

February 15, 2023

VIA ELECTRONIC MAIL

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

**RE: Docket No. 23-05-EL – The Narragansett Electric Company d/b/a Rhode Island Energy
Tariff Advice to Amend the Net Metering Provision – Proposal for Administration
of Excess Net Metering Credits**

Dear Ms. Massaro:

In accordance with 810-RICR-00-00-1.10(C),¹ The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”) files this tariff advice to amend the Company’s Net Metering Provision, R.I.P.U.C. No. 2268, which would supersede the existing Net Metering Provision, R.I.P.U.C. No. 2257, effective April 1, 2023.

While this filing is being made under the tariff advice rules due to the proposed amendments to the Net Metering Provision, the Company recognizes this is a substantive filing that will likely require suspension and a formal proceeding. Specifically, this submittal is in response to an Open Meeting held by the Public Utilities Commission (“PUC”) on December 7, 2022, and represents the Company’s proposed solution to improve the administration of excess net metering credits on a go-forward basis. This filing includes the following documents:

- Pre-Filed Joint Direct Testimony of Erica J. Russell Salk and Stephanie A. Briggs, including attached Schedule EJRS-1, in support of the proposed tariff amendments.
- A redlined version of the proposed Net Metering Provision, which compares the proposed tariff, R.I.P.U.C. No. 2268, to the existing tariff, R.I.P.U.C. No. 2257.
- A clean version of the proposed Net Metering Provision, R.I.P.U.C. No. 2268 (cancelling R.I.P.U.C. No. 2257); and

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

- 1) On Page 3, add definition for “Eligible Reconciliation Pool.” This amendment permits the Company to isolate the largest net-metered accounts for reconciliation on an annual basis.

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

- 2) On Page 9, subsection (II)(5), adds language to expressly provide for an annual reconciliation using a volumetric method approach.
- 3) On Page 9, subsection (II)(5), adds a sentence referring to a new Schedule C that describes the volumetric billing charges.
- 4) On Page 11, adds a new subsection (II)(12) that permits a cash out provision for any remaining excess net metering credits. The cash out would follow the annual reconciliation.
- 5) On Page 12, adds a new subsection (IV)(3) that provides that the results of the reconciliation will be credited to all distribution customers through a uniform per kilowatt hour (kWh) through the Net Metering Charge for a period of up to twelve (12) months subject to Commission approval. The pre-filed joint direct testimony of Erica J. Russell Salk and Stephanie A. Briggs provides proposed timing targets for upcoming reconciliations and credits to distribution customers.

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 Net Metering Provision, R.I.P.U.C. No. 2268, it shall go into effect on April 1, 2023. As mentioned above, the Company recognizes this is a substantive filing likely requiring suspension and a formal proceeding. As such, the effective date of April 1, 2023 represents a place holder date.

In accordance with 810-RICR-00-00-1.10(C)(2), the Company will provide notice of the proposed Net Metering Provision, R.I.P.U.C. No. 2268, to the public, the Division of Public Utilities and Carriers, 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).

Thank you for your attention to this filing. If you have any questions, please contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: 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

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 23-05-EL
Proposal for Administration of Excess Net Metering Credits
Russell Salk and Briggs

JOINT PRE-FILED DIRECT TESTIMONY OF

ERICA J. RUSSELL SALK

AND

STEPHANIE A. BRIGGS

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1 **I. Introduction**

2 **Erica J. Russell Salk**

3 **Q. Could you please state your full name and business address?**

4 A. My name is Erica J. Russell Salk, and my business address is 280 Melrose Street,
5 Providence, Rhode Island, 02907.

6
7 **Q. By whom are you employed and in what capacity?**

8 A. I am the Manager of Customer Energy Integration (“CEI”) for the Narragansett Electric
9 Company d/b/a Rhode Island Energy (“Rhode Island Energy or the “Company), an
10 indirect wholly owned subsidiary of PPL Corporation (“PPL”).

11
12 **Q. What are your principal responsibilities in that position?**

13 A. As Manager of CEI, I oversee the interconnection process for all distributed generation
14 (“DG”) interconnection applications which includes all simple, expedited, and standard
15 applications. This includes the incentive programs, one of which is net metering.

16
17 **Q. Could you please describe your educational background and professional
18 experience?**

19 A. In 2011, I graduated from Trinity College with a Bachelor of Science in Electrical
20 Engineering. In 2013, I received a Master of Science in Electrical Engineering from
21 Brown University. In 2015, I earned a Graduate Level Certificate in Power Systems

1 Engineering from Worcester Polytechnic Institute. I am also a licensed Professional
2 Engineer in the State of Rhode Island. I worked at National Grid Service Company
3 (“NGSC”) from 2013-2022. At NGSC, I primarily worked in protection engineering and
4 subsequently held the roles of Technical Advisor to the Senior Vice President of Electric
5 Process & Engineering, and Engineering Manager of IEC-61850 & Protection Policy and
6 Support. In June 2022, I joined Rhode Island Energy in my current position.

7
8 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
9 **(“PUC”) or any other regulatory commission?**

10 A. Yes. I have participated in meetings facilitated by PUC staff in Docket Nos. 5205 and
11 5206 related to the administration of DG interconnections. I have testified once, on
12 February 8, 2023, regarding the 2023 Renewable Energy (“RE”) Growth Program,
13 Docket No. 22-39-REG.

14
15 **Stephanie A. Briggs**

16 **Q. Could you please state your full name and business address?**

17 A. My name is Stephanie A. Briggs, and my business address is 280 Melrose Street,
18 Providence, Rhode Island 02907.

19

1 **Q. By whom are you employed and in what capacity?**

2 A. I am employed by PPL Services Corporation (“Services Corporation”) as a Senior
3 Manager of Revenue and Rates. The Services Corporation provides administrative,
4 management and support services to PPL and its subsidiary companies, including Rhode
5 Island Energy. My current duties include responsibility for revenue requirement and
6 rates calculations for the Company.

7
8 **Q. Could you please describe your educational background and professional
9 experience?**

10 A. In 2000, I received a Bachelor of Arts degree in Accounting from Bryant College. In
11 2004, I joined NGSC as a Senior Analyst in the Accounting Department. In this position,
12 I was responsible for supporting the books and records of one of National Grid USA’s
13 (“National Grid”) New York affiliates. In 2009, I joined NGSC’s Regulatory Accounting
14 Group. In 2011, I was promoted to Lead Specialist for Revenue Requirements supporting
15 New York. In 2017, I was promoted to Director of Revenue Requirements for New York.
16 In July 2020, I became Director of Revenue Requirements for New England. On May 25,
17 2022, PPL Rhode Island Holdings, LLC, a wholly owned indirect subsidiary of PPL,
18 acquired 100 percent of the outstanding shares of common stock of the Company from
19 National Grid (the “Acquisition”) at which time I began working in my current position.

20

1 **Q. Have you previously testified before the PUC or any other regulatory commission?**

2 A. Yes. I provided pre-filed direct testimony in numerous dockets including the Company's
3 2022 Annual Retail Rate Filing, Docket No. 5234, the Company's 2021 Performance
4 Incentive Mechanism Factor Filing, as part of Docket No. 4770, the Fiscal Year 2022
5 Electric Infrastructure, Safety and Reliability Plan Annual Reconciliation Filing, Docket
6 No. 5098, the Company's 2022 Distribution Adjustment Charge Filing, Docket No. 22-
7 13-NG, the Company's Advanced Metering Functionality Business Case, Docket No.
8 22-49-EL, and most recently in the Company's Fiscal Year 2024 Electric Infrastructure,
9 Safety, and Reliability Plan, Docket No. 22-53-EL. I also have testified before the
10 Massachusetts Department of Public Utilities and New York Public Service Commission
11 on behalf of the Company's former affiliates as a revenue requirement witness in various
12 proceedings.

13

14 **II. Purpose and Structure of Testimony**

15 **Q. What is the purpose of this testimony?**

16 A. The purpose of this testimony is to support the Company's proposed solution to improve
17 the administration of excess net metering credits on a go-forward basis (the "Proposal").
18 The Proposal includes proposed changes to the Net Metering Provision ("Net Metering
19 Tariff") which is currently codified as R.I.P.U.C. No. 2257. In addition, the Proposal
20 includes proposed administrative timing to implement the changes detailed in this
21 testimony.

