

February 14, 2023

**VIA ELECTRONIC MAIL**

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

**RE: Docket No. 22-48-REG – The Narragansett Electric Company d/b/a Rhode Island Energy  
Tariff Advice to Change the Renewable Energy Growth Cost Recovery Provision and  
Long-Term Contracting for Renewable Energy Recovery Reconciliation Provision**

Dear Ms. Massaro:

In accordance with 810-RICR-00-00-1.10(C),<sup>1</sup> The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”) files this tariff advice to amend (1) the Company’s electric tariff entitled Renewable Energy (“RE”) Growth Cost Recovery Provision, R.I.P.U.C. No. 2262, which would supersede the existing Renewable Energy Growth Cost Recovery Provision, R.I.P.U.C. No. 2219, effective March 20, 2023; and (2) the Company’s electric tariff entitled Long-Term Contracting for Renewable Energy Recovery Reconciliation (“LTCRER”) Provision, R.I.P.U.C. No. 2267, which would supersede the existing LTCRER Provision, R.I.P.U.C. No. 2175, effective March 20, 2023.

This letter also represents the Company’s reply to the Memorandum filed in the above-referenced docket by the Division of Public Utilities and Carriers (“Division”) dated February 1, 2023. The Company is alignment with the Division’s recommendation that both the RE Growth Cost Recovery Provision and the LTCRER Provision should reflect the customer deposit rate for the purpose of calculating interest. To effectuate the Division’s recommendation, this filing includes an updated proposed RE Growth Cost Recovery Provision and proposed LTCRER Provision.

**Requested Approval**

The Company respectfully requests that the Public Utilities Commission (“PUC”) approve (1) the updated proposed RE Growth Cost Recovery Provision as presented in this filing; (2) the proposed LTCRER Provision as presented in this filing; and (3) the transitional application of the proposed interest rates across upcoming filings as presented in Schedule SB-1 of this filing.

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<sup>1</sup> The Public Utilities Commission’s Rules of Practice and Procedure are codified as 810-RICR-00-00-1.

### **Enclosures**

Attached are the following documents:

- A redlined version of the proposed RE Growth Program Cost Recovery Provision which compares the proposed tariff (R.I.P.U.C. No. 2262) to the existing tariff (R.I.P.U.C. No. 2219);
- A clean version of the proposed RE Growth Program Cost Recovery Provision (R.I.P.U.C. No. 2262 cancelling R.I.P.U.C. No. 2219);
- A redlined version of the proposed LTCRER Provision which compares the proposed tariff (R.I.P.U.C. No. 2267) to the existing tariff (R.I.P.U.C. No. 2175);
- A clean version of the proposed LTCRER Provision (R.I.P.U.C. No. 2267);
- Schedule SB-1 – A table that shows what interest was used in recent filings and which interest will be used in upcoming filings; and
- A draft notice that will be published in The Providence Journal to notify the public of the filing in accordance with 810-RICR-00-00-1.10(C)(2).

### **Proposed Tariff Changes**

Specifically, the proposed changes to the tariff are as follows: (Please refer to the redlined version to align with the cited page numbers.)

### **RE Growth Cost Recovery Provision**

- 1) On Page 1 of 6, delete reference to “d/b/a National Grid.” This change is the same as proposed by the Company in its initial tariff advice filing dated November 16, 2022. Through its Memorandum dated February 1, 2023, the Division indicated it had no objection to this change.
- 2) On Page 1 of 6, spell out “Rhode Island General Laws” instead of abbreviating. This change is the same as proposed by the Company in its initial tariff advice filing dated November 16, 2022. Through its Memorandum dated February 1, 2023, the Division indicated it had no objection to this change.
- 3) On Page 2 of 6, spell out “Rhode Island General Laws” instead of abbreviating. This change is the same as proposed by the Company in its initial tariff advice filing dated November 16, 2022. Through its Memorandum dated February 1, 2023, the Division indicated it had no objection to this change.

