Laura C. Bickel
Senior Counsel
Legal Department

February 5, 2021

VIA E-FILING and COURIER

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

Re: In Re: Commission's Review of the Benefits and Costs of Net Metering Credit Calculation Pursuant to R.I. Gen. Laws § 39-26.4-3: Docket No. 5010

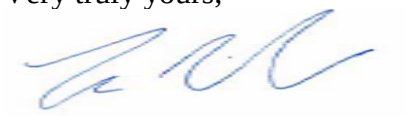
Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (the Company), enclosed for filing with the Rhode Island Public Utilities Commission (the Commission) please find the Company's response to PUC 8-1, which was issued by the Commission on January 26, 2021.

Consistent with the instructions issued by the Commission on March 16, 2020, and updated on October 2, 2020, this filing is being made electronically. Five (5) hard copies of this filing will be submitted to the Commission on Monday, February 8, 2021, with two (2) hard copies being three-hole punched.

If you have any questions, please contact me at: 781-907-2126. Thank you for your time and attention to this matter.

Very truly yours,



Laura C. Bickel
RI Bar # 10055

Enclosures

cc: Docket No. 5010 Service List

40 Sylvan Road, Waltham, MA 02451
T: 781-907-2126 ■ F: 781-296-8091 ■ laura.bickel@nationalgrid.com

Docket No. 5010 Service List as of 9/10/2020

Name	E-mail	Phone
PUC		
Luly Massaro, Clerk	Luly.Massaro@puc.ri.gov;	401-780-2107
Todd Bianco	Todd.Bianco@puc.ri.gov;	
Emma Rodvien	Emma.Rodvien@puc.ri.gov;	
Cynthia Wilson-Frias	Cynthia.WilsonFrias@puc.ri.gov;	
Raquel Webster	Raquel.Webster@nationalgrid.com;	
Vishal Ahirrao	Vishal.Ahirrao@nationalgrid.com;	
Ian Springsteel	ian.springsteel@nationalgrid.com;	
Timothy Roughan	Timothy.Roughan@nationalgrid.com;	
Brooke Skulley	brooke.skulley@nationalgrid.com;	
Kate Grant	Kate.Grant2@nationalgrid.com;	
Laura Bickel	Laura.Bickel@nationalgrid.com;	
Thomas Kender	Thomas.Kender@nationalgrid.com;	
John Kennedy	John.Kennedy@nationalgrid.com;	
Chris Kearns	Christopher.Kearns@energy.ri.gov;	
Shauna Beland	Shauna.Beland@energy.ri.gov;	
Nicholas Ucci	Nicholas.Ucci@energy.ri.gov;	
Carrie Gill	Carrie.Gill@energy.ri.gov;	
Jon Hagopian	Jon.Hagopian@dpuc.ri.gov;	
John Bell	John.Bell@dpuc.ri.gov;	
Nicole Verdi	Nicole.Verdi@governor.ri.gov;	
Maria Messick	Maria.Messick@governor.ri.gov;	
	mishag@brightplanetsolar.com;	
Alan McBride	amcbride@iso-ne.com;	
Andrew Bernstein	abernstein@kearsargeenergy.com;	
Annie Ratanasim	Annie.Ratanasim@commerceri.com;	
Ben Aparo	ben@edp-energy.com;	
Ben Swanson	ben.swanson@trinitysolarsystems.com;	
Blake Elder	belder@eq-research.com;	
Charles Nutter	cnutter@nexamp.com;	
Christian Capizzo	ccapizzo@psh.com;	
Christopher Warfel	cwarfel@entech-engineering.com;	
Dan Bosley	dbosley@necec.org;	
Dan Hendrick	dan.hendrick@clearwayenergy.com;	
Dana Weinberg	dana@sunwatt.solar;	
Daniel Pertwee	daniel.pertwee@palmettoventures.com;	
David Milner	dmilner@nugencapital.com;	

