STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION

Petition of the Episcopal Diocese of Rhode Island for Declaratory Judgment on Rhode Island General Laws §39-26.4, the Net-Metering Act	**Docket No. 4982**

REPLY COMMENTS

FROM THE EPISCOPAL DIOCESE

The Episcopal Diocese of Rhode Island appreciates the unanimous support for eligibility for net metering of renewable energy generating facilities paired with battery storage, pursuant to R.I.G.L. § 39-26.4 et seq., where: 1) the battery storage charges only from the renewable generation system; and (2) where the customer-host does not take electric supply service under a time-varying or time-of-use ("TOU") rate ("Rhode Island Small Scale Solar+Storage"); and (3) where the generator does not claim the right to capacity payments or the value of ancillary services. Given that substantive support, this reply need only address procedural matters the Narragansett Electric Company d/b/a National Grid (the Company) proposed to address in a subsequent docket. The Diocese asks that those procedural matters not impede the solar plus storage project it is designing to address the impact study analysis that refused to interconnect its Western Project that will provide substantial benefits to the electrical system and should be embraced per application of the cost benefit factors thought out and endorsed in docket 4600.

Beginning with the interconnection impact study and interconnection services agreement process for the Western Project, while the Diocese understands the Company's need to see the design of a final proposed project, it asks the Commission to ensure that that Project should be analyzed within the context of the existing impact study as a means to alleviate system restraints and enhance system and project capacity, rather than a newly proposed project that must start

this already long and very resource intensive interconnection process over again. The fundamental questions that warrant cooperation between the technical teams of the Company and the Diocese are 1) whether, during any period of the day, there could ever need to be any limitation on the flow of 2.2MW through the Chopmist Circuit as has already been approved for the Eastern Project; and 2) what additional benefits and costs the storage solution will provide to customers, to the electric system, and to society as outlined in the cost benefit analysis required under docket 4600. While it is true that the Diocese's utmost urgency is to finalize a viable Eastern Project and make its tax credit investment, there is also urgency to resolving the interconnection of its Western Project which will have a direct and very consequential impact on the overall economic performance of the Diocese's camp project. So, the fact that expedited approval of the Eastern Project is critically important provides no basis for delaying approval of the Western Project. The project will use a controls typology (hardware and software) to limit the power injection to never inject more than 2.2 MW AC at any time onto the circuit, therefore the impact study for the Eastern Project clearly informs and governs the impacts addressed in any study of the Western Project.

Indeed, the introduction of a storage solution on the Western Project will provide many benefits expressly noted in Docket 4600. As stated in the docket 4600 stakeholder report, "The Framework can be used to analyze different DER programs and technologies, including energy efficiency programs, demand response programs, distributed generation resources, storage technologies, net metering programs, and the Renewable Energy Growth Program." (§2.3, p. 8) The stakeholders recommended "that the Commission investigate the following potential strategies related to the specific location of production and consumption of electricity:

- Administratively-based programs to identify the areas of the National Grid service territory with the greatest transmission and/or distribution constraints, as well as

identifying potential non-wires alternative solutions (for example through use a targeted procurement process) that could cost-effectively defer or down-size traditional distribution investments.

- Targeting DERs (e.g., microgrids, EV infrastructure, DG) to neighborhoods with high economic and/or environmental locational value
- Use both existing and new targeted incentives, pricing, or both in areas with greatest distribution constraints to incentivize demand reduction
- Broad-based location-based pricing (once more granular information is readily available)
- Congestion-based pricing

While the project is not initially seeking payments for ancillary services, the benefits of this storage plus solar project to the power system alone (not including customer and societal benefits) as documented in docket 4600 (see http://www.ripuc.org/eventsactions/docket/4600-WGReport_4-5-17.pdf, Schedule B) may include (but not be limited to):

- Energy Supply & Transmission Operating Value of Energy Provided or Saved (Time- & Location-specific LMP)
- Forward Commitment: Capacity Value
- Forward Commitment: Avoided Ancillary Services Value
- Electric transmission infrastructure costs for Site Specific Resources
- Net risk benefits to utility system operations (generation, transmission, distribution) from 1) Ability of flexible resources to adapt, and 2) Resource diversity that limits impacts, taking into account that DER need to be studied to determine if they reduce or increase utility system risk based on their locational, resource, and performance diversity
- Option value of individual resources
- Energy Demand Reduction Induced Price Effect
- Greenhouse gas compliance costs
- Criteria air pollutant and other environmental compliance costs
- Innovation: learning by doing
- Distribution system Changes in risks, real-time information Qualitative Assessment, Tracking Distribution system safety gain with data monitoring/reporting provided to NEC
- Distribution system performance
- Distribution system and customer reliability / resilience impacts
- Distribution system safety gain

Given all the evident benefit that will come out of this storage and solar project, which was designed to address a distribution system deficiency in this location, the Diocese merely asks the Commission to help expedite the project it needs to improve the economics of its summer camp

for inner city youth. While the Commission's guidance for the implementation of docket 4600 sets a goal to "appropriately compensate distributed energy resources for the value they provide to the electricity system, customers, and society" the Diocese acknowledges that the State may (sadly) not yet be ready to fully evaluate and administer the allocation of such value yet.