- 4) On Page 2 of 6, update the citation from Rhode Island General Laws Section 39-26-2(15) to Rhode Island General Laws Section 39-26-2(14). The updated citation aligns with the statutory definition of a New England Generation Information System certificate. This change is the same as proposed by the Company in its initial tariff advice filing dated November 16, 2022. Through its Memorandum dated February 1, 2023, the Division indicated it had no objection to this change.
- 5) On Page 2 of 6, update the definition of “Short Term Interest Rate” from the interest rate applicable to “borrowers from the National Grid USA Money Pool” to the interest rate applicable to “the customer deposit rate.” This change is in response to the Division’s Memorandum dated February 1, 2023, through which the Division recommended using the customer deposit rate.
- 6) On Page 6 of 6, spell out “Rhode Island General Laws” instead of abbreviating. This change is the same as proposed by the Company in its initial tariff advice filing dated November 16, 2022. Through its Memorandum dated February 1, 2023, the Division indicated it had no objection to this change.

#### **LTCRER Provision**

- 7) On Page 3, change from the Company’s short-term interest rate to the customer deposit rate. This change is in response to the Division’s Memorandum dated February 1, 2023, through which the Division recommended using the customer deposit rate.
- 8) On Page 5, change from the Company’s short-term interest rate to the customer deposit rate. This change is in response to the Division’s Memorandum dated February 1, 2023, through which the Division recommended using the customer deposit rate.

#### **Notice Requirements**

Pursuant to 810-RICR-00-00-1.10(C)(3) and subject to 810-RICR-00-00-1.10(C)(2), absent an order issued by the PUC to approve or suspend the proposed RE Growth Cost Recovery Provision, R.I.P.U.C. No. 2262, and the LTCRER Provision, R.I.P.U.C. No. 2267, they shall go into effect on March 20, 2023.

In accordance with 810-RICR-00-00-1.10(C)(2), the Company will provide notice of the proposed tariff provisions, to the public, the Division, and the Office of the Attorney General at least thirty days prior to the effective date. The Company also encloses a draft notice that will be published in The Providence Journal to notify the public of the filing in accordance with 810-RICR-00-00-1.10(C)(2).

Luly E. Massaro, Commission Clerk  
Docket No. 22-48-REG – RE Growth Program  
Cost Recovery Provision and LTCRER Provision  
February 14, 2023  
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Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

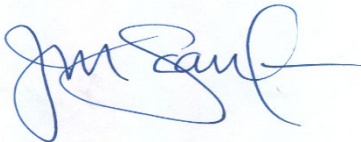
Enclosures

cc: Docket No. 22-48-REG Service List via 22-39-REG Service List  
John Bell, Division of Public Utilities and Carriers  
Christy Hetherington, Esq., Division of Public Utilities and Carriers  
Nicholas M. Vaz, Esq., Office of Attorney General

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



\_\_\_\_\_  
Joanne M. Scanlon

February 14, 2023  
Date

**Docket No. 22-39-REG – Renewable Energy Growth Program for Year 2023**  
**The Narragansett Electric Company & RI Distributed Generation Board**  
**Service List updated 2/6/2023**

<b>Parties' Name/Address</b>	<b>E-Mail</b>	<b>Phone</b>
<b>The Narragansett Electric Company d/b/a Rhode Island Energy</b>  Andrew S. Marcaccio, Esq. Celia B. O'Brien, Esq. 280 Melrose Street Providence, RI 02907	<a href="mailto:AMarcaccio@pplweb.com">AMarcaccio@pplweb.com</a> ;	401-784-4263
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	<a href="mailto:JScanlon@pplweb.com">JScanlon@pplweb.com</a> ;	
	<a href="mailto:KKlock@pplweb.com">KKlock@pplweb.com</a> ;	
	<a href="mailto:CAGill@RIEnergy.com">CAGill@RIEnergy.com</a> ;	
	<a href="mailto:KRCastro@rienergy.com">KRCastro@rienergy.com</a> ;	
	<a href="mailto:ERussell@rienergy.com">ERussell@rienergy.com</a> ; <a href="mailto:RConstable@rienergy.com">RConstable@rienergy.com</a> ;	
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<b>DG Board / Office of Energy Resources</b> Albert Vitali, Esq. Division of Legal Services One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	<a href="mailto:Albert.Vitali@doa.ri.gov">Albert.Vitali@doa.ri.gov</a> ;	401-222-8880
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File an original & 9 copies w/:	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2107
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Cynthia Wilson-Frias, Commission Counsel	<a href="mailto:Todd.bianco@puc.ri.gov">Todd.bianco@puc.ri.gov</a> ;	
<b>Public Utilities Commission</b>	<a href="mailto:Cynthia.WilsonFrias@puc.ri.gov">Cynthia.WilsonFrias@puc.ri.gov</a> ;	
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<b>Interested Parties:</b>		
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Doug Sabetti	<a href="mailto:doug@newportsolarri.com">doug@newportsolarri.com</a> ;	
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THE NARRAGANSETT ELECTRIC COMPANY  
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company ~~d/b/a National Grid~~.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by ~~Rhode Island~~ General Laws ~~Section~~ § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

