



STATE OF RHODE ISLAND

Public Utilities Commission

89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500

Chairman Ronald T. Gerwatowski
Commissioner Abigail Anthony
Commissioner John C. Revens, Jr.

MEMORANDUM

To: Chairman Gerwatowski, Commissioners Anthony and Revens
From: Cynthia Wilson-Frias, Chief of Legal Services
Date: September 12, 2022
Re: Docket Nos. 5090 and 5103 – Exeter and Dry Bridge Dispute Resolution Matters
Final Report Closing the Matter

I. Background

On November 18, 2020, Exeter Renewables 1, LLC filed a Petition for Dispute Resolution (Petition) under Section 9.0 of the Standards for Connecting Distributed Generation RIPUC No. 2180 (DG Tariff).¹ On January 13, 2021, a Petition for Dispute Resolution was filed by Dry Bridge Solar 1, LLC, Dry Bridge Solar 2, LLC, Dry Bridge Solar 3, LLC, and Dry Bridge Solar 4, LLC (Dry Bridge).² Exeter is responsible for one 10 MW project while Dry Bridge is responsible for the remaining 40 MW. Each of the 10 MW projects has its own point of common coupling.

The Petitions pertain to the same five 10 megawatt (MW) solar projects to be constructed on a former sand and gravel site in North Kingstown, Rhode Island that were the subject of Docket No. 4956. In early 2019, The Narragansett Electric Company d/b/a National Grid (Narragansett) advised the Petitioners that it could not provide them with an Interconnection Service Agreement (ISA) until completion of a Western RI Area transmission Study (ASO Study). To advance more quickly, the parties agreed to amend the ISA (Conditional ISA) to allow construction of the known system modifications to proceed prior to the identification of all final costs which might arise from the ASO Study. Thus, finalization of the ISA was conditioned upon the itemization of any additional expenses that may arise from the ASO study.³ No additional system modifications resulted from that transmission study.

¹ An updated version of the DG Tariff, RIPUC No. 2244 was approved by the Commission in August 2021. Relevant portions of Section 9.0 remain unchanged. Following disclosure of the fact that my spouse is an attorney at the firm representing Narragansett, the parties affirmatively consented to my providing assistance in this matter.

² Exeter and Dry Bridge will be collectively referred to as Petitioners unless there is a need to reference them separately.

³ The Public Utilities Commission (Commission) found that Conditional ISAs negotiated between Narragansett and Energy Development Partners (EDP) were not inconsistent with the DG Tariff. PUC Open Meeting Minutes (Oct. 18, 2019); <https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/4956-OM-Minutes-October-18-2019.pdf>.

This dispute primarily concerns the respective parties' responsibility for certain costs associated with the Wickford Junction Substation, namely the ongoing transmission related operation and maintenance (O&M) charges (identified as DAF charges) Narragansett included in a "Final" ISA issued in August 2020 (August 2020 ISA).⁴ The dispute arose from the fact that the DAF charge was not identified by Narragansett in the five Conditional ISAs applicable to these projects nor in a July 2020 Impact Study. It was not until the August 2020 ISA that Narragansett identified certain modifications as ASO upgrades, all of which had been previously identified as Narragansett transmission assets. Petitioners argue that, per the terms of the Conditional ISA, because the DAF charges are assessed on the same capital expenses previously identified in the Conditional ISA as "System Modifications" at the Company's substation, they cannot now be assessed to Petitioners.

In its responses filed on December 3, 2020, in Docket No. 5090 and January 22, 2021, in Docket No. 5103, Narragansett asserted that the plain language of the Conditional ISAs allows Narragansett to include these previously undisclosed costs and thus, it is within its rights to require the Petitioners to sign new final ISAs which include these costs. Narragansett noted that ASO costs were specifically excluded from limitations in the Conditional ISAs.⁵

II. Process and Result

An initial meeting was held on December 10, 2020, with Exeter, Narragansett, and New England Power. An initial meeting with Dry Bridge, Narragansett, and NEP was held on February 2, 2021. This matter has exceeded the time limits in the DG Tariff with the consent of the parties. Information was exchanged and meetings were held through September 27, 2021, while negotiations on various proposals were conducted. Ultimately, after spending the summer of 2021 considering various proposals for resolution, the parties had not reached agreement. At a meeting held on September 27, 2021, it was agreed the parties were at an impasse.

On October 25, 2021, I issued a draft Report with a series of recommendations to only the parties to this dispute resolution. As a result of that draft Report, Narragansett agreed not to include the assessment of DAF charges in the five projects' ISAs and to honor the Conditional ISAs.⁶ The parties, however, desired to update the Attachments to the Conditional ISAs. Several status meetings have been held over the last ten months. As of September 1, 2022, ISAs have not been finalized, primarily due to new transmission related developments that were not part of the initial dispute. A final meeting was held on September 1, 2022, with counsel for the parties and one of Exeter's principals. At the conclusion of the meeting, I advised that I was going to issue a final report to the Commission per Section 9.1 of the DG Tariff and close this matter as resolved.

⁴ Dry Bridge stated that it is not challenging the capital expense items included in the ISAs. Dry Bridge Pet. at 3. Exeter questioned the validity of the capital expense items. Exeter Pet. at 3.

⁵ Conditional ISA at Section 5.1.

⁶ The Wickford Junction Substation is a 108 MW substation. The Conditional ISAs include the costs of the full 108 MW, subject to later cost sharing with other anticipated projects under study. In its Petition, Exeter had sought additional transparency on design and cost based on a concern that it may be "being improperly charged to over-build interconnection capacity for 58 MW of unrelated future solar projects." (Exeter Pet. at 3). The Conditional ISAs and statements made during the dispute resolution made it clear that Exeter and Dry Bridge agreed to be responsible for the full cost of the total capacity of the Wickford Junction Substation. Therefore, Narragansett did not violate R.I. Gen. Laws § 39-26.3-4.1 by including the costs for 108 MW in the Conditional ISA.