Devina Thakur	dthakur@ameresco.com;	
Doug Sabetti	doug@newportsolarri.com;	
E W Tatelbaum	etatelbaum@kearsargeenergy.com;	
Eric Beecher	eric@solpowersolar.com;	
Erika Niedowski	erika@communitysolaraccess.org;	
Ethan Gyles	egyles@nexamp.com;	
Evan Dube	evand@sunrun.com;	
Frank Epps	frank@edp-energy.com;	
Frank McMahon	fmcmahon@advocacysolutionsllc.com;	
Fred Unger	unger@hrtwd.com;	
George Zainyeh	gzainyeh@shslawfirm.com;	
Hannah Morini	hm@green-ri.com;	
Helen Anthony	helen@handylawllc.com;	
James Feinstein	james.feinstein@arcadia.com;	
Jeremy McDiarmid	jmcdiarmid@necec.org;	
Joel Lindsay	jlindsay@ameresco.com;	
Johanna Rosas	Johanna@RevityEnergy.com;	
John Habib	jhabib@keeganwerlin.com;	
Julian Dash	jdash@cleaneconomydevelopment.com;	
Karen Bradbury	karen_bradbury@whitehouse.senate.gov;	
Kate Tohme	kate.tohme@state.ma.us;	
Kathryn Chelminski	kchelminski@ameresco.com;	
Kavita Ravi	kravi@bluewavesolar.com;	
Kenneth Payne	kennethfpayne@gmail.com;	
Kleo Taliadouros	ktaliadouros@ameresco.com;	
Laura Frazier	lfrazier@nugencapital.com;	
Laura Stern	laura@nautilussolar.com;	
Lindsay McGovern	lindsay@southernskyre.com;	
Louis DiPalma	louis_dipalma@yahoo.com;	
Mark DePasquale	md@green-ri.com;	
Mark Durrenberger	mark@newenglandcleanenergy.com;	
Mark Sylvia	msylvia@bluewavesolar.com;	
Matt Sullivan	ms@green-ri.com;	
Matthew Stern	mstern@keeganwerlin.com;	
Michael Daley	mdaley@ibew99.org;	
Michael Kerr	michael@nehydropower.com;	
Michelle Carpenter	mcarpenter@tpoint-e.com;	
Miguel Silva	Miguel.Silva@directenergy.com;	
Mike Lucini	mlucini@ismgroup.com;	
Nathan Phelps	nathan@votesolar.org;	
Palmer Moore	pmoore@nexamp.com;	
Paul Del Mar	pdelmar@ameresco.com;	
Paul Raducha	praducha@kearsargeenergy.com;	

Pete Fine	pete@ussolarworks.com;	
Peter Hughes	peter@sunwatt.solar;	
Philip Small	psmall@brownrudnick.com;	
Ralph Gillis	rg@green-ri.com;	
Ralph Palumbo	ralph@southernskyre.com;	
Rick Sellers	rhsellers@gmail.com;	
Russ Mamon	russ@edp-energy.com;	
Ryan Palumbo	ryan@southernskyre.com;	
Sarah O'Neil	seo@green-ri.com;	
Scott Milnes	smilnes@econoxgroup.com;	
Sean Burke	sburke@necec.org;	
Seth Handy	seth@handylawllc.com;	
Sheila Keane	sheila.keane@state.ma.us;	
Chris Rauscher	chris.rauscher@sunrun.com;	
Sue Lyons	sue@ussolarworks.com;	
Sydney Usatine	SUsatine@riib.org;	
Thomas Champlin	Thomaschamplin4@gmail.com;	
Tom Holt	tholt@kearsargeenergy.com;	
Tyler Haines	tyler.haines@fairstead.com;	
Weezie Nuara	wnuara@iso-ne.com;	
Nicholas Al Ferzly	nalferzly@seadvantage.com;	
Jim Kennerly	jkennerly@seadvantage.com;	
Matthew Jerzyk	mjerzyk@gmail.com;	
Amanda Vanega	avanega@eq-research.com;	
Tim Woolf	twoolf@synapse-energy.com;	
Courtney Lane	clane@synapse-energy.com;	