<u>Rate Class</u>	<u>Percentage</u>
A-16/A-60	55.52%
C-06	10.28%
G-02	16.06%
B/G-32	16.98%
X-01	0.03%
Streetlighting	1.13%

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by ~~Rhode Island General~~ Laws ~~Section~~§ 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in ~~Rhode Island General~~ Laws ~~Section~~§ 39-26-2(145).

~~Short Term Interest Rate~~ shall mean the ~~customer deposit interest rate applicable to borrowers from the National Grid USA Money Pool.~~

### 3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;



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 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- iv) §39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company’s currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company’s annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = [(\text{PBIP}_x - \text{PRDCTS}_x - \text{NFCMP}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx} \div (1 - \text{UP})$$

where

- x = the Reconciliation Period;
- s = designates a separate factor for each rate class;
- PBIP<sub>x</sub> = the estimated Performance-Based Incentive Payments, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;
- PRDCTS<sub>x</sub> = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;
- NFCMP<sub>x</sub> = the estimated Customer Share of Net Forward Capacity Market Proceeds during period x;
- ADM<sub>x</sub> = the administrative expense the Company estimates it will incur during period x, including:

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 RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- 1) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
- 2) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above;
- 3) the costs incurred during the Reconciliation Period by the Company pursuant to -Section 3.i) above; and
- 4) the estimated incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;

RBA<sub>s</sub> = Rate Base Allocator;

FBill<sub>sx</sub> = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the ~~Company's Short Term~~ Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((\text{PPRA}_{x-1} + I_x) \times \text{RBA}_s) \div \text{FBill}_{sx}] \div (1 - \text{UP})$$

where

x = the period during which the RE Growth Reconciliation Factor will be in effect;

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- s = designates a separate factor for each rate class;
- PPRA<sub>x-1</sub> = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:
- (a) actual costs incurred during the Reconciliation Period, which shall include the sum of:
- 1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;
  - 2) actual Customer Share of Net Forward Capacity Market Proceeds;
  - 3) actual Remuneration pursuant to Section 3.ii);
  - 4) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);
  - 5) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant -Section 3.iii);
  - 6) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;
  - 7) actual costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and
  - 8) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;
- and
- (b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;
- RBA<sub>s</sub> = Rate Base Allocator;

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- $I_x$  = interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the ~~Company's Short Term~~ Interest Rate during the Reconciliation Period;
- $F_{Bill_{sx}}$  = the forecasted number of electric service bills for each rate class for period x; and
- $UP$  = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with ~~this~~ RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to ~~Rhode Island~~ ~~General~~ Laws Section§ 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

THE NARRAGANSETT ELECTRIC COMPANY  
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION1. INTRODUCTION

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2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by Rhode Island General Laws Section 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

<u>Rate Class</u>	<u>Percentage</u>
A-16/A-60	55.52%
C-06	10.28%
G-02	16.06%
B/G-32	16.98%
X-01	0.03%
Streetlighting	1.13%

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by Rhode Island General Laws Section 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in Rhode Island General Laws Section 39-26-2(14).

Interest Rate shall mean the customer deposit rate.