The Diocese's petition adequately addressed the first concern the Company raises, about adequately policing against "brown power" (battery storing nonrenewable power), as did the petitioner in docket 4743. In sum, the technology prevents this possibility. As more fully explained in our petition, "today's inverter technology disables battery charging from the grid and allows charging to occur only when there is power available from the renewable energy generating facility. This solution is achievable by a number of commercially available controls. Thus, the batteries may be configured, or are configured, such that they use only the electricity generated by the direct solar radiation, and when so paired, fit squarely within the definition of an "eligible net-metering facility." Given the state of the technology, this is just a non-issue; the Commission can simply require certified technologies.

The Company's second concern, about time-varying rates, is not ripe for Rhode Island since we do not have time-varying rates yet. It can be addressed in the regulatory proceedings that will be required for the adoption of time-varying rates, another priority of docket 4600. Nevertheless, the Diocese submits that when this issue is addressed, there is no reason storage facilities should not be allowed to take advantage of the value they provide in its capacity to generate clean electricity to the grid when it is needed most. The Diocese project does not currently contemplate time-varying rates.

On the Company's third concern, allowing for the maximized value of storage by allowing discharge of stored electricity to reduce peak loading, this need not be an impediment to the

commencement of large, net-metered storage projects. However, it is true that such value of storage should be considered in the establishment of development incentives as already thoroughly addressed in docket 4600. The Diocese welcomes and encourages full implementation of docket 4600, including the notion of compensating for any such value provided.

The Company requests that the Commission consider using the wholesale market participation by storage projects to offset costs of net metering and REG programs for non-participating customers. First, this advocacy once again assumes that the implementation of storage produces net detriment to non-participating customers without engaging in a docket 4600 cost benefit analysis, which analysis the Diocese presumes would show great net benefits (as discussed above). Second, this petition pertains to net metering, not the REG program. Third, the incentives for net metering are determined by statute. The current compensatory approach is to leave such capacity benefits to the net metering customer, which accurately helps to compensate the developers for the net value storage provides to the power system, to customers and to society. The Commission cannot change that unless proposed to and approved by the general assembly. This again, is another non-issue for these proceedings.

The Company's fourth concern, about the technical challenges and practicalities of interconnecting storage, is addressed in part above. Its focus on all the challenges of interconnecting storage are not surprising given the history of advocating against recognizing and weighing the real value of distributed energy resources and the litany of obstacles that routinely confront developers' attempts to interconnect beneficial projects. How could NEP/NEC credibly read transmission system upgradescould read Nevertheless, to be specific, the Diocese proposes its storage solution for the very purpose of ameliorating interconnection

impacts raised by the Company's system as laid out in its impact study. Unless there is clear evidence that it will not, in fact, promise to do so, it does not seem equitable or appropriate for the opportunity of a storage solution to only confront added cost, delay and complexity of interconnection.

Metering requirements for storage are best considered in the power sector transformation proceeding related to automated metering infrastructure. This petition presumes that the Diocese project will not participate in the wholesale markets (for better or worse, but to simplify its disposition and get a project built as expeditiously as possible).

Lastly, the question of not exceeding the three-year average consumption of a single net metering customer is not at all relevant in the nonprofit context proposed here, i.e., remote net metering. As is common practice, the Diocese will simply complete a schedule B identifying accounts with sufficient qualified load to account for the total capacity of the east and west projects. Those accounts will receive the credits generated from electricity released from the solar project and the storage system.

Conclusion

For the reasons stated herein, the Diocese respectfully asks the Commission to issue a Declaratory Judgment confirming that generating and storage systems, where the battery storage component charges only from the renewable energy generating system, the customer-host does not take electric supply service under a time of use and where the generator does not claim the right to capacity payments or the value of ancillary services, are eligible for net metering. The Diocese also asks for the Commission's help in expediting the interconnection and development

of its project despite the Company's concerns addressed for a follow-on docket.

THE EPISCOPAL DIOCESE OF RHODE ISLAND

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CERTIFICATE OF SERVICE

I hereby certify that on November 27, 2019, I delivered a true copy of the foregoing document to the service list by electronic mail.

Seth H. Handy