PUC 8-1

Request:

In PUC 6-4 in Docket No. 5010, the Commission asked National Grid to provide a table with historic MDC values and "an explanation of how National Grid estimated that MDC rate, using what data." With this data request, the Commission sought to understand how National Grid calculates MDC values. While National Grid did clarify that the MDC values are calculated using a spreadsheet tool developed by ICF International, Inc., it did not explain how that tool works or what specific data it uses. To respond to the Commission's original request, please submit the following:

(a) A copy of the ICF International spreadsheet tool used by National Grid to calculate MDC values.

(b) Either within the spreadsheet tool or in a separate document, note where in the spreadsheet tool each of the "Company-specific inputs of historic and projected capital expenditures and loads, as well as a carrying charge calculated from applicable tax rates and FERC Form 1 accounting data" are input into the tool, and explain the specific origins of that data.

Response:

a) Please find attached the ICF International spreadsheet tool used by National Grid to calculate MDC values.
b) The below table summarizes the source of inputs requested by the PUC. The tool and attached PDF documentation has more detailed information, including formulas and sources.

Topic	**Tab**	**Cell**	**Source**
Historic Capital Expenditures	Summary Schedule 1	D14	NECO FORM 1 P206 L75c
Projected Capital Expenditures	Summary Schedule 1	E14	NECO FORM 1 P206 L75c
Historic Incremental Load	Summary Schedule 1	D24	2017 Company Specific Forecast Data. Peak forecast data used should be consistent with the company planning policy (for example if transmission investment is based on extreme weather expectations, the extreme weather peak forecast should be used. For consistency with the historical data, the forecast should be at the generation level.
Projected Incremental Load	Summary Schedule 1	E24	Forecast Peak MWs from NE PEAK 2015 Report, Appendix A

Prepared by or under the supervision of: Christopher Porter, John Richards, Jessica Darling

Historical Carrying Charge	Summary Schedule 1	D19	See "Carrying Charge Schedule 3 (DS)" with individual sources listed for formula components.
Projected Carrying Charge	Summary Schedule 1	E19	Equal to Historical Carrying Charge.

With respect to the historic and projected incremental load values, the AESC 2018 study recommended that the marginal distribution cost calculations conducted by National Grid should use a peak forecast inclusive of energy efficiency's impacts on peak demand.[1] When that recommendation was tested in the avoided T&D tool, the resulting calculation of avoided marginal distribution cost was more than $1000 per kW. The peak forecast omitting energy efficiency impacts was therefore used in the calculation. While this was not the recommendation of the AESC 2018 study, it provides a more conservative value for the calculation of the benefits of energy efficiency measures that impact peak demand in the absence of investment forecasts that account for the higher investment required in a counterfactual without energy efficiency.

Functionally this modeling choice accounts for the way that the T&D tool takes into account five years of historical and five years of projected peak loads in the calculation. The historical and forecasted peak demand data used account for the cumulative impact of past energy efficiency installations' impact on peak demand. Therefore, when the input forecast includes the impact of energy efficiency, the future peaks are reduced due to the cumulative effect of energy efficiency relative to the past. When forecasted investments in distribution infrastructure are divided by those lower peak forecasts the resulting marginal per-unit values are significantly higher than when the forecast of peak demand that does not account for energy efficiency is used. This treatment of investments and peak demand forecasts was used in both the Rhode Island and Massachusetts benefit cost analyses for the most recent energy efficiency program plans. These calculations and assumptions will be revisited as the AESC 2021 study concludes in Q2 2021 in advance of the 2022 Annual Energy Efficiency Plan development.

[1] AESC 2018, Section 10.2 page 208, https://www.synapse-energy.com/sites/default/files/AESC-2018-17-080-Oct-ReRelease.pdf provides helpful discussion of the considerations of the historical and forecasted distribution investment and peak demand data.