### 3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION**

- iv) §39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

**4. RATE**

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = [(\text{PBIP}_x - \text{PRDCTS}_x - \text{NFCMP}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx} \div (1 - \text{UP})$$

where

- x = the Reconciliation Period;
- s = designates a separate factor for each rate class;
- PBIP<sub>x</sub> = the estimated Performance-Based Incentive Payments, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;
- PRDCTS<sub>x</sub> = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;
- NFCMP<sub>x</sub> = the estimated Customer Share of Net Forward Capacity Market Proceeds during period x;

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RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

- $ADM_x$  = the administrative expense the Company estimates it will incur during period x, including:
- 1) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
  - 2) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above;
  - 3) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above; and
  - 4) the estimated incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;
- $RBA_s$  = Rate Base Allocator;
- $FBill_{sx}$  = the forecasted number of electric service bills for each rate class for period x; and
- $UP$  = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((PPRA_{x-1} + I_x) \times RBA_s) \div FBill_{sx}] \div (1 - UP)$$

where



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x = the period during which the RE Growth Reconciliation Factor will be in effect;

s = designates a separate factor for each rate class;

PPRA<sub>x-1</sub> = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:

(a) actual costs incurred during the Reconciliation Period, which shall include the sum of:

- 1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;
- 2) actual Customer Share of Net Forward Capacity Market Proceeds;
- 3) actual Remuneration pursuant to Section 3.ii);
- 4) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);
- 5) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant Section 3.iii);
- 6) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;
- 7) actual costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and
- 8) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;

and

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(b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;

RBA <sub>s</sub>	=	Rate Base Allocator;
I <sub>x</sub>	=	interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the Interest Rate during the Reconciliation Period;
FBill <sub>sx</sub>	=	the forecasted number of electric service bills for each rate class for period x; and
UP	=	the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with this RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to Rhode Island General Laws Section 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

THE NARRAGANSETT ELECTRIC COMPANY  
LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
RECOVERY RECONCILIATION PROVISION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect recovery of costs incurred in accordance with the provisions of Chapter 39-26.1, Long-Term Contracting Standard for Renewable Energy and Chapter 39-26.2, Distributed Generation Standard Contracts.

1) DEFINITIONS

Contract Remuneration shall mean the annual compensation as authorized by § 39-26.1-4, which shall be equal to two and three quarter percent (2.75%) of the actual annual payments made under the Long Term Contracts and Distributed Generation Standard Contracts for those projects that are commercially operating.

Contract Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Newly Developed Renewable Energy Resource, or a Distributed Generation Facility, which are purchased by the Company pursuant to a Long-term Contract or a Distributed Generation Standard Contract.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Distributed Generation Facility shall mean an electrical generation facility that is a newly developed renewable energy resource as defined in § 39-26.1-2, located in the Company's load zone with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by § 39-26-5, including biogas created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Distributed Generation Standard Contract shall mean a contract with a term of fifteen (15) years at a fixed rate for the purchase of all Contract Products generated by a Distribution Generation Facility, which is executed with the Company pursuant to R.I.G.L. 39-26.2.

Forecasted kWh shall mean the forecasted amount of electricity to be delivered to the Company's retail delivery service customers.

Long-term Contract shall mean a contract of not less than ten (10) years, for the purchase of Contract Products, which is executed with the Company pursuant to R.I.G.L. 39-26.1.

Newly Developed Renewable Energy Resource shall have the meaning set forth in §39-26.1-2(6).

THE NARRAGANSETT ELECTRIC COMPANY  
LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
RECOVERY RECONCILIATION PROVISION

Performance Guarantee Deposit shall mean a deposit as required pursuant to § 39-26.2-7(2)(ii) paid to the Company of fifteen dollars (\$15.00) for a small Distributed Generation Facility or twenty-five dollars (\$25.00) for a large Distributed Generation Facility for every Renewable Energy Certificate estimated to be generated per year under the Distributed Generation Standard Contract, but at least five hundred dollars (\$500) and not more than seventy-five thousand dollar (\$75,000) paid at the time of contract execution.

Reconciliation Period shall mean the most recent twelve month period ending December 31.

Reimbursement Agreement shall mean a cost reimbursement agreement entered into between the Company and a lawyer designated by the Office of Energy Resources (“OER”) that is intended to compensate such lawyer for the time spent serving in the contract working group established pursuant to the provisions of § 39-26.2-7(1) at a reasonable hourly rate negotiated by OER.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in § 39-26-2(15).

