

March 2, 2020

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4983 - 2020 Renewable Energy Growth Program Tariff and Rule Changes Responses to Post-Hearing Data Requests

Dear Ms. Massaro:

On behalf of National Grid,¹ I have enclosed the Company's responses to the PUC's Post-Hearing Data Requests in the above-referenced docket.

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 4983 Service List
Leo Wold, Esq.
Jon Hagopian, Esq.
John Bell, Division

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

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.

Joanne M. Scanlon

March 2, 2020

Date

Docket No. 4983– Renewable Energy Growth Program for Year 2020
RI Distributed Generation Board and National Grid
Service List updated 2/26/2020

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Post-Hearing PUC 1-1

Request:

Referencing Bates page 103 (Schedule IS-3) of the Company's November 15, 2019 filing, it states: "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."

- (a) Please explain what the effect of this provision is on residential Renewable Energy Growth Program participants if the value of net metering credits, as defined in R.I. Gen. Laws § 39-26.4-2 exceed the value of the performance-based incentive.
- (b) Given the Company's explanation that customers are credited with the total retail rate on their bills, please explain what happens if the retail rate exceeds the value of the performance-based incentive.

Response:

- (a) The Renewable Energy Growth Program is subject to R.I. Gen. Laws § 39-26.6, rather than R.I. Gen. Laws § 39-26.4-2, which governs Net Metering. As such, the definition of Renewable Net Metering Credit in Section 26.4-2 does not apply to any bill credits issued in the RE Growth Program. Those credits and the receipt of Performance Based Incentive (PBI) payments in general are only provisions of the RE Growth statute and RE Growth tariff provisions. Net metering enrollees also do not receive PBIs, as this is a function of the RE Growth program only.
- (b) Under the present terms of the RE Growth tariffs, if the total of the bill credits as defined exceeds the value of the Performance-Based Incentive Payment the Project has generated, Bill Credit recipients would receive the full bill credit value on their bill, since generated kWh are allocated to Bill Credit recipients and then monetized to offset electric service charges. The PBI Payment to the Project for generation up to the amount of usage would be zero, and the PBI payment for any generation in excess of usage in that month would be the PBI amount multiplied by that amount of generation in excess of use.

Post-Hearing PUC 1-2

Request:

If, under the provision referenced in PUC-PH-1-1, residential customers can receive credits in excess of the performance-based incentive value, please explain how it is consistent with the following:

- (a) R.I. Gen Laws § 39-26.6-20(d), the relevant part which states, “if the value of kilowatt-hour charges that otherwise would be offset by net metering in a given month exceeds the total value of the performance-based incentive for the month, the customer shall not be subject to any additional charge, nor receive any additional net-metering credit, for the difference between the performance-based incentive value and net-metering value for the month” and
- (b) R.I. Gen. Laws § 39-26.6-20(d)(4) which states that “the total value of the performance-based incentive per-kilowatt hour is the same” regardless of whether the owner is compensated through direct payments or a combination of direct payments and bill credits” and
- (c) R.I. Gen. Laws § 39-26.6-15(a) which states that small-scale solar projects will “receive a standard, performance-based incentive for the period of years in the applicable tariff, that shall be a price per kilowatt hour for the entire output of the facility.”

Response:

- (a) The cited section of the statute in its entirety states:

“(d) The performance-based incentive shall be the price-per-kilowatt-hour that was bid and awarded, or established as a standard incentive, as applicable. The performance-based incentive shall be applied as a price-per-kilowatt-hour for all kilowatt-hours actually produced from the distributed generation (net of station service, if any) for the term of years specified in the applicable tariff, less the value of any kilowatt-hour charges that were offset by any net metering (if applicable) for the host customer associated with the distributed generation for the billing month; provided, however, if the value of kilowatt-hour charges that otherwise would be offset by net metering in a given month exceeds the total value of the performance-based incentive for the month, the customer shall not be subject to any additional charge, nor receive any additional net-metering credit, for the difference between the performance-based incentive value and net-metering value for the month.”