1 **Q. How is the testimony structured?**

2 A. In addition to the Introduction and Purpose and Structure of Testimony (Section I and
3 Section II, respectively), this testimony includes the following sections:

- 4 • Section III entitled Process describes the basis for the Proposal.
- 5 • Section IV entitled Background describes net metering in general and the
6 different types of net metering.
- 7 • Section V entitled Proposal and Requested Revisions to Net Metering Tariff
8 describes the issue the Proposal is seeking to address and how it will be
9 addressed.
- 10 • Section VI entitled Requested Approvals describes the approvals the
11 Company is seeking from the PUC.
- 12 • Section VII is the Conclusion.

13

14 **III. Process**

15 **Q. What is the basis for this filing?**

16 A. On December 7, 2022, the PUC held an Open Meeting during which it expressed an
17 expectation that the Company would propose a solution to the challenges associated with
18 the administration, calculation, and recovery of net metering credits in a manner
19 consistent with the net metering statute codified as R.I. Gen. Laws § 39-26.4-1 et seq.
20 (“Net Metering Statute”). This filing represents the Company’s solution, which is
21 proposed to be implemented on a prospective basis.

1 **IV. Background**

2 **Q. What is the purpose of net metering?**

3 A. Per the Net Metering Statute, the purpose of net metering is to facilitate and promote
4 installation of customer-sited, grid-connected generation of renewable energy. In turn,
5 this is anticipated:

6 (i) To support and encourage customer development of renewable generation systems;

7 (ii) To reduce environmental impacts;

8 (iii) To reduce carbon emissions that contribute to climate change by encouraging the
9 local siting of renewable energy projects;

10 (iv) To diversify the state's energy generation sources;

11 (v) To stimulate economic development;

12 (vi) To improve distribution system resilience and reliability; and

13 (vii) To reduce distribution system costs.

14

15 **Q. What are the different types of net metering configurations?**

16 A. There are two types of net metering configurations. The simplest form is when a
17 customer is self-supplying electrical energy and power at the net metering system site.

18 These systems are behind the meter ("BTM") and the Company does not know how

19 much that customer generates or consumes. Rather, the Company knows the customer's

20 net generation or consumption in kWh at the time of the monthly meter reading.

21

1 The other type of net metering configuration is referred to as a stand-alone, when the
2 electrical energy and power is generated at a net metering system site for the purpose of
3 generating net metering credits. There is no onsite load to offset the generation, so the
4 net metering credits are applied to the electric bills of eligible credit recipients referred to
5 as “off-takers.” If the off-taker is a municipality or other specialized off-taker given
6 preference by the Net Metering Statute, a net-metering finance agreement may be
7 executed.

8
9 **Q. What are the different types of net metering credits?**

10 A. Net metering credits are comprised of renewable net metering credits and excess
11 renewable net metering credits. Renewable net metering credits apply up to 100% of
12 consumption at the eligible net metering system site or the aggregate consumption of the
13 net-metered accounts. Excess renewable net metering credits apply to the portion of the
14 production of electrical energy beyond 100% and no greater than 125% of the net
15 metering customer’s own consumption at the eligible net metering system site or the
16 aggregate consumption of the net-metered accounts.

17

1 **Q. How is the rate determined for net metering credits?**

2 A. The Net Metering Statute defines the rates for renewable net metering credits and excess
3 renewable net metering credits.¹

4
5 Renewable net metering credits are calculated as the sum of the following components:

6 (i) Last Resort Service (“LRS”) kilowatt-hour charge for the rate class applicable to
7 the net metering customer, not including the Renewable Energy Standard (“RES”)
8 charge;

9 (ii) Distribution kilowatt-hour charge;

10 (iii) Transmission kilowatt-hour charge; and

11 (iv) Transition kilowatt-hour charge.

12
13 Excess renewable net metering credits are calculated as the equivalent of the Company’s
14 avoided cost rate, or the LRS kilowatt-hour (kWh) charge.

15

16 **Q. How are net metering credits applied?**

17 A. On a monthly basis, the Company applies a renewable net metering credit to the net
18 metered account for all net kWh generated by the eligible net metering system. For BTM
19 configurations, the credits remain on the same account. For standalone configurations, the

¹ See R.I. Gen. Laws § 39-26.4-2(19) for renewable net-metering credit and R.I. Gen. Laws § 39-26.4-2(7) for excess renewable net-metering credit.

1 credits are transferred to off-taker accounts based on the customer’s allocation as
2 presented through Schedule B of the Net Metering Tariff. The credit balance on accounts
3 can be used to offset all charges on the bill.
4

5 **Q. What is the cost of net-metering to distribution customers as a whole?**

6 A. Pursuant to the Company’s Net Metering Tariff, the Company recovers through a net
7 metering charge the sum of the following: (1) all renewable net metering credits paid to
8 eligible net metering customers, less any payments from Independent System Operator
9 New England (“ISO-NE”) for the sale of excess generation; and (2) the difference
10 between the payments made to qualifying facilities with renewable generation at the LRS
11 rate and the net proceeds received from ISO-NE for market energy sold and any capacity
12 payments. The net metering charge is a uniform per-kWh charge applicable to all
13 customers and is included with the long-term contracting (“LTC”) recovery factor on
14 customer bills, labeled as the renewable energy distribution charge.
15

16 **Q. Has the Company experienced challenges administering net metering?**

17 A. The Company has experienced challenges administering net metering. Excess credits
18 have accumulated on net metered accounts for a variety of reasons. This Proposal details
19 the plans going forward to mitigate this in the future.
20

1 **Q. Does the Net Metering Statute include language that provides options for the**
2 **Company to facilitate the administration of net metering?**

3 A. Yes. The Net Metering Statute includes language providing an option for the Company
4 to ease the administration of net-metered accounts and stabilizing net-metered account
5 bills.² Specifically, this section authorizes the Company, at its option, to elect to estimate
6 for any twelve-month period:

7 (i) The production from the eligible net-metering system or community remote net-
8 metering system; and

9 (ii) Aggregate consumption of the net-metered accounts at the eligible net-metering-
10 system site or the sum of the consumption of the eligible credit-recipient accounts
11 associated with the community remote net-metering system and establish a monthly
12 billing plan that reflects the expected credits that would be applied to the net-
13 metered accounts over twelve (12) months. The billing plan would be designed to
14 even out monthly billings over twelve (12) months, regardless of actual production
15 and usage. If such election is made by the electric-distribution company, the
16 electric-distribution company would reconcile payments and credits under the
17 billing plan to actual production and consumption at the end of the twelve-month
18 (12) period and apply any credits or charges to the net-metered accounts for any
19 positive or negative difference, as applicable. Should there be a material change in

² See R.I. Gen. Laws § 39-26.4-3(a)(2)

1 circumstances at the eligible net-metering system site or associated accounts during
2 the twelve-month (12) period, the estimates and credits may be adjusted by the
3 electric-distribution company during the reconciliation period. The electric-
4 distribution company also may elect (but is not required) to issue checks to any net-
5 metering customer in lieu of billing credits or carry-forward credits or charges to
6 the next billing period. For residential-eligible net-metering systems and
7 community remote net-metering systems twenty-five kilowatts (25 KW) or smaller,
8 the electric-distribution company, at its option, may administer renewable net-
9 metering credits month to month allowing unused credits to carry forward into the
10 following billing period.

11
12 **V. Proposal and Requested Revisions to Net Metering Tariff**

13 **Q. What is the purpose of the Proposal?**

14 A. The purpose of the Proposal is to establish and gain PUC approval of an annual
15 reconciliation process that will result in more precise calculations and administration of
16 renewable net metering credits (attributable to generation between 0% and 100% of
17 consumption) and excess renewable net metering credits (attributable to generation over
18 100% up to 125% of consumption) in an administratively efficient manner. In summary,
19 the Proposal seeks to clearly define the implementation process for the administration of
20 net metering and mitigate future issues of excess balances.

1 **Q. What is the Proposal requesting?**

2 A. The Proposal seeks PUC approval of revisions to the Company’s Net Metering Tariff for
3 the purpose addressed above. Approval of the proposed changes would:

4 (1) Authorize the Company to isolate the largest net-metered accounts for
5 reconciliation on an annual basis from smaller accounts to facilitate flowing the
6 largest potential excess balances back to distribution customers in an
7 administratively efficient manner (the “Volumetric Method”);

8 (2) Require a stand-alone net metering project that is required to allocate net metering
9 credits to eligible credit recipients via Schedule B to allocate as close to 100% of
10 the credits as possible before the project receives authority to interconnect
11 (“ATI”);

12 (3) Permit a cash out provision to cash out excess renewable net metering credits
13 (credits for energy produced that is between 100% and 125% of the net metering
14 customer’s usage during the billing period) on an annual basis at the average
15 annual LRS rate, after the reconciliation billing charges apply.
16

17 *Volumetric Method of Reconciling Credits*

18 **Q. Could you explain the Volumetric Method?**

19 A. Yes. The Volumetric Method for reconciliation compares kWh generated to kWh
20 consumed over an annual period, and applies billing charges for ratios greater than 100%.