Town of New Shoreham Project shall mean a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland as provided for in § 39-26.1-7.

Town of Johnston Project shall mean a newly developed renewable energy resource fueled by landfill gas from the central landfill in the Town of Johnston as provided for in § 39-26.1-9.

2) APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of Rhode Island General Law:

- i) § 39-26.1-4: Financial remuneration and incentives;
- ii) § 39-26.1-5: Commission approval and regulations, subsection (f)
- iii) § 39-26.1-7: the Town of New Shoreham Project, subsection (d);
- iv) § 39-26.1-9: the Town of Johnston Project, subsection (8);
- v) § 39-26.2-6: Standard contract enrollment program, subsection (f);
- vi) § 39-26.2-7: Standard contract – Form and provisions, subsections (1)(vi), (2)(i), (2)(iv) and (3);

THE NARRAGANSETT ELECTRIC COMPANY  
 LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
 RECOVERY RECONCILIATION PROVISION

3) RECONCILIATION FACTOR

On an annual basis, the Company shall reconcile the revenue billed through the Long-term Contracting for Renewable Recovery (“LTCRER”) factor, as adjusted for uncollectible amounts at the Company’s currently approved uncollectible allowance rate, to the actual expenses incurred, including the approved uncollectible allowance, during the Reconciliation Period, and the excess or deficiency, including interest at the ~~Company’s customer deposit short term interest~~ rate, shall be refunded to, or collected from, all customers in the two subsequent period’s LTCRER factor. The Company may file to adjust the LTCRER Adjustment Factor at any time should significant over or under recovery of costs occur.

The LTCRER Reconciliation factor shall be a uniform per kilowatt-hour factor applicable to all customers based on the Forecasted kWhs during the twelve month period that the LTCRER Reconciliation factor will be in effect. For billing purposes, the LTCRER Reconciliation factor will be included with the Renewable Energy Distribution kWh charge on customers’ bills.

The LTCRER Reconciliation factor will be calculated as follows:

LTCRER Reconciliation

$$\text{Factor}_x = [ ( \text{PPRA}_x + I_x ) \div \text{FkWh}_x ] \times ( 1 + \text{UP} )$$

where

x = The twelve-month period during which the annual LTCRER Reconciliation factor will be in effect;

LTCRER Reconciliation

Factor<sub>x</sub> = The Long-term Contracting Renewable Energy Recovery Reconciliation Factor for the current twelve-month period;

PPRA<sub>x</sub> = The Past Period Reconciliation Amount to be collected through the LTCRER Reconciliation Factor during period x, defined as the ending balance of the difference between:

- (a) the actual cost incurred during the Reconciliation Period, which shall include the sum of:
  - 1) actual payments made during the Reconciliation Period under the individual approved Long-term Contracts and Distributed Generation Standard Contracts less (i) any proceeds received by the Company resulting from the sale of the Contract Products and (ii) actual Customer Share of Net Forward Capacity Market Proceeds;

THE NARRAGANSETT ELECTRIC COMPANY  
LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
RECOVERY RECONCILIATION PROVISION

- 2) Contract Remuneration during the Reconciliation Period;
- 3) all costs incurred during the Reconciliation Period in the negotiation, administration, enforcement, and implementation of the projects and related agreements, and costs associated with the design of an undersea transmission cable interconnecting Block Island (Town of New Shoreham) to the mainland that are not otherwise recovered through the Transmission Service Cost Adjustment Provision pursuant to Sections 2.iii and 2.iv;
- 4) the costs incurred during the Reconciliation Period by the Company under Reimbursement Agreements pursuant to Section 2.vi;
- 5) the costs incurred during the Reconciliation Period associated with required system upgrades that are not recovered directly from Distributed Generation Facilities pursuant to Section 2.vii;
- 6) forfeited Performance Guarantee Deposits during the Reconciliation Period pursuant to Section 2.viii which shall be an offset to expense;
- 7) the costs incurred during the Reconciliation Period for consultants hired to assist the Commission in proceedings involving contract disputes pursuant to Section 2.ix; and
- 8) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;

and

- (b) the revenues billed through the LTCRER Factors as approved by the Commission for the Reconciliation Period;

$I_x =$  interest calculated as the sum of the beginning period and ending period balance divided by 2, multiplied by the ~~Company's short term interest~~ customer deposit rate during period x;

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FkWh<sub>x</sub> = The Forecasted kWh for the twelve month period following the effective date of the LTCRER Reconciliation factor; and

UP = The uncollectible percentage approved by the Commission in the Company's most recent rate case.

