, 2019, pending completion of the transmission impact study and resolution of final system modification costs resulting from that study. TNEC also provided the Diocese with a cost estimate for distribution system modifications for the eastern array based on information available at that time. The final System Impact Study for the western array was issued on August 22, 2019.

The multiple holds on the System Impact Study at the request of the Diocese, while waiting for missing information from the Diocese, and by mutual agreement, prevented completion of the System Impact Study within 90 days of payment for the study and issuance of an Interconnection Agreement within 175 days of the completed application. Accounting for those holds and the complexities of the Diocese's proposal, TNEC completed the System Impact Study in a reasonable amount of time.

C. Transmission Impact Review Is Required By ISO-New England Tariffs And Operating Procedures.

In its Petition, the Diocese objects to its projects being presented to ISO-NE for review of potential transmission system impacts. Petition at 12-17. In part, the Diocese argues that the

version of the Tariff in effect at the time of its application, R.I.P.U.C. No. 2163, did not sufficiently define "Affected System" to put the Diocese on notice that its project may be reviewed for potential impacts to adjoining transmission systems.

Under R.I.P.U.C. No. 2163, "Affected System" was defined as "any neighboring EPS not under the control of the Company (i.e. a municipal electric light company or other regulated utility)." R.I.P.U.C. No. 2163, Sheet 3. The Diocese is wrong to suggest that this definition "was not defined to include any transmission interests…" Petition at 13. The definition is extremely broad and includes *any* neighboring electric power system not under the control of TNEC, such as another regulated utility. NEP's transmission facilities are one such neighboring electric power system, and NEP is an "other regulated utility." Adding the phrase "transmission or distribution" into the definition in R.I.P.U.C. No. 2180 merely provides clarity. It does not render the prior definition any less broad.

Moreover, Section 3.4(c) of the preceding version of the Tariff, R.I.P.U.C. No. 2163 placed all Interconnecting Customers on notice that "[t]he timelines in Table 1 will be affected if the ISO-NE's Operating Procedure 14 will be required. This will occur if the Interconnecting Customer's Facility is greater than or equal to 5 MWs and could occur if the aggregate capacity of Facilities connected (which are on the same feeder and are physically close to each other) is greater than or equal to 5 MWs." The Diocese's proposed projects fit this description. Therefore, the Diocese should have been aware of the potential need for ISO-NE review of the projects.

The Diocese also suggests that ISO-NE's tariffs do not permit review of its projects for transmission impacts. Oddly, immediately after correctly noting that FERC has exclusive jurisdiction over all transmission facilities, the Diocese asks the Commission to interpret ISO-NE's tariffs and Planning Procedures to find that "[t]here is no current regulatory basis for ISO or

NGrid to subject the Diocese project to transmission studies or assess the Diocese for the cost of transmission system impacts." Petition at 13-16. The Commission does not need to parse through the Diocese's analysis of ISO-NE's Transmission, Markets and Services Tariff (ISO Tariff) and Planning Procedures – it is ISO-NE's responsibility to interpret and implement those requirements. For avoidance of doubt, however, the Diocese's suggestion that its projects should not be subject to transmission impact review is incorrect.

TNEC is a Market Participant at ISO-NE. As such, TNEC must comply with the requirements of the ISO Tariff. Pursuant to Section I.3.9.1 of the ISO Tariff, and ISO-NE Planning Procedures PP5-1 and PP5-3, any proposed generation resource above 1 MW must be reviewed by ISO-NE and brought before the NEPOOL Reliability Committee for approval. ISO-NE Planning Procedures PP5-1 and PP5-3 provide guidelines for the Proposed Plan Application process. Under those procedures, for each proposed generation resource 5 MW or greater, ISO-NE requires a formal transmission system impact study. Although proposed generation resources between 1 MW and 5 MW generally do not automatically trigger a transmission system impact study, ISO-NE has the discretion to request further analysis of the impact on an as-needed basis. Beginning in approximately September 2018, ISO-NE started to exercise that discretion and has requested additional impact analysis from NEP on generation resources between 1 MW and 5 MW. It is ISO-NE's exercise of its discretion under its Planning Procedures that has resulted in the Diocese's project requiring review for transmission level impacts.

TNEC has reviewed the Diocese's proposed projects in accordance with the Tariff and in observation of its obligations as a Market Participant under the ISO Tariff. To be clear, TNEC has treated the Diocese's applications in the same manner as all other applications for distributed generation submitted to TNEC. The Diocese's allegation that "collaboration between ISO and

NGrid to deter project development contingent on expiring federal tax credits raises anti-trust concerns" is inflammatory, completely without merit and should not be entertained by the Commission in this request for dispute resolution.

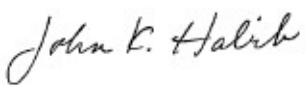
IV. CONCLUSION

TNEC studied the Diocese's proposed projects in accordance with all requirements under the Tariff. TNEC informed the Diocese early in the process that it may be very costly or infeasible to interconnect its projects at the capacity proposed, yet the Diocese decided to continue moving forward anyway. TNEC has made all reasonable efforts to work with the Diocese to find acceptable solutions to identified interconnection challenges, at times going above-and-beyond its obligations under the Tariff. TNEC has not violated any state or federal laws related to its review of these or other requests for interconnection and looks forward to continuing to work with the Diocese to find an acceptable solution for its proposed projects.

Respectfully submitted,

THE NARRAGANSETT ELECTRIC COMPANY d/b/a NATIONAL GRID

By its attorney,



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