21 Please refer to Schedule EJRS-1 for more details and billing charge calculations.

1 **Q. Could you explain the scope of accounts that will be subject to reconciliation by the**
2 **Volumetric Method?**

3 A. To reduce the administrative burden, the Company will apply a kW threshold to the
4 accounts requiring manual reconciliation. There is a total of 10,178 connected net-
5 metered accounts. Of those, 315 accounts are greater than 25kW and account for 83% of
6 the total connected MW. By starting with this list of 315 in Stage 1, it will allow the
7 Company to focus on the accounts with a potentially larger impact per account and
8 provides more time for further analysis of the remaining accounts in subsequent stages.
9 Stage 2 will evaluate the data for the remaining 9,863 accounts. We will determine the
10 number of accounts subject to billing charges based on Volumetric Method analysis, as
11 well as determine the number of accounts with a negative balance, though this threshold
12 criteria would preclude certain accounts that may be subject to a billing charge for a
13 scenario where excess generation is minimal and the account balance would not be
14 negative. This, in addition to random sampling for statistical analysis, will help determine
15 the impact if a further de minimis threshold should be applied to manually reconcile
16 additional accounts. The final stage would be establishing the long-term sustaining
17 approach, such as automation. For clarity, the results of Stage 1 are expected to be
18 realized by the Company in time for a rate adjustment effective October 1, 2023. The
19 Stage 2 analysis would begin after Stage 1 is complete and the results of that analysis
20 may warrant an update to the eligible reconciliation pool beginning with the calendar
21 year 2023 reconciliation.

1 **Q. Does the Net Metering Statute allow the Volumetric Method to be used by the**
2 **Company to reconcile net metering costs?**

3 A. The Net Metering Statute does not address the Volumetric Method, or any specific
4 method, for reconciling net metering costs. As noted above, however, it specifically
5 allows the Company to estimate production and consumption of eligible net-metering
6 systems and community remote net-metering systems. Section II(5) of the Net Metering
7 Tariff provides the language behind the Volumetric Method.

8

9

Schedule B Allocations

10 **Q. What is the purpose of specifically requiring that allocations on Schedule B add up**
11 **as close to 100% as possible before the project receives authority to interconnect?**

12 A. Requiring the percentage allocation of credits to equal 100% will ensure that unused
13 credits do not bank on the host account, unable to be used. Requiring that the Schedule B
14 estimated generation to consumption ratio equal no greater than 100% will help minimize
15 the number of accounts requiring a billing charge, and/or minimize the value of the
16 billing charge. The consumption shall be the sum of all off-taker account's three-year
17 historic average.

18

1 Cash Out Provision

2 **Q. What is the rationale for allowing the cash out provision?**

3 A. The Net Metering Tariff and Net Metering Statute permit more generation than
4 consumption up to 125%.³ After the annual reconciliation analysis and billing charges (if
5 applicable), any excess credits remaining on the net metered accounts belong to the
6 customer. Per the Net Metering Statute, the value of that excess credit is the LRS rate,
7 and, therefore, the customer should have the option to cash out at that rate. Specifically,
8 the Company is proposing to apply an annual average of the LRS rate as the LRS rate
9 fluctuates throughout the year.

10
11 Timing

12 **Q. What is the Company's timing for implementation of these changes to the Net**
13 **Metering Tariff?**

14 A. The Company has begun collecting data for calendar year ("CY") 2022. The Company
15 estimates a 3-month full time equivalent effort to complete Stage 1 of the Volumetric
16 Method reconciliation analysis.

17
18 **Q. What is the Company's timing for filing for the 2022 Volumetric Method**
19 **reconciliation?**

³ See R.I. Gen. Laws §39-26.4-2(7)

1 A. The Company is targeting to file the CY 2022 Volumetric Method reconciliation by
2 August 1, 2023.

3

4 **Q. What is the Company's timing for filing for 2023 and beyond?**

5 A. For CY 2023 and beyond, the Company will file the annual Volumetric Method
6 reconciliations by August 1st.

7

8 **Q. Is the Company proposing a change to the way the current Net Metering Charge is**
9 **updated annually?**

10 A. No, the Company is proposing to continue to update the current net metering charge
11 annually as part of the Annual Retail Rate Filing made on or around February 15th for
12 rates to be effective April 1st through March 31st each year. The net metering charge is a
13 uniform per-kWh charge applicable to all customers and is included with the LTC
14 recovery factor on customer bills, labeled as the renewable energy distribution charge, to
15 recover the sum of the following: (1) all renewable net metering credits paid to eligible
16 net metering customers, less any payments from ISO-NE for the sale of excess
17 generation; and (2) the difference between the payments made to qualifying facilities
18 with renewable generation at the LRS rate and the net proceeds received from ISO-NE
19 for market energy sold and any capacity payments. The rates effective April 1st would
20 not include an adjustment for the results of the Volumetric Method reconciliation.

21

1 **Q. What is the Company proposing in terms of a rate to reflect the results of the**
2 **Volumetric Method reconciliation?**

3 A. As indicated above, the Company proposes to make a filing by August 1st each year to
4 update the net metering charge to reflect the results of the Volumetric Method
5 reconciliation. The Company proposes to include the credit or charge to distribution
6 customers resulting from the reconciliation as a component of the net metering charge.
7 The component of the net metering charge rate that was approved and effective for the
8 12-month period April to March in the Annual Retail Rate Filing would remain
9 unchanged and the component for the reconciliation would be calculated for the period
10 October to March. Both components of the net metering charge would be a uniform per-
11 kWh charge applicable to all customers. Each April, the Volumetric Method
12 reconciliation amount in the net metering charge would be set to zero and updated each
13 October once the results of the reconciliation are complete.

14
15 **Q. If the Company is not able to make a filing in time for the October 1 effective date,**
16 **what is the Company proposing?**

17 A. If the Company is unable to submit a filing to reflect the Volumetric Method
18 reconciliation in time for rates to become effective October 1, the Company proposes to
19 shorten the recovery period such that the amount will still be credited to customers by
20 March 31 or as otherwise approved by the Commission.

21

1 **Q. How will the Billing Charges to net metering customers be implemented?**

2 A. The charges will be applied to certain net metered customer accounts following the
3 reconciliation analysis. Billing operations will be required to create new cons types with
4 the Company's billing system, CSS, to implement this.

5

6 **Q. How does Company plan to communicate the charge to net metering customers?**

7 A. The Company is working on a communication strategy to explain the billing charges
8 clearly to net metered customers.

9

10 **Q. If approved, would the Proposal eliminate the balance from net metering credits?**

11 A. The reconciliation will help drive down the balance of credits. Reconciliation alone will
12 not eliminate balances entirely, however. The proposed tariff changes intend to mitigate
13 future excess balances.

14

15 **VI. Requested Approvals**

16 **Q. What is the Company requesting from the PUC?**

17 A. The Company respectfully requests that the PUC approve the changes to the Net
18 Metering Tariff as filed and approve the timing for implementation as described herein.
19 In terms of timing, if approved as proposed, the Company would update the net metering
20 charge to customers each October 1, in addition to the current process of updating each
21 April 1 as part of the Annual Retail Rate Filing.

1 **VII. Conclusion**

2 **Q. Does this complete your testimony?**

3 **A. Yes, it does.**

VOLUMETRIC CALCULATION

Volumetric Method for Reconciliation Calculation - Background

Aligns with Section II(5) of the Net Metering Provision.

Apply Statute (and Provision) definitions for “Net Metering Credit”, “Renewable Net Metering Credit”, and “Excess Renewable Net Metering Credit”.

On an annual basis, beginning in January, the Company will begin the process of annual reconciliation for the previous calendar year.

Step 1:

Determine the total list of connected net-metered accounts.