#### 4) ADJUSTMENTS TO RATES

Adjustments to rates pursuant to the LTCRER Reconciliation Provision are subject to review and approval by the Commission. The Company shall file its revised LTCRER Reconciliation factor annually at least forty-five (45) days prior to the effective date of the revised LTCRER Reconciliation factor. Modifications to the factors contained in this LTCRER Reconciliation Provision shall be in accordance with a notice filed with the Commission pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

Effective Date: March ~~201~~, 20~~23~~~~17~~

THE NARRAGANSETT ELECTRIC COMPANY  
LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
RECOVERY RECONCILIATION PROVISION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect recovery of costs incurred in accordance with the provisions of Chapter 39-26.1, Long-Term Contracting Standard for Renewable Energy and Chapter 39-26.2, Distributed Generation Standard Contracts.

1) DEFINITIONS

Contract Remuneration shall mean the annual compensation as authorized by § 39-26.1-4, which shall be equal to two and three quarter percent (2.75%) of the actual annual payments made under the Long Term Contracts and Distributed Generation Standard Contracts for those projects that are commercially operating.

Contract Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Newly Developed Renewable Energy Resource, or a Distributed Generation Facility, which are purchased by the Company pursuant to a Long-term Contract or a Distributed Generation Standard Contract.

Customer Share of Net Forward Capacity Market Proceeds shall mean 90% of the proceeds received from or fees, charges, or penalties assessed by ISO-NE as a result of the Company's bidding the capacity of qualified customer-owned Distributed Generation Facilities into the ISO-NE Forward Capacity Market. These proceeds consist of all payments received from ISO-NE for participation in the Forward Capacity Market, less any ISO-NE fees, charges, or penalties that may be assessed pursuant to the Forward Capacity Market's rules.

Distributed Generation Facility shall mean an electrical generation facility that is a newly developed renewable energy resource as defined in § 39-26.1-2, located in the Company's load zone with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by § 39-26-5, including biogas created as a result of anaerobic digestion, but, specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Distributed Generation Standard Contract shall mean a contract with a term of fifteen (15) years at a fixed rate for the purchase of all Contract Products generated by a Distribution Generation Facility, which is executed with the Company pursuant to R.I.G.L. 39-26.2.

Forecasted kWh shall mean the forecasted amount of electricity to be delivered to the Company's retail delivery service customers.

Long-term Contract shall mean a contract of not less than ten (10) years, for the purchase of Contract Products, which is executed with the Company pursuant to R.I.G.L. 39-26.1.

Newly Developed Renewable Energy Resource shall have the meaning set forth in §39-26.1-2(6).



THE NARRAGANSETT ELECTRIC COMPANY  
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RECOVERY RECONCILIATION PROVISION

Performance Guarantee Deposit shall mean a deposit as required pursuant to § 39-26.2-7(2)(ii) paid to the Company of fifteen dollars (\$15.00) for a small Distributed Generation Facility or twenty-five dollars (\$25.00) for a large Distributed Generation Facility for every Renewable Energy Certificate estimated to be generated per year under the Distributed Generation Standard Contract, but at least five hundred dollars (\$500) and not more than seventy-five thousand dollar (\$75,000) paid at the time of contract execution.

Reconciliation Period shall mean the most recent twelve month period ending December 31.

Reimbursement Agreement shall mean a cost reimbursement agreement entered into between the Company and a lawyer designated by the Office of Energy Resources (“OER”) that is intended to compensate such lawyer for the time spent serving in the contract working group established pursuant to the provisions of § 39-26.2-7(1) at a reasonable hourly rate negotiated by OER.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in § 39-26-2(15).

