

March 30, 2020

**VIA E-FILING**

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

**Re: The Narragansett Electric Company d/b/a National Grid - Review of Proposed Power Purchase Agreement Pursuant to R.I. Gen. Laws § 39-26.1: Docket No. 5011**

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 responses to the second and third set of data requests as well as the first record request issued by the Commission. Please note that, because the Company's responses to the second set of data requests contain confidential information, the Company has included redacted versions of those responses along with a motion for protective treatment. Unredacted versions of the responses will be submitted directly under separate cover.

Consistent with the instructions issued by the Commission on March 16, 2020, this filing is being made electronically only. Hard copies will be submitted after the termination of the State of Emergency.

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. 5011 Service List

**Docket No. 5011 – The Narragansett Electric Co. d/b/a National Grid’s Review of PPA w/ Gravel Pit Solar II, LLC**  
**Service List updated 2/27/2020**

<b>Name/Address</b>	<b>E-mail Distribution</b>	<b>Phone</b>
<b>National Grid</b> John K. Habib, Esq. Keegan Werlin LLP 99 High Street, Suite 2900 Boston, MA 02110  Laura Bickel, Esq. National Grid	<a href="mailto:Jhabib@keeganwerlin.com">Jhabib@keeganwerlin.com</a> ;	617-951-1354
	<a href="mailto:MStern@keeganwerlin.com">MStern@keeganwerlin.com</a> ;	
	<a href="mailto:Brooke.skulley@nationalgrid.com">Brooke.skulley@nationalgrid.com</a> ;	
	<a href="mailto:Stephen.mccauley@nationalgrid.com">Stephen.mccauley@nationalgrid.com</a> ;	
	<a href="mailto:Katherine.wilson@nationalgrid.com">Katherine.wilson@nationalgrid.com</a> ;	
	<a href="mailto:Laura.Bickel@nationalgrid.com">Laura.Bickel@nationalgrid.com</a> ;	
Jon Hagopian, Esq. <b>Division of Public Utilities &amp; Carriers</b> 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Jon.hagopian@dpuc.ri.gov">Jon.hagopian@dpuc.ri.gov</a> ;	401-784-4775
	<a href="mailto:John.bell@dpuc.ri.gov">John.bell@dpuc.ri.gov</a> ;	
	<a href="mailto:Thomas.kogut@dpuc.ri.gov">Thomas.kogut@dpuc.ri.gov</a> ;	
	<a href="mailto:Joel.munoz@dpuc.ri.gov">Joel.munoz@dpuc.ri.gov</a> ;	
	<a href="mailto:Jonathan.Schrag@dpuc.ri.gov">Jonathan.Schrag@dpuc.ri.gov</a> ;	
Ellen Cool Levitan and Associates, Inc.	<a href="mailto:egc@levitan.com">egc@levitan.com</a> ;	
<b>Office of Energy Resources</b> Daniel Majcher, Esq. Carol Grant, Commissioner Christopher Kearns, OER Nicholas Ucci, OER	<a href="mailto:Daniel.majcher@doa.ri.gov">Daniel.majcher@doa.ri.gov</a> ;	
	<a href="mailto:nancy.russolino@doa.ri.gov">nancy.russolino@doa.ri.gov</a> ;	
	<a href="mailto:Christopher.Kearns@energy.ri.gov">Christopher.Kearns@energy.ri.gov</a> ;	
	<a href="mailto:Nicholas.Ucci@energy.ri.gov">Nicholas.Ucci@energy.ri.gov</a> ;	
<b>Gravel Pit Solar II, LLC</b> Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	<a href="mailto:jkeoughjr@keoughsweeney.com">jkeoughjr@keoughsweeney.com</a> ;	401-724-3600
	<a href="mailto:desri-notices@world.deshaw.com">desri-notices@world.deshaw.com</a> ;	
	<a href="mailto:Hy.Martin@deshaw.com">Hy.Martin@deshaw.com</a> ;	
	<a href="mailto:aaron@nleservices.com">aaron@nleservices.com</a> ;	
<b>File an original &amp; 9 copies w/:</b> Luly E. Massaro, Commission Clerk Patricia Lucarelli, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2017
	<a href="mailto:Alan.nault@puc.ri.gov">Alan.nault@puc.ri.gov</a> ;	
	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
	<a href="mailto:Patricia.lucarelli@puc.ri.gov">Patricia.lucarelli@puc.ri.gov</a> ;	
	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
	<a href="mailto:Margaret.Hogan@puc.ri.gov">Margaret.Hogan@puc.ri.gov</a> ;	
Michael Kirkwood, Pascoag Utility District	<a href="mailto:mkirkwood@pud-ri.org">mkirkwood@pud-ri.org</a> ;	