Step 2:

For each connected net-metered account, collect the following data:

- 1) Nameplate rating of Eligible Net Metering System (in kW, AC)
- 2) Sum of 12 months of monthly net meter readings (in kWh)
- 3) Estimated annual generation of Eligible Net Metering System (in kWh)
- 4) Three-year average annual consumption of Eligible Net Metering System (in kWh)
- 5) Configuration (E.g. BTM, stand-alone)
- 6) Rate class
- 7) Include data for all accounts receiving credits from Eligible Net Metering System including Host/Off-taker relationship and percent allocations.

Step 3:

For each account, determine the generation to consumption ratio.

Variables known:

Net Generation (kWh); determined by summing 12 months of monthly net meter readings.

Variables unknown:

Consumption (kWh); use an estimated value if we don't have the customer's production meter data. Estimated value would be the three-year annual consumption.

Generation (kWh); use an estimated value if we don't have the customer's production meter data. Estimated value would be the estimated annual generation.

If we use three-year annual consumption, then our generation to consumption ratio looks like this:

$$\frac{\text{Generation}}{\text{Consumption}} = \frac{\text{Estimated Consumption} - \text{Net Generation}}{\text{Estimated Consumption}} * 100\%$$

If we use estimated annual generation, then our generation to consumption ratio looks like this:

$$\frac{\text{Generation}}{\text{Consumption}} = \frac{\text{Estimated Generation}}{\text{Estimated Generation} + \text{Net Generation}} * 100\%$$

Step 4:

Filter results into three buckets:

- 1) $\frac{\text{Generation}}{\text{Consumption}} \leq 100\%$
- 2) $100\% < \frac{\text{Generation}}{\text{Consumption}} \leq 125\%$
- 3) $\frac{\text{Generation}}{\text{Consumption}} > 125\%$

Step 5:

If $\frac{\text{Generation}}{\text{Consumption}} \leq 100\%$, no action needed.

If $100\% < \frac{\text{Generation}}{\text{Consumption}} \leq 125\%$ or $\frac{\text{Generation}}{\text{Consumption}} > 125\%$, proceed with billing charges to reconcile accounts.

Step 6:

Billing Charges	
$\frac{\text{Generation}}{\text{Consumption}} \leq 100\%$	No charge: customer was paid full value of RNMC, all generation is eligible for the RNMC amount.
$100\% < \frac{\text{Generation}}{\text{Consumption}} \leq 125\%$	Customer was paid full value of RNMC, this excess volume of generation is eligible for ERNMC which are worth less at Standard Offer.

Billing Charges	
	$\text{Charge} = (Dx + Tx + T) * (\text{Generation (kWh)} 100\% - 125\%)$
$\frac{\text{Generation}}{\text{Consumption}} > 125\%$	<p>Customer was paid full value of RNMC, this excess volume of generation is not eligible for any NMC.</p> $\text{Charge} = (\text{Standard Offer} + Dx + Tx + T) * (\text{Excess Generation (kWh)} > 125\%)$

Billing Charges will be applied based on the annual average rate for each rate class.

THE NARRAGANSETT ELECTRIC COMPANY
NET METERING PROVISION

I. Definitions

“**Commission**” shall mean the Rhode Island Public Utilities Commission.

“**Community Remote Net Metering System**” shall mean an Eligible Net Metering System that allocates Net Metering Credits to an Eligible Credit Recipient pursuant to this Tariff. The Community Remote Net Metering System may be owned by either the same entity that is the customer of record on the Net Metered Account or a Third Party.

“**Company**” shall mean The Narragansett Electric Company.

“**Eligible Credit Recipient**” means one of the following whose electric service account or accounts may receive Net Metering Credits from a Community Remote Net Metering System:

- (a) Residential Credit Recipient means a residential account in good standing.
- (b) Low or Moderate-Income Housing Eligible Credit Recipient means an electric service account or accounts in good standing associated with any housing development or developments owned and operated by a public agency, nonprofit organization, limited equity housing cooperative, or private developer, that receives assistance under any federal, state, or municipal government program to assist the construction or rehabilitation of housing affordable to low or moderate-income households, as defined in the applicable federal or state statute, or local ordinance, encumbered by a deed restriction or other covenant recorded in the land records of the municipality in which the housing is located, that:
 - (1) Restricts occupancy of no less than fifty percent (50%) of the housing to households with a gross annual income that does not exceed eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development (“HUD”);
 - (2) Restricts the monthly rent, including a utility allowance, that may be charged to residents, to an amount that does not exceed thirty percent (30%) of the gross monthly income of a household earning eighty percent (80%) of the area median income, as defined annually by HUD; or
 - (3) Has an original term of not less than thirty (30) years from initial occupancy. Electric service account or accounts in good standing associated with housing developments that are under common ownership or control may be considered a single low or moderate-income housing Eligible Credit Recipient. The value of the credits shall be used to provide benefits to tenants.

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The Net Metering Customer must submit documentation in the form of a letter from Rhode Island Housing certifying that each Low or Moderate-Income Housing Eligible Credit Recipient meets the eligibility criteria specified in this section.

“Educational Institutions” shall mean public and private schools at the primary, secondary and post-secondary levels.

“Eligible Net Metering Resource” shall mean eligible renewable energy resource, as defined in 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.

“Eligible Net Metering System” shall mean a facility generating electricity using an Eligible Net Metering Resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering System Site measured by the three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site becomes available for use in determining eligibility of the generating system. The Eligible Net Metering System may be owned by the same entity that is the customer of record on the Net Metered Accounts or may be owned by a Third Party that is not the Net Metering Customer or the customer of record on the Net Metered Accounts and which may offer a Third-Party Net Metering Financing Arrangement or Net Metering Financing Arrangement, as applicable. Notwithstanding any other provisions of this Tariff, any Eligible Net Metering Resource: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative, (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative through a Net Metering Financing Arrangement or (iii) that is a Community Remote Net Metering System, shall be treated as an Eligible Net Metering System, and all delivery service accounts designated by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Net Metering Customer for a Community Remote Net Metering System for net metering shall be treated as accounts eligible for net metering within an Eligible Net Metering System Site.

“Eligible Net Metering System Site” shall mean the site where the Eligible Net Metering System is located or is part of the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a farm in which the Eligible Net Metering System is located. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metered System, the purpose of this definition is to reasonably assure that energy generated by the Eligible Net Metering System is consumed by net metered electric delivery service account(s) that are actually located in the same geographical location as the Eligible Net

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Metering System. All energy generated from any Eligible Net Metering System is and will be considered consumed at the meter where the Eligible Net Metering System is interconnected for valuation purposes. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metering System, all of the Net Metered Accounts at the Eligible Net Metering System Site must be the accounts of the same customer of record, and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the Eligible Net Metering System Site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the delivery service accounts at the site to be master metered (as allowed by applicable state law) in the owner's name, or become the customer of record for each of the delivery service accounts, provided that the owner becoming the customer of record actually owns the property at which the delivery service account is located. As long as the Net Metered Accounts meet the requirements set forth in this definition, there is no limit on the number of delivery service accounts that may be net metered within the Eligible Net Metering System Site.

“Eligible Reconciliation Pool” shall mean Net Metered Accounts greater than 25kW.

“Excess Renewable Net Metering Credit” shall mean a credit that applies to an Eligible Net Metering System for that portion of the production of electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the Net Metering Customer's own consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts during the applicable billing period. Such Excess Renewable Net Metering Credit shall be equal to the Company's avoided cost rate, defined for this purpose as the Last Resort Service kilowatt-hour (kWh) charge for the rate class and time-of-use billing period, if applicable, that is applicable to the Net Metering Customer for the Eligible Net Metering System. The Commission shall have the authority to make determinations as to the applicability of this credit to specific generation facilities to the extent there is an uncertainty or disagreement.

“Farm” shall be defined in accordance with Rhode Island General Laws Section 44-27-2, except that all buildings associated with the Farm shall be eligible for Net Metering Credits as long as: (i) the buildings are owned by the same entity operating the Farm or persons associated with operating the Farm; and (ii) the buildings are on the same farmland as the project on either a tract of land contiguous with or reasonably proximate to such farmland or across a public way from such farmland.

“Hospital” shall mean and shall be defined and established as set forth in Chapter 17 of Title 23 of Rhode Island General Laws.

“ISO-NE” shall mean the Independent System Operator New England, Inc. established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory

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Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

“Multi-Municipal Collaborative” shall mean a group of towns and/or cities that enter into an agreement for the purpose of co-owning a renewable generation facility or entering into a Net Metering Financing Arrangement.