Town of New Shoreham Project shall mean a small-scale offshore wind demonstration project off the coast of Block Island, including an undersea transmission cable that interconnects Block Island to the mainland as provided for in § 39-26.1-7.

Town of Johnston Project shall mean a newly developed renewable energy resource fueled by landfill gas from the central landfill in the Town of Johnston as provided for in § 39-26.1-9.

2) APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of Rhode Island General Law:

- i) § 39-26.1-4: Financial remuneration and incentives;
- ii) § 39-26.1-5: Commission approval and regulations, subsection (f)
- iii) § 39-26.1-7: the Town of New Shoreham Project, subsection (d);
- iv) § 39-26.1-9: the Town of Johnston Project, subsection (8);
- v) § 39-26.2-6: Standard contract enrollment program, subsection (f);
- vi) § 39-26.2-7: Standard contract – Form and provisions, subsections (1)(vi), (2)(i), (2)(iv) and (3);

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LONG-TERM CONTRACTING FOR RENEWABLE ENERGY  
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### 3) RECONCILIATION FACTOR

On an annual basis, the Company shall reconcile the revenue billed through the Long-term Contracting for Renewable Recovery (“LTCRER”) factor, as adjusted for uncollectible amounts at the Company’s currently approved uncollectible allowance rate, to the actual expenses incurred, including the approved uncollectible allowance, during the Reconciliation Period, and the excess or deficiency, including interest at the customer deposit rate, shall be refunded to, or collected from, all customers in the two subsequent period’s LTCRER factor. The Company may file to adjust the LTCRER Adjustment Factor at any time should significant over or under recovery of costs occur.

The LTCRER Reconciliation factor shall be a uniform per kilowatt-hour factor applicable to all customers based on the Forecasted kWhs during the twelve month period that the LTCRER Reconciliation factor will be in effect. For billing purposes, the LTCRER Reconciliation factor will be included with the Renewable Energy Distribution kWh charge on customers’ bills.

The LTCRER Reconciliation factor will be calculated as follows:

LTCRER Reconciliation

$$\text{Factor}_x = [ ( \text{PPRA}_x + I_x ) \div \text{FkWh}_x ] \times ( 1 + \text{UP} )$$

where

$x$  = The twelve-month period during which the annual LTCRER Reconciliation factor will be in effect;

LTCRER Reconciliation

$\text{Factor}_x$  = The Long-term Contracting Renewable Energy Recovery Reconciliation Factor for the current twelve-month period;

$\text{PPRA}_x$  = The Past Period Reconciliation Amount to be collected through the LTCRER Reconciliation Factor during period  $x$ , defined as the ending balance of the difference between:

(a) the actual cost incurred during the Reconciliation Period, which shall include the sum of:

- 1) actual payments made during the Reconciliation Period under the individual approved Long-term Contracts and Distributed Generation Standard Contracts less (i) any proceeds received by the Company resulting from the sale of the Contract Products and (ii) actual Customer Share of Net Forward Capacity Market Proceeds;

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- 2) Contract Remuneration during the Reconciliation Period;
- 3) all costs incurred during the Reconciliation Period in the negotiation, administration, enforcement, and implementation of the projects and related agreements, and costs associated with the design of an undersea transmission cable interconnecting Block Island (Town of New Shoreham) to the mainland that are not otherwise recovered through the Transmission Service Cost Adjustment Provision pursuant to Sections 2.iii and 2.iv;
- 4) the costs incurred during the Reconciliation Period by the Company under Reimbursement Agreements pursuant to Section 2.vi;
- 5) the costs incurred during the Reconciliation Period associated with required system upgrades that are not recovered directly from Distributed Generation Facilities pursuant to Section 2.vii;
- 6) forfeited Performance Guarantee Deposits during the Reconciliation Period pursuant to Section 2.viii which shall be an offset to expense;
- 7) the costs incurred during the Reconciliation Period for consultants hired to assist the Commission in proceedings involving contract disputes pursuant to Section 2.ix; and
- 8) actual incremental administrative costs incurred as a result of the Company's participation in the Forward Capacity Market;

and

- (b) the revenues billed through the LTCRER Factors as approved by the Commission for the Reconciliation Period;

$I_x$  = interest calculated as the sum of the beginning period and ending period balance divided by 2, multiplied by the customer deposit rate during period x;

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FkWh<sub>x</sub> = The Forecasted kWh for the twelve month period following the effective date of the LTCRER Reconciliation factor; and

UP = The uncollectible percentage approved by the Commission in the Company's most recent rate case.