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

\_\_\_\_\_  
Petition of Narragansett Electric Company )  
d/b/a National Grid for Approval of )  
Proposed Power Purchase Agreements Pursuant to )  
R.I. Gen. Laws § 39-26.1 )

Docket No. 5011

**NATIONAL GRID’S PETITION  
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid<sup>1</sup> hereby requests that the Rhode Island Public Utilities Commission (Commission) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.3(H) and R.I.G.L. § 38-2-1, *et seq.* National Grid requests that, pending entry of findings pursuant to these provisions, the Commission preliminarily grant National Grid’s request for confidential treatment pursuant to Public Information, Commission Rule 1.3(H)(2).

**I. BACKGROUND**

On February 4, 2020, National Grid filed with the Commission its request for approval of a 20-year Power Purchase Agreement entered into by National Grid for the purchase of energy and environmental attributes from Gravel Pit Solar II, LLC’s 50 MW solar photovoltaic generating facility (the PPA), pursuant to a request for proposals for long-term contracts for renewable energy issued on September 12, 2018 (RFP). Together with its initial filing, National Grid filed a petition for protective treatment of confidential information, including in part, confidential information contained in Schedule NG-3 [CONFIDENTIAL], the RFP Evaluation Report prepared by National

<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

Grid's consultant, Tabors Caramanis Rudkevich (TCR). National Grid identified confidential information in the TCR report including forecasted market prices for energy and renewable energy certificates (RECs). National Grid sought protective treatment of those market forecasts consistent with past practices in filings related to competitive procurements of long-term contracts because market forecasting methods and evaluation protocols may be used by the Company in future or ongoing solicitations in Rhode Island or other jurisdictions. The Commission granted National Grid's request to protect confidential information in the TCR report during the evidentiary hearing in this matter on March 27, 2020.

On this date, National Grid is filing responses to the Commission's Second Set of Data Requests, which ask National Grid to provide tables comparing the forecasted energy and REC prices submitted in Docket No. 4929 and this docket.<sup>2</sup> This information is derived from TCR's market forecast and evaluation report, for which the Commission has already granted protective treatment. Accordingly, the Commission should protect the confidential information in the Company's responses to data requests PUC 2-1 and PUC 2-2.

## **II. LEGAL STANDARD**

The Commission's Rule 1.3(H) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I.G.L. §38-2-1 *et seq.*

Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority

---

<sup>2</sup> The Commission also granted protective treatment of TCR's forecasted energy and REC prices in Docket No. 4929.

under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure. In that regard, R.I.G.L. §38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The exception “protects persons who submit financial or commercial data to government agencies from the competitive disadvantages which would result from its publication.” Critical Mass Energy Project v. Nuclear Regulatory Commission, 975 F.2d 871, 873 (D. D.C. Cir. 1992); see also Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001) (adopting Critical Mass). The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely to either: (1) impair the Government’s ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal, 774 A.2d at 47 (emphasis added).

The second prong of the Providence Journal test has been interpreted to not require “a sophisticated economic analysis of the likely effects of disclosure.” New Hampshire Right to Life v. US Dept. of Health and Human Services, 778 F. 3d 43, 50 (1st. Cir. 2015) (quoting Pub. Citizen Health Research Grp., 704 F. 2d 1280, 1291 (1983)). The party opposing disclosure must establish “actual competition and a likelihood of substantial competitive injury” to bring the information under the confidential exemption. Id. In determining whether information is confidential the court should not limit its assessment of bidding information in a singular ad-hoc manner, but rather should acknowledge the likelihood of additional bids in the future. Id., at 51. As discussed further below, the Confidential Information here should be protected because it is commercial or financial

information that, if disclosed, would be likely to cause substantial harm to the competitive position of the persons from whom the information was obtained.