“Municipality” shall mean any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in Title 45 of Rhode Island General Laws.

“NEPOOL” shall mean New England Power Pool.

“Net Metered Accounts” shall mean one or more electric delivery service accounts owned by a single customer of record on the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a Farm in which the Eligible Net Metering System is located, or the electric delivery service account(s) associated with an Eligible Net Metering System that is: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement; or (iii) a Community Remote Net Metering System, provided that the Net Metering Customer has submitted Schedule B (attached) with the individual billing account information for each Net Metered Account. Should there be a change to any of the information contained in Schedule B, the Net Metering Customer is responsible for submitting a revised Schedule B in order for the Company to determine eligibility for the accounts 30 business days prior to making any such change.

“Net Metering” shall mean using electrical energy generated by an Eligible Net Metering System for the purpose of self-supplying electrical energy and power at the Eligible Net Metering System Site or, with respect to a Community Remote Net Metering System or a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative system, for the purpose of generating Net Metering Credits to be applied to the electric bills of the Net Metered Accounts of the Net Metering Customer.

“Net Metering Credits” shall mean the combination of Renewable Net Metering Credits and Excess Renewable Net Metering Credits, if Excess Renewable Net Metering Credits are produced.

“Net Metering Customer” shall mean an electric delivery service customer of record for the Eligible Net Metering System.

“Nonprofit” shall mean a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws and shall include religious organizations that are tax

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exempt pursuant to 26 U.S.C. §501(d).

“Person” shall mean an individual, firm, corporation, association, partnership, farm, town or city of the State of Rhode Island, Multi-municipal Collaborative, or the State of Rhode Island or any department of the state government, governmental agency or public instrumentality of the state.

“Project” shall mean a distinct installation of an Eligible Net Metering System. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

“Public Entity” means the federal government, State of Rhode Island, Municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within the State of Rhode Island, including the water supply board of the City of Providence.

“Net Metering Financing Arrangement” shall mean arrangements entered into by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative with a private entity to facilitate the financing and operation of a Net Metering resource, in which the private entity owns and operates an Eligible Net Metering Resource on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative, where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, Educational Institution, Hospital, or one of the Municipalities, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts.

“Renewable Net Metering Credit” shall mean a credit that applies up to one hundred percent (100%) of a Net Metering Customer’s consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts over the applicable billing period. This credit shall be equal to the total kilowatt-hours of electrical energy generated up to the amount consumed on-site by the Net Metering Customer or the Net Metered Accounts during the billing period multiplied by the sum of the:

- (i) Last Resort Service kilowatt-hour charge for the rate class applicable to the Net Metering Customer, not including the Renewable Energy Standard charge;
- (ii) Distribution kilowatt-hour charge;
- (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the Company by December 31, 2018, or if an

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interconnection study is not required, a completed and paid interconnection application has been received by the Company by December 31, 2018, commencing January 1, 2050, the Renewable Net Metering Credit for all remote Public Entity and Multi-Municipal Collaborative Net Metering systems shall not include the distribution kilowatt-hour charge.

“**Third Party**” means and includes any person or entity other than the Net Metering Customer who owns or operates the Eligible Net Metering System for the benefit of the Net Metering Customer.

“**Third Party Net Metering Financing Arrangement**” means the financing of Eligible Net Metering Systems through lease arrangements or power/credit purchase agreements between a Third Party and a Net Metering Customer, except for those entities under a Net Metering Financing Arrangement. A Third Party engaged in providing financing arrangements related to such Eligible Net Metering Systems with a public or private entity is not a public utility as defined in Rhode Island General Laws Section 39-1-2.

II. Terms and Conditions

The following policies regarding Net Metering of electricity from Eligible Net Metering Systems and regarding any Person or entity that is a Net Metering Customer shall apply:

- (1) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.
- (2) Through December 31, 2018, the maximum aggregate amount of Community Remote Net Metering Systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to Community Remote Net Metering Systems until the 30 MW aggregate amount is interconnected. After December 31, 2018, the Commission may expand or modify the aggregate amount after a public hearing upon petition by the OER. The Commission shall determine, within six (6) months of such petition being docketed by the Commission, whether the benefits of the proposed expansion exceed the cost. This 30 MW aggregate amount shall not apply to any Net Metering Financing Arrangement involving Public Entity facilities, Multi-Municipal Collaborative facilities, Educational Institutions, the federal government, Hospitals, or Nonprofits.
 - (i) Net Metering Customers with a Community Remote Net Metering System must obtain an allocation of capacity under the cap set forth in Section II.(2) above. Customers applying for such capacity must provide or show proof of the following: a) a completed Impact Study for Renewable Distributed Generation or a valid fully executed interconnection service agreement; b) site control for the location of the Eligible Net Metering System; and c) a performance deposit as set forth in section (iii) below. If an application meets these requirements, until the

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capacity limit has been reached, the Community Remote Net Metering System will be provided a cap allocation that will be valid for 24 months from the date of issuance, except as provided in sections 2(v) and 2(vi), below. Projects that apply for a capacity allocation after the MW of applications approved has reached the cap will be kept on a waiting list in the order of complete application with the exception of the performance deposit, which will not be required for the waiting list, but must be paid within five business days from time of notification that capacity becomes available for a project. Applicants that fail to pay the performance deposit within this time frame shall lose their spot on the waiting list.

(ii) If a Community Remote Net Metering System with a cap allocation (a) is not commercially operational or (b) has not met the credit allocation requirements under Section II.(7) below on or before the date that is 24 months from the issuance of the cap allocation (“Cap Expiration Date”), the capacity allocation for the Community Remote Net Metering System will be cancelled, and that capacity will be made available to other applicants, except as provided in sections 2(v) and 2(vi), below. Once cancelled, a customer may apply for a cap allocation again with payment of another performance deposit.

(iii) Customers seeking a Community Remote Net Metering System cap allocation under item (i) above will be required to submit a performance deposit equal to \$25.00 multiplied by the expected annual megawatt-hour output of the system, or \$75,000.00, whichever is less. The deposit will be refunded after the Company verifies that the Community Remote Net Metering System has achieved commercial operation and has met the credit allocation requirements under Section II.(7) below. In the event that the Community Remote Net Metering System does not achieve commercial operation or meet the credit allocation requirements prior to the Cap Expiration Date, the deposit will be forfeited and will be refunded to all customers through the Net Metering Surcharge.

(iv) The Company will track the amount of capacity that has been allocated and that remains available under the Community Remote Net Metering System cap, and will post such information on its website, which will be updated on a monthly basis until the cap has been reached. The Company may establish additional procedures and guidelines to implement a system of processing, obtaining, and maintaining net metering cap allocations for Community Remote Net Metering Systems.

(v) The Cap Expiration Date may be extended by six (6) months (to 30 months) with no additional performance deposit. The Cap Expiration Date may be extended for an additional six (6) months beyond that (to 36 months) by posting one-half of the original performance deposit if a Community Remote Net Metering System still does not achieve commercial operation or has not met the

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credit allocation requirements under Section II.(7) below because of :

- 1) Demonstrable lack of action or failure on the part of a governmental agency to issue a required permit or approval in the normal course. The Customer must provide to the Company evidence that it filed either a preapplication or completed state or municipal permit application for the Community Remote Net Metering System and that such preapplication or permit application was officially accepted by the applicable state agency or municipality as a complete application within the first six (6) months of being awarded capacity by the Company; providing such evidence shall be deemed sufficient for the Company to grant the additional six (6) months (to 36 months) extension to the Customer; or
- 2) Project construction related delays associated with weather, materials, or labor, which are in good faith and beyond the control of the Customer, and could not have been prevented or avoided (each, a "Delay Event").

(vi) If the Cap Expiration Date cannot be met because 1) the Company's interconnection work is not complete ("Interconnection Delay"), or 2) there is a pending legal challenge or moratorium (collectively, a "Permit Delay") after the permit process has been started, affecting one or more required governmental permits or approvals that is not resolved by the expiration of the 36-month period set forth in section 2(v) above, and the Interconnection Delay or Permit Delay, as applicable is not attributable to any action or inaction of the Customer, the Cap Expiration Date shall be extended by the period of the Interconnection Delay or Permit Delay, as applicable, with no additional performance deposit required. With respect to a Permit Delay, the Customer must provide evidence of the legal challenge or moratorium to the Company and Office of Energy Resources and a monthly update on the status of the pending legal challenge or moratorium. Failure by the Customer to provide such status updates to the Company and Office of Energy Resources may result in the termination of capacity with the Customer by the Company. Nothing herein shall be construed to alter or amend any timeframes set forth in the Customer's interconnection service agreement and/or the Company's interconnection tariff.

