

**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. 4992**
FOR RENEWABLE ENERGY RECOVERY FACTOR :

REPORT AND ORDER

On November 15, 2019, 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 (factor) for the period January 2020 through June 2020.¹ In its filing, National Grid estimated that the six-month contract cost for thirty-four renewable energy contracts, which included twenty-six distributed generation contracts and eight non-distributed generation contracts, would be \$44,524,915.²

The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$28,195,844 for the same period.³ The difference between the estimated contract costs minus the customer share of forward capacity market proceeds plus related administrative costs and the market value is expected to be \$16,329,887.⁴ 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 0.543 cents per kWh. This is a decrease of 0.168 cents per

¹ National Grid’s Long-Term Contracting for Renewable Energy Recovery Factor Filing (Nov. 15, 2019) (Filing); [http://www.ripuc.org/eventsactions/docket/4992-NGrid-LTCRER-Reconciliation%20\(11-15-19\).pdf](http://www.ripuc.org/eventsactions/docket/4992-NGrid-LTCRER-Reconciliation%20(11-15-19).pdf).

² Filing at Attach. 1, at 2.

³ One of the projects under contract through the Long-Term Contracting Standard 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, at 4. This amount includes the customers’ share of net Forward Capacity Market (FCM) proceeds which total \$18,453. The customer’s share of FCM proceeds is 90% or \$16,608. Total administrative costs for the FCM is projected to be \$9,424. *Id.* at Attach. 1, p. 6.

kWh from the currently effective factor. The bill impact on a residential customer using 500 kWh per month would be a decrease of \$0.88 per month or 0.7%.⁵

On December 13, 2019, 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, 2020. In his memorandum, Division Rate Analyst Joel Munoz noted that the small decrease in the proposed Factor from the currently effective Factor is the result of an increased generator output and contract cost being offset by increased estimated market revenues from the sale of energy, RECs, and capacity.⁶ Mr. Munoz opined that the Company's calculations were correct and that the filing was in accordance with the PUC's order in Docket No. 4676, 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 December 17, 2019, 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, 2020.

Accordingly, it is hereby

(23747) ORDERED:

The Narragansett Electric Company d/b/a National Grid's Long-Term Contracting for Renewable Energy Recovery Factor of 0.543 cents per kWh for electricity consumed on and after January 1, 2020 is hereby approved.

⁵ *Id.* at Filing Letter at 1.

⁶ Mem. of Joel Munoz (Dec. 13, 2019); <http://www.ripuc.org/eventsactions/docket/4992-DPU-Memo%2012-13-19.pdf>.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2020 PURSUANT
TO AN OPEN MEETING DECISION ON DECEMBER 17, 2019. WRITTEN ORDER ISSUED
DECEMBER 18, 2019.

PUBLIC UTILITIES COMMISSION

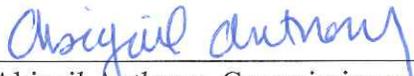




Margaret E. Curran, Chairperson



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.