### **III. BASIS FOR CONFIDENTIALITY**

The information contained in the un-redacted versions of National Grid's responses to data requests PUC 2-1 and PUC 2-2 contains confidential and proprietary bid-evaluation information. Specifically, the confidential information identifies market forecasts of energy and REC prices prepared by National Grid's consultant. This information has already been protected as confidential in other evidence submitted in this proceeding and should be protected further in these responses.

The release of the redacted, confidential material to the public would compromise the ability of the Company to negotiate future purchase-power contracts because that material contains proprietary and confidential information about the Company's market forecasts of energy and REC prices. The forecasts were used by the Company to evaluate the net benefits of the project and are considered proprietary by the consultants that produced them. More importantly, however, these projections must be protected from public disclosure because the Company has used this information to evaluate bids associated with the competitive procurements in the past, and may continue to use this forecast, or similar forecasts, to evaluate future bids for renewable generation services. If other parties gain access to the details of National Grid's responses to data requests PUC 2-1 and PUC 2-2, the Company's ability to negotiate the best deals possible on behalf of customers would be compromised. Accordingly, the Commission should protect the confidential information in those documents from the public record.<sup>3</sup>

---

<sup>3</sup> The Commission has protected proprietary confidential evaluation material historically. See Docket No. 4764 November 20, 2017 Hearing on Motion for Protective Treatment.

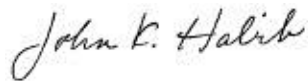
**IV. CONCLUSION**

Accordingly, the Company requests that the Commission grant protective treatment of the confidential information in the Company's responses to data requests PUC 2-1 and PUC 2-2.

Respectfully submitted,

**NATIONAL GRID**

By its attorneys,



---

John K. Habib, Esq. (RI Bar #7431)  
Keegan Werlin LLP  
99 High Street, Suite 2900  
Boston, Massachusetts 02110  
(617) 951-1400



---

Laura C. Bickel (RI # 10055)  
National Grid USA Service Company, Inc.  
40 Sylvan Road  
(781) 907-2126 phone  
(781) 296-8091 fax  
[laura.bickel@nationalgrid.com](mailto:laura.bickel@nationalgrid.com)

Dated: March 30, 2020

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission’s Second Set of Data Requests  
Issued on March 10, 2020

PUC 2-1 (Redacted)

Request:

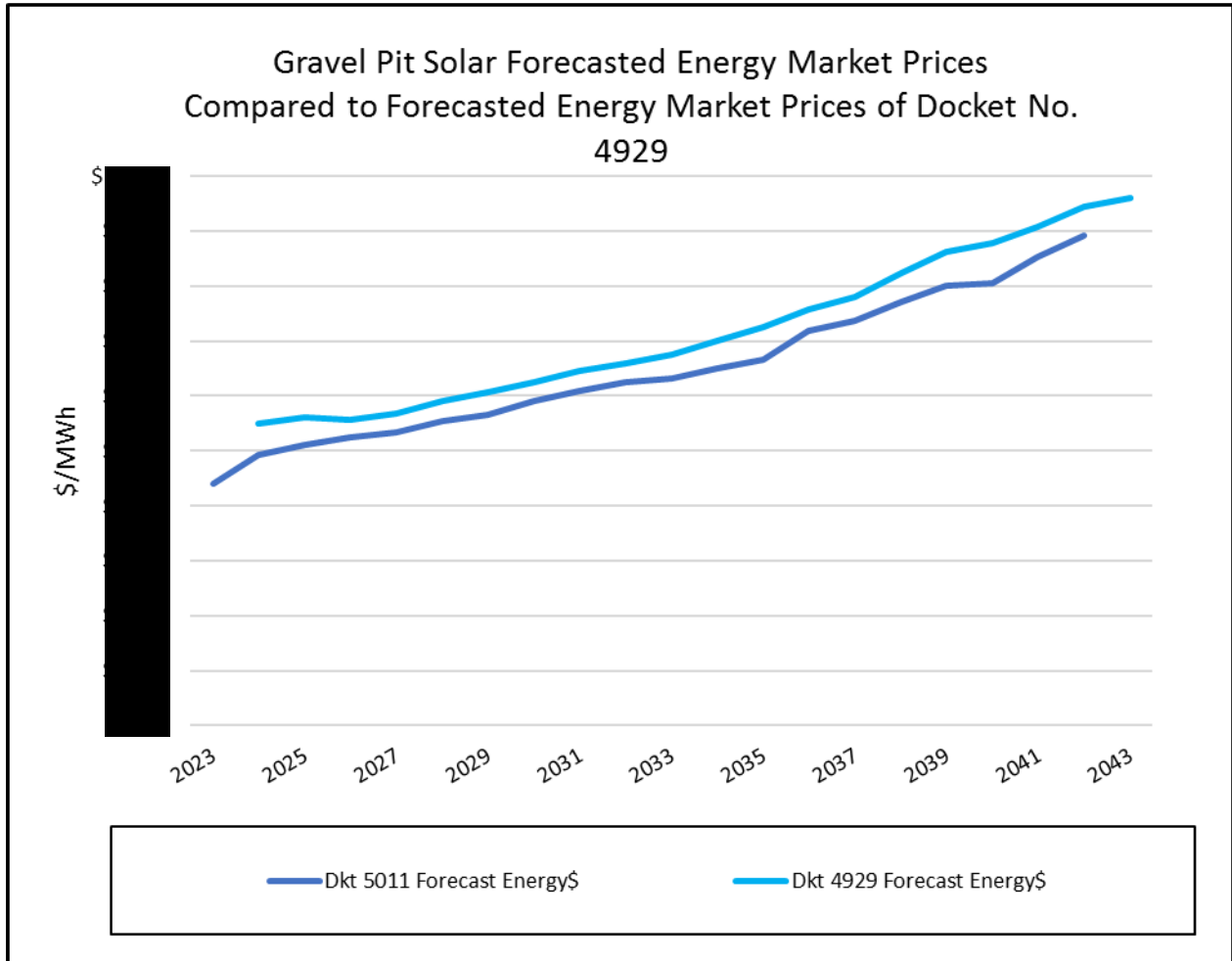
Please provide a table with the forecasted annual energy prices used in the energy market analysis submitted in this docket and the prices used in the analysis submitted in Docket No. 4929. Please provide a graph of the table.

Response:

Year	Forecasted Annual Energy Market Prices †	
	Dkt 5011	Dkt 4929
2023	\$ [REDACTED]	
2024	\$ [REDACTED]	\$ [REDACTED]
2025	\$ [REDACTED]	\$ [REDACTED]
2026	\$ [REDACTED]	\$ [REDACTED]
2027	\$ [REDACTED]	\$ [REDACTED]
2028	\$ [REDACTED]	\$ [REDACTED]
2029	\$ [REDACTED]	\$ [REDACTED]
2030	\$ [REDACTED]	\$ [REDACTED]
2031	\$ [REDACTED]	\$ [REDACTED]
2032	\$ [REDACTED]	\$ [REDACTED]
2033	\$ [REDACTED]	\$ [REDACTED]
2034	\$ [REDACTED]	\$ [REDACTED]
2035	\$ [REDACTED]	\$ [REDACTED]
2036	\$ [REDACTED]	\$ [REDACTED]
2037	\$ [REDACTED]	\$ [REDACTED]
2038	\$ [REDACTED]	\$ [REDACTED]
2039	\$ [REDACTED]	\$ [REDACTED]
2040	\$ [REDACTED]	\$ [REDACTED]
2041	\$ [REDACTED]	\$ [REDACTED]
2042	\$ [REDACTED]	\$ [REDACTED]
2043	\$ [REDACTED]	\$ [REDACTED]

† The Forecasted Energy Market Prices are results determined from the TCR Quantitative Evaluations, with the proposals in service. The forecast energy market prices are at the projects point of interconnection. (All prices are in Nominal\$)





The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission’s Second Set of Data Requests  
Issued on March 10, 2020

PUC 2-2 (Redacted)