(vii) In the event of a request for an extension due to a Delay Event under section 2(v), above and/or a Permit Delay under section 2(vi), above, the Customer must give the Company, and Office of Energy Resources written notice within thirty (30) days of pending project deadline milestone (i.e., 24, 30, 36 months) and certify to the existence of the Delay Event and/or the Permit Delay prior to the Cap Expiration Date, providing details regarding the nature, extent of, and expected duration of the Delay Event and/or the Permit Delay.

- (3) If the electricity generated by an Eligible Net Metering System during a billing period is

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equal to or less than the Net Metering Customer's usage at the Eligible Net Metering System Site, or the aggregate consumption of the Net Metered Accounts, the Net Metering Customer shall receive Renewable Net Metering Credits, which shall be applied to offset the Net Metering Customer's usage on Net Metered Accounts at the Eligible Net Metering Site, or shall be used to credit the Net Metered Accounts, as applicable.

- (4) Unless the Company and Net Metering Customer have agreed to a billing plan pursuant to Section II(8) of this Tariff, if the electricity generated by an Eligible Net Metering System during a billing period is greater than the Net Metering Customer's usage or the aggregate consumption of the Net Metered Accounts, as applicable, during the billing period, the Net Metering Customer shall be paid Excess Renewable Net Metering Credits for the excess generation up to an additional twenty-five percent (25%) of the Net Metering Customer's consumption or the aggregate consumption of the Net Metered Accounts during the billing period.
- (5) For purposes of administering Sections II(3) and II(4) of this Tariff, on a monthly basis, the Company will apply Renewable Net Metering Credits to the Net Metered Accounts for all kWh generated by the Eligible Net Metering System. On an annual basis, [for the Eligible Reconciliation Pool](#), the Company will [conduct a reconciliation applying a volumetric method analysis as explained in this section and as presented in Schedule C](#). [The Company will](#) compare kWh generated by the Eligible Net Metering System during the applicable 12-month period to the on-site consumption of the Net Metering Customer or the aggregate consumption of the Net Metered Accounts, as applicable, or to the three-year average aggregate sum of the on-site consumption of the Net Metered Accounts of a Community Remote Net Metering System. If such consumption is less than the kWh generated by the Eligible Net Metering System during the applicable 12-month period, the Company will apply a billing charge to the Net Metering Customer's account equal to the difference between the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the difference between the kWh generated by the Eligible Net Metering System and the consumption during the same 12-month period. If the kWh generated by the Eligible Net Metering System during the applicable 12-month period exceeds such consumption by more than 25 percent, the Company will apply a billing charge to the Net Metering Customer's account equal to the Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the kWh generated in excess of 125 percent of the consumption. [Refer to Schedule C for volumetric method billing charges](#).
- (6) All Net Metering Customers shall be required to complete Schedule B. Renewable Net Metering Credits will be applied to Net Metered Accounts in the manner specified on Schedule B. Changes to Schedule B may be submitted to the Company on a quarterly basis.
- (7) A Community Remote Net Metering System must allocate Net Metering Credits to a

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minimum of (i) one account for a system associated with Low or Moderate Income Housing Eligible Credit Recipient or (ii) three (3) Eligible Credit Recipient accounts.

If Net Metering Credits are allocated to three or more Eligible Credit Recipient accounts, the following shall apply to all accounts except for those accounts associated with Low or Moderate-Income Housing Eligible Credit Recipients:

- a. No more than fifty percent (50%) of the Net Metering Credits may be allocated to one Eligible Credit Recipient; and
- b. At least fifty percent (50%) of the Net Metering Credits must be allocated to the remaining Eligible Credit Recipients in an amount allocated to each Recipient that does not exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity.

These requirements must be met before the Company authorizes the project to operate.

The Community Remote Net Metering System may transfer credits to Eligible Credit Recipients in an amount that is equal to or less than the aggregate consumption of the Net Metered Accounts measured by the three-year average annual consumption of energy over the previous three years. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Accounts becomes available.

- (8) For ease of administering Net Metered Accounts and stabilizing Net Metered Account bills, the Company may elect (but is not required) to estimate for any 12-month period (i) the production from the Eligible Net Metering System and (ii) aggregate consumption of the Net Metered Accounts and establish a monthly billing plan that reflects the expected Net Metering Credits that would be applied to the Net Metered Accounts over 12 months. The billing plan would be designed to even out monthly billings over 12 months, regardless of actual production and usage. If the Company makes such an election, the Company will reconcile payments and credits under the billing plan to actual production and consumption at the end of the 12-month period and apply any credits or charges to the Net Metered Customer Accounts for any positive or negative difference, as applicable. Should there be a material change in circumstances at the Eligible Net Metering System Site or associated Net Metered Accounts during the 12 month period, the Company may adjust the estimate and credits during the reconciliation period. The Company may also (but is not required to) elect to issue checks to any Net Metering Customer in lieu of billing credits or carry forward credits or charges to the next billing period. For residential Eligible Net Metering Systems that are twenty-five kilowatts (25 kW) or smaller, the Company, at its option, may administer Renewable Net Metering Credits month to month allowing unused credits to carry forward into following billing period.

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- (9) As a condition to receiving Net Metering Credits pursuant to this Tariff, customers who install Eligible Net Metering Systems must enter into an interconnection agreement and comply with the Company's Standards for Connecting Distributed Generation, as amended and superseded from time to time.
- (10) As a condition to receiving any payments pursuant to this provision, Net Metering Customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW must comply with any and all applicable NEPOOL and ISO-NE rules, requirements, or information requests that are necessary for the Eligible Net Metering System's electric energy output to be sold into the ISO-NE administered markets. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the Net Metering Customer who installs an Eligible Net Metering System must provide such information to the Company prior to the project being authorized to operate in parallel with the Company's electric distribution system.
- (11) NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, and/or sanction is levied by NEPOOL or the ISO-NE as a result of the Net Metering Customer's failure to comply with a NEPOOL or ISO-NE rule, requirement, or information request, the Net Metering Customer will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty, and/or sanction.
- [\(12\) Following the annual reconciliation described in subsection \(5\) above, the Company may issue payment to the Net Metered Account for the remaining Excess Renewable Net Metering Credit at the annual average Last Resort Service rate. No payments permitted under this subsection will be issued until after the annual reconciliation of the Net Metered Account. In lieu of payment, the Net Metered Account customer may elect to roll over remaining Excess Renewable Net Metering Credits.](#)

III. Rates for Distribution Service to Net Metering Customers and Net Metered Accounts

- (1) Retail delivery service by the Company to the Net Metering Customer and Net Metered Accounts shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service that are on file with the Commission.
- (2) The Last Resort Service and retail delivery rates applicable to any Net Metered Account shall be the same as those that apply to the rate classification that would be applicable to such delivery service account in the absence of Net Metering, including customer and demand charges, and no other charges may be imposed to offset Net Metering Credits.

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- (3) Net Metering Customers shall be exempt from backup service rates commensurate with the size of the Eligible Net Metering System.

IV. **Cost Recovery**

- (1) Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with Rhode Island General Laws Section 39-26.2-3(a) and the annual amount of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts shall be aggregated by the Company and billed to all distribution customers on an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge embedded in the distribution component of the rates reflected on customer bills.
- (2) The Company will include the energy market payments received from ISO-NE for the electricity generated by Eligible Net Metering Systems in the Company's annual reconciliation of the Net Metering Charge. Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and associated payment received against the annual amount of Last Resort Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.
- (3) The Company will perform an annual reconciliation which compares kWh generated to kWh consumed over an annual period and applies billing charges for ratios greater than 100%. The results of the reconciliation will be credited to all distribution customers through a uniform per kilowatt hour (kWh) through the Net Metering Charge for a period of up to twelve (12) months subject to Commission approval.

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Schedule B – Additional Information Required for Net Metering Service

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

Customer Name: _____

Account Number: _____

Facility Address: _____

City: _____ State: RI Zip Code: _____

The Agreement is between _____, a Net Metering Customer (“NMC”) and The Narragansett Electric Company (the “Company”) for application of Net Metering Credits earned through Net Metering from the NMC located at _____, Rhode Island.