When the Company initially interpreted the statutory language above and other sections of the RE Growth statute and developed the initial tariff language that was

Post-Hearing PUC 1-2, page 2

- filed in November 2014, several determinations were made. First, customers receiving bill credits in the RE Growth program would be receiving credits via this program's statute and tariff, and not the Net metering statute and tariff. Second, the intent of the RE Growth statute was to provide bill credits netted from the total Performance Based Incentive (PBI) value, which was then and still is higher than the retail rate total of the bill credit. And third, that the subtraction of the retail rate from the PBI value, if higher, would result in a negative number, which could be justified as a "charge" against the remaining amount of PBI or form the basis for another charge on the customer's bill, but that this clause of the statute forbade such charges. This clause was interpreted to grant to bill credit recipients the hedge value of rising retail rates and, at the time, the PUC agreed with this interpretation in approving the tariff.
- (b) The Company interprets the question to be about 39-26.6-e (4), which is quoted in part. The Company interpreted this language when developing the currently approved tariff language to mean that the PBI and the bill credit provided were not additive in any way; that is, that a customer would not receive bill credit at the retail rates defined plus a full PBI payment for the same kWh. The Bill credit would be reduced from the PBI value, subject to the limit in 26.6-d which disallowed a negative value to result from this calculation.
- (c) The Company interpreted this section when developing the currently approved tariff language to hinge on the phrase "for the entire output of the facility," for all sizes of facilities, except for generation netted as station service for Large DG projects, which would not be compensated at the PBI level. This would effectively prevent projects from committing only a portion of the project output into the RE Growth program while retaining a portion for enrollment in the Net Metering provision or a separate contractual relationship.

Post-Hearing PUC 1-3

Request:

Would the answers to PUC-PH-1-1 and PUC-PH-1-2 be the same for any customer under any of the tariffs who choose Option 2? (R.I. Gen. 39-26.6-20(e)(2). Please explain.

Response:

Yes, the treatment of bill credits for applicants that enroll via the Non-Residential RE Growth tariff would be treated consistently with the Company's answers to Post-Hearing PUC 1-1 and PUC 1-2.

Post-Hearing PUC 1-4

Request:

If the Company were to provide bill credits to residential customers in excess of the performance-based incentive value, would the Company propose to collect that difference in the net metering recovery factor or the Renewable Energy Growth Program? Why?

Response:

As stated in live testimony by witness Robin Pieri during the PUC's Docket 4983 hearing on February 6, 2020, the Company would intend to collect the value of RE Growth bill credits provided to customers that exceeded the value of their Performance Based Incentive (PBI) per their Certificate of Eligibility through the RE Growth Reconciliation Factor. As stated in Post-Hearing PUC 1-1, this is because the bill credits and the PBI payments are a function of the RE Growth statute and RE Growth Tariffs, and such facilities are not enrolled in the Company's Net Metering provision.

Post-Hearing PUC 1-5

Request:

To clarify the Company's response to Record Request 1. The PUC understands that a rider is not necessary to place a customer on the A-60 rate. However, the Company has previously referred to the 5% adder for qualifying A-60 customers as a rider. At the hearing, PUC staff stated: "The request is [that] Mr. Springsteel described one rider per bill. We want to know if that's accurate. And if so, if a customer's enrollment in the additional five percent A-60 discount is a rider, and if so, would that rider make it impossible for them to enroll in community remote DG or net metering." (Feb. 6, 2020 Hr'g Tr. at 72). Please provide clarification.

Response:

A customer can be enrolled on the A-60 rate, which does not require a rider. A customer can also have the additional 5% discount, which does require a rider. Finally, a customer can be enrolled in one of the distributed generation programs as either a host or a credit recipient and still be billed automatically.

Riders associated with similar functionality in the billing system sometimes conflict. As a result, the 5% additional discount rider does not conflict with the RE Growth or Net Metering riders, while the RE Growth and Net Metering riders do conflict with each other. This prevents a customer from being a host of both a net metering and a residential RE Growth system and billing automatically.