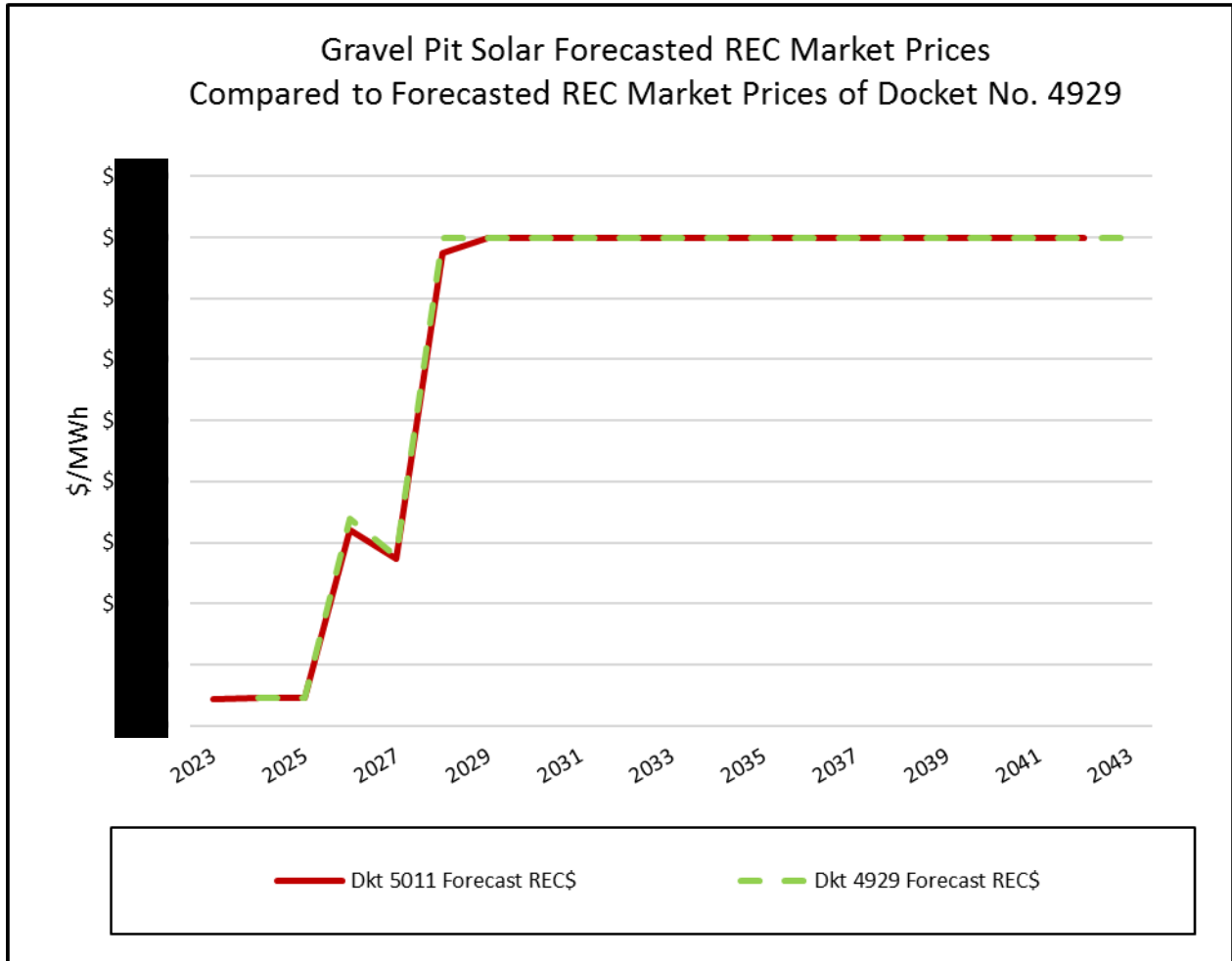
Request:

Please provide a table with the forecasted annual REC prices used in the REC market analysis submitted in this docket and the prices used in the analysis submitted in Docket No. 4929. Please provide a graph of the table.