The NMC agrees to comply with the provisions of the Net Metering Provision, the applicable retail delivery tariffs, and the Terms and Conditions for Distribution Service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

A) NMC Address: _____

Nameplate rating (AC) of the Eligible Net Metering System _____ kW
Estimated annual generation in kWhs of Eligible Net Metering System _____ kWh

Net Metered Account(s)

The following information must be provided for each individual Net Metered Account in a proposed Eligible Net Metering System Site:

Name: _____ (Except in the case of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or Community Remote Net Metered System, the customer of record must be the same the customer for each Net Metered Account)

Service Address: _____

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Electric Delivery Company Account number: _____

Three-year average kWh usage for this account _____

Total three-year average kWh usage for all accounts as associated with an Eligible Net Metering System Site _____

Total estimated generation to consumption ratio _____ (shall be as close to 100% as feasible, any ratio between 100% - 125% will be subject to partial billing charge and any ratio greater than 125% will be subject to a full billing charge).

Once this information is received, the Company will determine whether the accounts listed are eligible for net metering.

B) For any Billing Period in which the NMC earns Net Metering Credits, please indicate how the Distribution Company will apply them:

- Apply all of the Net Metering Credits to the account of the NMC (skip Items C and D below)
- Allocate all the Net Metering Credits to the accounts of eligible Customers (please fill out C and D below)
- Both apply a portion of the Net Metering Credits to the NMC's account and allocate a portion to the accounts of eligible Customers (please fill out C and D below)

The Company will notify the NMC within 30 days of the Company's receipt of Schedule B whether it will allocate or purchase Net Metering Credits. If the Company elects to purchase Net Metering Credits, the Company will render payment by issuing a check to the NMC each Billing Period, unless otherwise agreed in writing by the NMC and Company. If the Company elects to allocate Net Metering Credits, the NMC must complete Item C and submit the revised Schedule B to the Company.

C) Please state the total percentage of Net Metering Credits to be allocated.

% Amount of the Net Metering Credit being allocated.

The total amount of Net Metering Credits being allocated shall not exceed 100% but shall be as close to 100% as feasible; Any remaining percentage will be applied to the NMC's account.

Please identify each eligible Customer account to which the NMC is allocating Net Metering Credits by providing the following information (attach additional pages as needed):

NOTE: If a designated Customer account closes, the allocated percentage will revert to the

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NMC's account, unless otherwise mutually agreed in writing by the NMC and the Company.

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:

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Billing Address:
Account number:
Amount of the Net Metering Credit: _____ %

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____ %

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____ %

D) The terms of this Schedule B shall remain in effect unless and until the NMC executes a revised Schedule B and submits it to the Company. A revised Schedule B may be updated quarterly during a calendar year.

E) A signature on the application shall constitute certification that (1) the NMC has read the application and knows its contents; (2) the contents are true as stated, to the best knowledge and belief of the NMC; and (3) the NMC possesses full power and authority to sign the application.

Notice

Execution of this agreement will cancel any previous agreement for the Net Metered Accounts for the Eligible Net Metering System under the Net Metering Provision.

The Company or NMC may terminate this agreement on thirty (30) days written notice, which includes a statement of reasons for such termination. In addition, the NMC must re-file this agreement annually.

Agreed and Accepted – Please sign

[NAME OF NMC]

Date: _____

By: _____

Name:
Title:

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The Narragansett Electric Company

Date: _____

By: _____

Name:

Title:

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Schedule C – Volumetric Method Billing Charges

<u>Billing Charges</u>	
$\frac{\text{Generation}}{\text{Consumption}} \leq 100\%$	<u>No charge: customer was paid the full value of a Renewable Net Metering Credit, all generation is eligible for the Renewable Net Metering Credit amount.</u>
$100\% < \frac{\text{Generation}}{\text{Consumption}} \leq 125\%$	<u>Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is eligible for Excess Renewable Net Metering Credits, which are worth less at Last Resort Service.</u> <u>Charge = (Distribution + Transmission + Transition) * (Generation (kWh) 100% - 125%)</u>
$\frac{\text{Generation}}{\text{Consumption}} > 125\%$	<u>Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is not eligible for any Net Metering Credit.</u> <u>Charge = (Last Resort Service + Distribution + Transmission + Transition) * (Excess Generation (kWh) > 125%)</u>

Billing Charges will be applied based on the annual average rate for each rate class.

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I. Definitions

“**Commission**” shall mean the Rhode Island Public Utilities Commission.

“**Community Remote Net Metering System**” shall mean an Eligible Net Metering System that allocates Net Metering Credits to an Eligible Credit Recipient pursuant to this Tariff. The Community Remote Net Metering System may be owned by either the same entity that is the customer of record on the Net Metered Account or a Third Party.

“**Company**” shall mean The Narragansett Electric Company.

“**Eligible Credit Recipient**” means one of the following whose electric service account or accounts may receive Net Metering Credits from a Community Remote Net Metering System:

- (a) Residential Credit Recipient means a residential account in good standing.
- (b) Low or Moderate-Income Housing Eligible Credit Recipient means an electric service account or accounts in good standing associated with any housing development or developments owned and operated by a public agency, nonprofit organization, limited equity housing cooperative, or private developer, that receives assistance under any federal, state, or municipal government program to assist the construction or rehabilitation of housing affordable to low or moderate-income households, as defined in the applicable federal or state statute, or local ordinance, encumbered by a deed restriction or other covenant recorded in the land records of the municipality in which the housing is located, that:
 - (1) Restricts occupancy of no less than fifty percent (50%) of the housing to households with a gross annual income that does not exceed eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development (“HUD”);
 - (2) Restricts the monthly rent, including a utility allowance, that may be charged to residents, to an amount that does not exceed thirty percent (30%) of the gross monthly income of a household earning eighty percent (80%) of the area median income, as defined annually by HUD; or
 - (3) Has an original term of not less than thirty (30) years from initial occupancy. Electric service account or accounts in good standing associated with housing developments that are under common ownership or control may be considered a single low or moderate-income housing Eligible Credit Recipient. The value of the credits shall be used to provide benefits to tenants.

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The Net Metering Customer must submit documentation in the form of a letter from Rhode Island Housing certifying that each Low or Moderate-Income Housing Eligible Credit Recipient meets the eligibility criteria specified in this section.

“Educational Institutions” shall mean public and private schools at the primary, secondary and post-secondary levels.

“Eligible Net Metering Resource” shall mean eligible renewable energy resource, as defined in 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.

“Eligible Net Metering System” shall mean a facility generating electricity using an Eligible Net Metering Resource that is reasonably designed and sized to annually produce electricity in an amount that is equal to or less than the Net Metering Customer’s usage at the Eligible Net Metering System Site measured by the three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Account(s) located at the Eligible Net Metering System Site becomes available for use in determining eligibility of the generating system. The Eligible Net Metering System may be owned by the same entity that is the customer of record on the Net Metered Accounts or may be owned by a Third Party that is not the Net Metering Customer or the customer of record on the Net Metered Accounts and which may offer a Third-Party Net Metering Financing Arrangement or Net Metering Financing Arrangement, as applicable. Notwithstanding any other provisions of this Tariff, any Eligible Net Metering Resource: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative, (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-municipal Collaborative through a Net Metering Financing Arrangement or (iii) that is a Community Remote Net Metering System, shall be treated as an Eligible Net Metering System, and all delivery service accounts designated by the Public Entity, Educational Institution, Hospital, Nonprofit, Multi-Municipal Collaborative, or Net Metering Customer for a Community Remote Net Metering System for net metering shall be treated as accounts eligible for net metering within an Eligible Net Metering System Site.

“Eligible Net Metering System Site” shall mean the site where the Eligible Net Metering System is located or is part of the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a farm in which the Eligible Net Metering System is located. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metered System, the purpose of this definition is to reasonably assure that energy generated by the Eligible Net Metering System is consumed by net metered electric delivery service account(s) that are actually located in the same geographical location as the Eligible Net

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Metering System. All energy generated from any Eligible Net Metering System is and will be considered consumed at the meter where the Eligible Net Metering System is interconnected for valuation purposes. Except for an Eligible Net Metering System owned by or operated on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement, or a Community Remote Net Metering System, all of the Net Metered Accounts at the Eligible Net Metering System Site must be the accounts of the same customer of record, and customers are not permitted to enter into agreements or arrangements to change the name on accounts for the purpose of artificially expanding the Eligible Net Metering System Site to contiguous sites in an attempt to avoid this restriction. However, a property owner may change the nature of the metered service at the delivery service accounts at the site to be master metered (as allowed by applicable state law) in the owner's name, or become the customer of record for each of the delivery service accounts, provided that the owner becoming the customer of record actually owns the property at which the delivery service account is located. As long as the Net Metered Accounts meet the requirements set forth in this definition, there is no limit on the number of delivery service accounts that may be net metered within the Eligible Net Metering System Site.

