

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held February 10, 2016

Attendees: Chairperson Margaret Curran, Commissioner Paul Roberti, Commissioner Herbert DeSimone, Patricia Lucarelli, Amy D'Alessandro, Alan Nault, Sharon Colby Camara, Todd Bianco and Luly Massaro.

Chairperson Curran called the open meeting to order at 10:00 A.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Minutes of Open Meetings held on January 29, 2016 – After review, Commissioner DeSimone moved to approve the minutes and Commissioner Roberti seconded the motion. The motion to approve the minutes was unanimously passed. **Vote 3-0.**

3476 – The Narragansett Electric Co. d/b/a National Grid –The PUC reviewed National Grid's January 22, 2016 request to modify the frequency of a reporting requirement from monthly to semi-annually. This reporting requirement provides an on-going monthly report to the PUC as to the number of customers who sought their gas service turned on for any reason and amount of time they waited after seeking their service to be turned on. Beginning with the 2016 data, National Grid proposes to file this report on a semi-annual basis within sixty (60) days following June 30 and December 31 each year. In its request, the company represents that the Division supports this request.

After review and discussion, Commissioner Roberti moved to approve National Grid's amendment for filing the report from monthly to semi-annually. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0.**

4589-A – The Narragansett Electric Co. d/b/a National Grid & 4589-B - RI Distributed Generation Board

The PUC review of the record relating to National Grid's proposed 2016 Renewable Energy Growth Program, Tariff and Rule Changes, and SolarWise Program. Also, the record relating to the Distributed Generation Board's Report and Recommendation Regarding the 2016 Renewable Energy Growth Classes, Ceiling Prices and Targets filed with the PUC on November 13, 2015.

4589-B

The PUC discussed the Board's recommended ceiling prices for the 2016 RE Growth Program Year. The PUC noted that all of the ceiling prices recommended by the Board reflected the CREST Model ceiling prices, with the exception of the Medium Solar Class ceiling price. The Board recommended a ceiling price of 24.40 ¢/kWh for the Medium Solar Class despite the fact that the CREST Model yielded a ceiling price of 22.50¢/kWh including bonus depreciation. The Board's reason for this departure was to maintain the ceiling price approved in 2015 for this class in effort to jumpstart enrollment in this class which had been low in the prior year. Commissioner DeSimone noted that the Board had not applied this same reasoning for other classes. This was evident from the fact that the Board's recommended ceiling prices for all of the other classes reflected the CREST

Model ceiling prices despite instances of low enrollment in other classes, due to longer lead times, such as the hydro and anaerobic digestion classes.

Chairperson Curran stated that while it may be acceptable to deviate from the CREST Model, the Board did not demonstrate justification to so deviate in this particular instance. Commissioner Roberti felt the CREST Model is not a talismanic law and that the Board should be given deference to depart from the CREST Model. Commissioner DeSimone moved to approve a ceiling price of \$22.55 for the Medium Solar class which is the CREST Model ceiling price, including bonus depreciation, according to the Board's Record Response No. 4, filed January 25, 2016. Chairperson Curran seconded the motion. The motion passed by **vote 2-1**.

Commissioner Roberti moved to approve the remainder of the ceiling prices as filed by the DG Board and supported by the Division, with exception of the Pilot Program ceiling prices which were deferred for discussion. Commissioner DeSimone seconded the motion and the motion was unanimously passed. **Vote 3-0**.

The PUC found the pilot to be a well-intended program, however, there was no study or anything in the record to support the need or justify approval of the pilot. Commissioner DeSimone was concerned that there would be unintended beneficiaries of the Pilot Program and also that the ceiling price for the small solar category would be approximately 49¢/kwh, including the Solarwise bonus. Based on these concerns, Commissioner DeSimone moved to reject the pilot program ceiling prices without prejudice. He further moved that the 2 MW dedicated for the Pilot be reallocated to the Large Solar Class. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0**. The Board was encouraged to further study the need for the Pilot Program and to address the PUC's concerns in its 2017 Report and Recommendations.

Commissioner DeSimone moved to approve the Distributed Generation Board's recommended classes and targets, including the Large Solar Class, updated by the additional 2MW allocated from the Pilot Program. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0**.

The PUC discussed and acknowledged public comment received from Robert Cioe on February 1, 2016. The PUC found that there was no evidence in the record to support a finding that the ceiling prices for the hydro classes are either inappropriate or otherwise inconsistent with the law.

4589-A

Commissioner DeSimone moved to approve National Grid's 2016 RE Growth Tariffs, Rules Changes and SolarWise Program finding them overall to be consistent with the policy and provisions of the RE Growth Act. Chairperson Curran seconded the motion and the motion was unanimously passed. **Vote 3-0**.

The PUC concluded the meeting by citing a record response filed by the Company on February 9, 2016. According to the record response, the estimated total incremental, itemized cost of the RE Growth Program through March 31, 2040, that will be charged to

customers through the RE Growth Factor, is \$626 million. The above market cost associated with this Program, through 2040, is \$590 million. As we move forward, everyone should be aware of the costs of this Program. The benefits of the Program should also be quantified better.

The open meeting adjourned at 11:05 A.M.