Response:

Year	Forecasted Annual REC Market Prices †	
	Dkt 5011	Dkt 4929
2023	\$ [REDACTED]	
2024	\$ [REDACTED]	\$ [REDACTED]
2025	\$ [REDACTED]	\$ [REDACTED]
2026	\$ [REDACTED]	\$ [REDACTED]
2027	\$ [REDACTED]	\$ [REDACTED]
2028	\$ [REDACTED]	\$ [REDACTED]
2029	\$ [REDACTED]	\$ [REDACTED]
2030	\$ [REDACTED]	\$ [REDACTED]
2031	\$ [REDACTED]	\$ [REDACTED]
2032	\$ [REDACTED]	\$ [REDACTED]
2033	\$ [REDACTED]	\$ [REDACTED]
2034	\$ [REDACTED]	\$ [REDACTED]
2035	\$ [REDACTED]	\$ [REDACTED]
2036	\$ [REDACTED]	\$ [REDACTED]
2037	\$ [REDACTED]	\$ [REDACTED]
2038	\$ [REDACTED]	\$ [REDACTED]
2039	\$ [REDACTED]	\$ [REDACTED]
2040	\$ [REDACTED]	\$ [REDACTED]
2041	\$ [REDACTED]	\$ [REDACTED]
2042	\$ [REDACTED]	\$ [REDACTED]
2043	\$ [REDACTED]	\$ [REDACTED]

† The Forecasted REC Market Prices are for New Rhode Island RECs and from results determined from the TCR Quantitative Evaluations, with the proposals in service. (All prices are in Nominal\$)



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-1

Request:

Based on the testimony of the witnesses on page 19 of the joint testimony, was the primary reason that National Grid chose to procure only 50 MW primarily based on the Commission's review and approval of the Revolution Wind 400 MW offshore wind PPA in accordance with ACES?

Response:

Yes. The purpose of the RFP was to satisfy the Company's obligations under the LTCS, and to support Governor Gina M. Raimondo's goal of increasing Rhode Island's clean energy portfolio ten-fold by 2020, to reach a goal of 1,000 MW of nameplate capacity. Gravel Pit Solar was the top ranked project, it satisfied the Company's remaining obligation under the LTCS, and with the approval of the Revolution Wind PPA, the Company did not need to procure additional capacity in order to meet the Governor's 1,000 MW goal.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-2

Request:

Given the analyses in Phase 3 of project bids and the analysis provided in this docket, were there any other project bids that were likely to provide significant net market benefits to ratepayers? If so, why didn't National Grid pursue contracts with these project developers? If not, please explain how that determination was made.

Response:

Yes, other project proposals were projected to provide significant net market benefits. However, these proposals also carried significant additional costs for customers, and were not needed to meet the stated objectives of the RFP, namely, to fulfill the Company's obligations under the LTCS and to support the Governor's 1,000 MW goal. If the Company were to consider entering into voluntary contracts, then it would need to consider many factors. Besides the net market benefits, the Company would likely consider: how the project meets policy and statutory goals; the cost effectiveness; alternative measures; economic development; project location; volatility of the future benefits; term; execution timing; and commercial operation date.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-3

Request:

Does National Grid have any incentive to enter into likely below market long-term contracts? If so, what is that incentive?

Response:

Yes, National Grid generally shares the Governor's 1,000 MW goal, and making below market renewable energy purchases helps the Company meet its clean energy goals, along with the Governor's goal. However, the Company weighs a number of factors in deciding whether to enter into a contract, as described in the Company's response to data request PUC 3-2.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-4

Request:

Did National Grid consider proposing a shared savings (and/or cost) incentive for discretionary long-term contracts? If so, why has National Grid not proposed one?

Response:

The Company did not view an incentive proposal as necessary or appropriate in this case. Please refer to the Company's response to Record Request 1.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-5

Request:

Is the Company voluntarily procuring approximately 2.62 MW above the statutory requirement of 90 MW of contract capacity?

Response:

The Company selected the top-ranked project proposal that would fulfill its obligation under the LTCS, but it does not believe that it is voluntarily procuring an additional 2.62 MW. The project with the greatest amount of net benefits was the 50 MW Gravel Pit Solar project, which, at this time, fulfills the Company's 90 MW minimum LTCS requirement, and results in an additional 2.62 MW of contract capacity. The Company received the Commission's approval of long-term contracts on a prior occasion that exceeded 100% of its minimum contract capacity, and its remuneration was not "capped" in that instance. See Docket No. 4574, PUC Order No. 22209, at 1. It is possible that projects already approved may not become operational and therefore it is not certain how much additional contract capacity will be purchased.



