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Senior Counsel
Legal Department

August 31, 2020

VIA E-FILING

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

Re: Docket 5060 - Hexagon Energy, Inc. – Petition for Declaratory Judgment

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 comments on the petition filed by Hexagon Energy Inc. on August 13, 2020.

Consistent with the instructions issued by the Commission on March 16, 2020, this filing is being made electronically. Hard copies will be sent to the Commission and the service list as soon as possible.

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,

A handwritten signature in blue ink, appearing to read "L. C. Bickel".

Laura C. Bickel
RI Bar # 10055

Enclosures

cc: Docket No. 5060 Service List

**Docket No. 5060 – Hexagon Energy, Inc. – Petition for Declaratory Judgment
Service List Updated 8/20/2020**

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Comments of The Narragansett Electric Company d/b/a National Grid

The Narragansett Electric Company d/b/a National Grid (National Grid) would like to offer these comments as its initial response to the petition of Hexagon Energy Inc. (Hexagon), which was filed on August 13, 2020. Hexagon has sought relief from the Rhode Island Public Utilities Commission (Commission) to develop two solar photovoltaic generating facilities on adjacent properties for inclusion within the Renewable Energy Growth (REG) program: (1) the Superior Solar project as a Community Remote Distributed Generation (CRDG) project; and (2) the Semistream Solar project as a carport project. If allowed, both the CRDG project and the carport project would qualify within the Commercial Solar category.

National Grid generally agrees with the statement of the facts presented in Hexagon's petition, and as explained in more detail below, it has no objection if the Commission approves Hexagon's request for permission to qualify both projects – the Superior Solar CRDG project and the Semistream Solar carport project – for the REG program. The Company would also note that it finds the following facts to be significant: (1) the projects were submitted into different REG enrollments (*i.e.*, the third enrollment of 2019 versus the second enrollment of 2020); (2) CRDG and carport are two different use-cases for renewable energy installations, for different hosts, and will serve different customer needs (*i.e.*, bill credits versus payments); (3) the two projects will be sited on land that is separately owned by seemingly unaffiliated parties; (4) the two projects are pursuing separate interconnections, and will be electrically separate; and (5) the two projects are pursuing separate permitting processes. For all of these reasons, the Company agrees with Hexagon's assertions that these projects should not be barred by the prohibition on project segmentation within the tariff, and the Commission should allow both projects to be developed as REG projects.

As Hexagon claims, upon review of the exceptions included within the tariff, National Grid does not find that it has discretion to interpret the tariff or to allow additional exceptions and, therefore, it could not approve the enrollment of both projects in the REG program without Commission review. Specifically, Section 5 of the tariff, titled "Project segmentation," states that "[b]efore making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation" This section of the tariff then enumerates the allowable exceptions for two or more DG projects located on contiguous parcels, which include: (i) using different renewable energy resources; (ii) using the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project; (iii) serving different non-residential customers and both customers receive bill credits under Option 2 as defined in Section 8.c of the tariff; and (iv) the projects' combined nameplate capacity does not total to an amount that exceeds the class nameplate range of the enrollment class of the individual projects.

As noted above, Hexagon's two projects will use the same renewable energy resource (*i.e.*, solar photovoltaic generation), which means that they cannot meet exception (i), and they will be electrically segregated and separately metered, as per exception (ii)(1) and (2), but 24

months will not have elapsed between the completed interconnection of one and the beginning of construction of the second one, as required by exception (ii)(3). The Superior Solar project is in the CRDG enrollment class and will be entitled to Performance-Based Incentive Payments in the form of Bill Credits (Option 2). The Semistream Solar carport project has claimed that it can not use the Bill Credit option (Option 2) because the landowner's existing trucking facility does not have adequate electric load to use one hundred (100) percent of the carport project's output. Since both projects will not be receiving bill credits under Option 2, exception (iii) does not apply. Thus, only exception (iv) remains, which states that the projects' combined nameplate capacity must not exceed the maximum size allowable within that "enrollment class." Adding the nameplate capacity of Hexagon's two projects (991 kilowatts (kW) each) would exceed the maximum capacity allowable as "Commercial Scale" solar, which the Company perceives to be "the enrollment class." Thus, the Semistream Solar carport project does not appear to qualify under exception (iv) either.

Having evaluated the projects against the exceptions listed in the tariff, the Company's view is that they cannot meet any of the exceptions, in full. However, the Company does not view these projects as "segmented" in the manner that the anti-segmentation provision of the tariff was intended to prohibit, based on the additional facts mentioned above and certain inferences. Specifically, Hexagon could not have combined the two projects and developed one Large-Scale Solar with a CRDG and a carport component. Finally, the two projects are seeking different prices within the REG program that are only available to a limited amount of solar capacity. The Company's assessment concluded that Hexagon proposed two individual projects, and not one project that has been artificially segmented to qualify for higher ceiling prices. For all of these reasons, the Company has encouraged Hexagon to apply to the Commission for relief from the terms of the tariff.

If the Commission grants relief to the Hexagon projects and finds that they are not violating the anti-segmentation provision within the REG program, then the Company can consider the Semistream Solar carport project and include it in the second enrollment of 2020 filing, which the Company plans to file with the Commission on Tuesday, September 15, 2020. If the Commission does not grant relief by Friday, September 4, 2020,¹ then the Company would require the Semistream Solar carport project to re-qualify in the third enrollment of 2020 against new projects.

¹ REG projects are provided up to five (5) business days to supply a Performance Guarantee Deposit. In order to submit the results of the second enrollment of 2020 on approximately September 15, 2020, the Company would need to know whether the Semistream Solar project was includable by September 11, 2020, which would be five (5) business days after September 4, 2020.