4) ADJUSTMENTS TO RATES

Adjustments to rates pursuant to the LTCRER Reconciliation Provision are subject to review and approval by the Commission. The Company shall file its revised LTCRER Reconciliation factor annually at least forty-five (45) days prior to the effective date of the revised LTCRER Reconciliation factor. Modifications to the factors contained in this LTCRER Reconciliation Provision shall be in accordance with a notice filed with the Commission pursuant to R.I.G.L. § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such charges.

Effective Date: March 20, 2023

Factor/Rate	Tariff	Filing and date that uses interest rate	Dates that the reconciliation is based off	Effective Date of Rate	Interest Used or will be used	
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**ReGrowth Cost Recovery Factor**

REG Reconciliation Factor (interest on reconciliation period)	2219	22-04-REG (June 2022)	April 1, 2021 through March 31, 2022	October 1, 2022	Money Pool	Current
REG Reconciliation Factor (interest on reconciliation period)	2262	23-XX-REG (June 2023)	April 1, 2022 through March 31, 2023	October 1, 2023	Customer Deposit Rate	Proposed

**Long Term Contracting Renewable Energy Recovery Reconciliation Factor**

LTCRER Factor	2175	5234 (February 2022)	January to December 2021	April 1, 2022	Money Pool	Current
LTCRER Factor (Interest on Monthly Deferred Balance) *	2267	23-03-EL (February 2023)	January to December 2022	April 1, 2023	January to May 2022 - Money Pool / June to December 2022 - Customer Deposit Rate	Proposed
LTCRER Factor (Interest on Recovery Period) **	2267	23-03-EL (February 2023)	January to December 2023	April 1, 2023	Customer Deposit Rate	Proposed

\* - Interest on the CY 2022 deferred balances will be calculated using the money pool rate January through May 2022 (pre-sale) and using the customer deposit rate from June 2022-December 2022 (post-sale)

\*\* - Interest on the CY 2023 recovery period will be calculated using the customer deposit rate as all post sale

**Legal Notice of The Narragansett Electric Company's d/b/a Rhode Island Energy's Tariff Advice To Change the Renewable Energy Growth Program Cost Recovery Provision and Long-Term Contracting for Renewable Energy Recovery Reconciliation Provision  
RIPUC Docket No. 22-48-REG**

On November 14, 2022, The Narragansett Electric Company d/b/a Rhode Island Energy ("Company") filed with the Rhode Island Public Utilities Commission ("PUC") a tariff advice filing to change the Renewable Energy Growth Program Cost Recovery Provision which is currently codified as R.I.P.U.C. No. 2219. On February 14, 2023, based on recommendations from the Division of Public Utilities and Carriers ("Division"), the Company filed an updated filing to change the Renewable Energy Growth Program Cost Recovery Provision and the Long-Term Contracting for Renewable Energy Recovery Reconciliation Provision which is currently codified as R.I.P.U.C. No. 2175.

Subject to PUC review and approval, the updated proposed Renewable Energy Growth Program Cost Recovery Provision (R.I.P.U.C. No. 2262 cancelling R.I.P.U.C. No. 2219) and proposed Long-Term Contracting for Renewable Energy Recovery Reconciliation Provision (R.I.P.U.C. No. 2267 cancelling R.I.P.U.C. No. 2175) would become effective March 20, 2023.

The primary purpose of this filing is to update the interest rate contained within the tariffs to the customer deposit rate.

A copy of the filing is on file for examination at the Public Utilities Commission, 89 Jefferson Blvd., Warwick, Rhode Island or on the Commission's website at: <https://ripuc.ri.gov/Docket-22-48-REG>  
This notice is given in accordance with 810-RICR-00-00-1.10(C)(2).

The Narragansett Electric Company d/b/a Rhode Island Energy