The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-6

Request:

Did National Grid receive any responses to the RFP issued under Docket 4822 for nameplate capacity 40 MW or less? Did National Grid receive any responses to the RFP issued under Docket 4822 for contract capacity 11 MW or less? If so, how did those proposals compare to the selected project?

Response:

Yes, among the 19 proposals that provided below market direct benefits, nine of them had a nameplate capacity of less than 40 MW. The contract capacity of each of these same nine projects was under 11 MW, and the Company would have had to select at least three of them to form a combined contract capacity equal to or greater than the current 10.74 MW requirement. However, none of these project proposals were highly ranked and each had significantly higher contract costs than the selected Gravel Pit Solar project.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-7

Request:

Why is the Company proposing automatic remuneration for the approximately 2.62 MW above the statutory requirement of 90 MW instead of a performance-based incentive?

Response:

The Company did not believe it necessary or appropriate to propose a performance-based incentive for the approval of the Gravel Pit Solar contract. The Company is entitled to remuneration under R.I. Gen. Laws § 39-26.1-4 on payments under an approved contract.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-8

Request:

Referencing Docket 4822, National Grid's response to PUC 1-1. Does the Company maintain that: "For any additional capacity above this obligation voluntarily procured by the Company, the Commission has the discretion to approve remuneration in the form of incentives, pursuant to its general supervisory authority over the Company and its authority to set just and reasonable rates." Is this still National Grid's position?

Response:

As stated in the Company's response to data request PUC 3-5, the Company does not view the Gravel Pit Solar contract as a voluntary procurement. Please refer also to the Company's response to Record Request 1.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-9

Request:

Was a purpose of the Revolution Wind PPA filed in Docket 4929 to help meet Governor Raimondo's 1000-MW goal? If so, and given National Grid's response to PUC 1-14, did the Company consider any of the bids received in response to the RFP in Docket 4822 as an option to meet that goal? Why or why not?

Response:

Yes, meeting the Governor's 1,000 MW goal was one purpose of signing the Revolution Wind PPA. If the Revolution Wind PPA had not been approved, the Company may have considered entering into additional contracts from projects that submitted proposals in response to the RFP, if they were deemed to provide significant overall benefits for customers (*i.e.*, direct, indirect benefits, economic benefits to RI, more certainty to benefits, shorter term, etc.).

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-10

Request:

Does the testimony on page 19 mean that the Company considered the 400 MW of nameplate capacity in the Revolution Wind PPA as a substitute for bids received in Docket No. 4822 to meet any State or Administration renewable energy or greenhouse gas emissions goals?

Response:

Yes.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-11

Request:

In National Grid's original filing in Docket No. 4822, the anticipated dates in the RFP schedule on page 18 show a conditional selection date of March 22, 2019. Why did this date change to May 2, 2019 in National Grid's compliance filing in Docket No. 4822?

Response:

There were two reasons for these changes to the schedule. At a hearing in Docket No. 4822, the Commission directed the Company to make changes to the RFP, which required changing the issuance date of the RFP. A new issuance date shifted the whole RFP schedule. Then, the change in the RFP schedule created a workload conflict for the Company's consultant, and a few extra weeks had to be included.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-12

Request:

Is it National Grid's position that since the Revolution Wind PPA was executed and assuming the minimum standard under the Long-Term Contracting Standard has been met that no further opportunities for long-term renewable contracts need to be sought and/or taken?

Response:

By signing both the Revolution Wind PPA and the Gravel Pit Solar PPA within the last 2 years, the Company has committed to purchase up to 450 MW of clean energy -- a sizable purchase that both meets its obligations, and furthers the Governor's 1,000 MW goal. With these two contracts and other sources, the Company expects to have a surplus of renewable energy certificates. Accordingly, for now, the Company does not expect to run additional solicitations or make additional clean energy purchases. However, as stated in the Company's response to data request PUC 3-5, it remains possible that some projects under contract will not achieve commercial operation. In that case, the Company would coordinate with others, as described in the Company's response to data request PUC 3-13, below.

The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 5011  
In Re: Review of Power Purchase Agreement  
Responses to the Commission's Third Set of Data Requests  
Issued on March 24, 2020

---

PUC 3-13

Request:

In National Grid's response to PUC 1-6 in Docket No. 4822, National Grid explained, "If 400 MW are not procured through this RFP, the Company will continue to coordinate with the OER and Division to determine if additional solicitations are desirable." How will the Company, the OER, and the Division coordinate and determine if additional solicitations are desirable?

Response:

By selecting the Revolution Wind and Gravel Pit Solar PPAs, the Company has exceeded its targets. Even though the Company has exceeded its targets, it will continue to coordinate with the OER and the Division to help achieve the Governor's 1,000 MW goal if additional solicitations are the most cost-effective solution, and after considering the factors identified in the Company's response to data request PUC 3-2.



Record Request 1

Request:

- a. If National Grid was given a choice between no remuneration for the 2.62 MW above the 90 MW contract capacity requirement in the LTCS or a shared savings mechanism for that 2.62 MW, which option would National Grid prefer?
- b. Would National Grid be amenable to proposing a shared savings mechanism for the 2.62 MW above the 90 MW contract capacity requirement in the LTCS?

Response:

- a. The Long-Term Contracting Standard for Renewable Energy under Rhode Island General Laws Section 39-26.1 (or the LTCS) provides that “electric distribution companies shall be entitled to financial remuneration and incentives” which “shall be in the form of annual compensation, equal to two and three quarters percent (2.75%) of the actual annual payments made under the contracts” to “compensate the electric distribution company for accepting the financial obligation of the long-term contracts” approved under the LTCS. As neither of the presented options would ensure National Grid is provided the full financial compensation it is entitled for all actual Gravel Pit Solar contract payments, including those associated with this 2.62 MW, neither option presents an appropriate or acceptable choice to the Company.
- b. National Grid would not be amenable to proposing a shared saving mechanism for determining compensation for the financial obligation the Company is accepting for this 2.62 MW of contract capacity, as it is not within the Company's control to maximize or ensure any level of savings from the Gravel Pit Solar contract over the 20-year term. The actual net benefits of the contact will be driven primarily and almost entirely by market prices for energy and renewable energy certificates to be determined well into the future. While National Grid and its consultant, through comprehensive analysis and modeling, have provided well-considered, reasonable projections of such prices utilized in the projected contract savings, the Company has no ability to control future market prices, and thus no ability to control the actual savings to be realized from this long-term contract. It is the very nature of these markets, whose volatility in energy prices, renewable energy credits, capacity and other ancillary payments to generators cause the developers and financiers of large-scale renewable projects to seek/demand power purchase agreements for surety of revenues in the first place. The LTC statute shifts market risk from the developer to the EDC to provide more revenue surety to renewable generators. Imposing

risk onto the EDC without allowing the remuneration the legislation clearly authorizes further shifts risks that the developer would normally have absorbed within the wholesale markets construct.

While a shared savings mechanism may be appropriate to consider in certain circumstances in which the Company may in fact be able to affect or control the ultimate savings to customers, and when such mechanism might provide an appropriate incentive for the Company to act in ways which might maximize such savings, as explained above, such a circumstance does not exist here. However, it is important to note that the LTCS language describing the required “annual compensation, equal to two and three quarters percent (2.75%) of the actual annual payments” as “financial remuneration and incentives” indicates that the LTCS was established with the understanding that the prescribed remuneration was appropriate not only to compensate the Company for the financial obligation it was accepting under the long-term contracts, but also as a potential incentive to continue to do so.

In the case of the proposed long-term contract with Gravel Pit Solar, the Company is providing value to customers by enabling cost-effective financing for the project that would not be obtainable without the use of the Company's balance sheet, which in turn relies on the capital supplied by investors. Remuneration of 2.75 percent will: (1) compensate the Company for strategically utilizing its balance sheet and strong credit profile to advance the public interest objectives of the LTCS; (2) mitigate the financial risks to the Company associated with the long-term, fixed financial obligations under the Contract, thereby supporting the Company's financial flexibility and strong credit profile, which are required to efficiently fund its ongoing utility operations and to enter into long-term renewable energy contracts; and (3) enable significant net benefits to its customers after consideration of the remuneration payments, while advancing the public policy objectives that the LTCS intends to achieve.