“Eligible Reconciliation Pool” shall mean Net Metered Accounts greater than 25kW.

“Excess Renewable Net Metering Credit” shall mean a credit that applies to an Eligible Net Metering System for that portion of the production of electrical energy beyond one hundred percent (100%) and no greater than one hundred twenty-five percent (125%) of the Net Metering Customer's own consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts during the applicable billing period. Such Excess Renewable Net Metering Credit shall be equal to the Company's avoided cost rate, defined for this purpose as the Last Resort Service kilowatt-hour (kWh) charge for the rate class and time-of-use billing period, if applicable, that is applicable to the Net Metering Customer for the Eligible Net Metering System. The Commission shall have the authority to make determinations as to the applicability of this credit to specific generation facilities to the extent there is an uncertainty or disagreement.

“Farm” shall be defined in accordance with Rhode Island General Laws Section 44-27-2, except that all buildings associated with the Farm shall be eligible for Net Metering Credits as long as: (i) the buildings are owned by the same entity operating the Farm or persons associated with operating the Farm; and (ii) the buildings are on the same farmland as the project on either a tract of land contiguous with or reasonably proximate to such farmland or across a public way from such farmland.

“Hospital” shall mean and shall be defined and established as set forth in Chapter 17 of Title 23 of Rhode Island General Laws.

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“**ISO-NE**” shall mean the Independent System Operator New England, Inc. established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.

“**Multi-Municipal Collaborative**” shall mean a group of towns and/or cities that enter into an agreement for the purpose of co-owning a renewable generation facility or entering into a Net Metering Financing Arrangement.

“**Municipality**” shall mean any Rhode Island town or city, including any agency or instrumentality thereof, with the powers set forth in Title 45 of Rhode Island General Laws.

“**NEPOOL**” shall mean New England Power Pool.

“**Net Metered Accounts**” shall mean one or more electric delivery service accounts owned by a single customer of record on the same campus or complex of sites contiguous to one another and the site where the Eligible Net Metering System is located or a Farm in which the Eligible Net Metering System is located, or the electric delivery service account(s) associated with an Eligible Net Metering System that is: (i) owned by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or (ii) owned and operated by a renewable generation developer on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative through a Net Metering Financing Arrangement; or (iii) a Community Remote Net Metering System, provided that the Net Metering Customer has submitted Schedule B (attached) with the individual billing account information for each Net Metered Account. Should there be a change to any of the information contained in Schedule B, the Net Metering Customer is responsible for submitting a revised Schedule B in order for the Company to determine eligibility for the accounts 30 business days prior to making any such change.

“**Net Metering**” shall mean using electrical energy generated by an Eligible Net Metering System for the purpose of self-supplying electrical energy and power at the Eligible Net Metering System Site or, with respect to a Community Remote Net Metering System or a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative system, for the purpose of generating Net Metering Credits to be applied to the electric bills of the Net Metered Accounts of the Net Metering Customer.

“**Net Metering Credits**” shall mean the combination of Renewable Net Metering Credits and Excess Renewable Net Metering Credits, if Excess Renewable Net Metering Credits are produced.

“**Net Metering Customer**” shall mean an electric delivery service customer of record for the Eligible Net Metering System.

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“Nonprofit” shall mean a nonprofit corporation as defined and established through Chapter 6 of Title 7 of Rhode Island General Laws and shall include religious organizations that are tax exempt pursuant to 26 U.S.C. §501(d).

“Person” shall mean an individual, firm, corporation, association, partnership, farm, town or city of the State of Rhode Island, Multi-municipal Collaborative, or the State of Rhode Island or any department of the state government, governmental agency or public instrumentality of the state.

“Project” shall mean a distinct installation of an Eligible Net Metering System. An installation will be considered distinct if it is installed in a different location, or at a different time, or involves a different type of renewable energy.

“Public Entity” means the federal government, State of Rhode Island, Municipalities, wastewater treatment facilities, public transit agencies or any water distributing plant or system employed for the distribution of water to the consuming public within the State of Rhode Island, including the water supply board of the City of Providence.

“Net Metering Financing Arrangement” shall mean arrangements entered into by a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative with a private entity to facilitate the financing and operation of a Net Metering resource, in which the private entity owns and operates an Eligible Net Metering Resource on behalf of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative, where: (i) the Eligible Net Metering Resource is located on property owned or controlled by the Public Entity, Educational Institution, Hospital, or one of the Municipalities, as applicable, and (ii) the production from the Eligible Net Metering Resource and primary compensation paid by the Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative to the private entity for such production is directly tied to the consumption of electricity occurring at the designated Net Metered Accounts.

“Renewable Net Metering Credit” shall mean a credit that applies up to one hundred percent (100%) of a Net Metering Customer’s consumption at the Eligible Net Metering System Site or the aggregate consumption of the Net Metered Accounts over the applicable billing period. This credit shall be equal to the total kilowatt-hours of electrical energy generated up to the amount consumed on-site by the Net Metering Customer or the Net Metered Accounts during the billing period multiplied by the sum of the:

- (i) Last Resort Service kilowatt-hour charge for the rate class applicable to the Net Metering Customer, not including the Renewable Energy Standard charge;
- (ii) Distribution kilowatt-hour charge;
- (iii) Transmission kilowatt-hour charge; and
- (iv) Transition kilowatt-hour charge.

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Notwithstanding the foregoing, except for systems that have requested an interconnection study for which payment has been received by the Company by December 31, 2018, or if an interconnection study is not required, a completed and paid interconnection application has been received by the Company by December 31, 2018, commencing January 1, 2050, the Renewable Net Metering Credit for all remote Public Entity and Multi-Municipal Collaborative Net Metering systems shall not include the distribution kilowatt-hour charge.

“**Third Party**” means and includes any person or entity other than the Net Metering Customer who owns or operates the Eligible Net Metering System for the benefit of the Net Metering Customer.

“**Third Party Net Metering Financing Arrangement**” means the financing of Eligible Net Metering Systems through lease arrangements or power/credit purchase agreements between a Third Party and a Net Metering Customer, except for those entities under a Net Metering Financing Arrangement. A Third Party engaged in providing financing arrangements related to such Eligible Net Metering Systems with a public or private entity is not a public utility as defined in Rhode Island General Laws Section 39-1-2.

II. Terms and Conditions

The following policies regarding Net Metering of electricity from Eligible Net Metering Systems and regarding any Person or entity that is a Net Metering Customer shall apply:

- (1) The maximum allowable capacity for Eligible Net Metering Systems, based on name plate capacity, is 10MW.
- (2) Through December 31, 2018, the maximum aggregate amount of Community Remote Net Metering Systems built shall be thirty megawatts (30 MW). Any of the unused MW amount after December 31, 2018, shall remain available to Community Remote Net Metering Systems until the 30 MW aggregate amount is interconnected. After December 31, 2018, the Commission may expand or modify the aggregate amount after a public hearing upon petition by the OER. The Commission shall determine, within six (6) months of such petition being docketed by the Commission, whether the benefits of the proposed expansion exceed the cost. This 30 MW aggregate amount shall not apply to any Net Metering Financing Arrangement involving Public Entity facilities, Multi-Municipal Collaborative facilities, Educational Institutions, the federal government, Hospitals, or Nonprofits.
 - (i) Net Metering Customers with a Community Remote Net Metering System must obtain an allocation of capacity under the cap set forth in Section II.(2) above. Customers applying for such capacity must provide or show proof of the following: a) a completed Impact Study for Renewable Distributed Generation or a valid fully executed interconnection service agreement; b) site control for the

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location of the Eligible Net Metering System; and c) a performance deposit as set forth in section (iii) below. If an application meets these requirements, until the capacity limit has been reached, the Community Remote Net Metering System will be provided a cap allocation that will be valid for 24 months from the date of issuance, except as provided in sections 2(v) and 2(vi), below. Projects that apply for a capacity allocation after the MW of applications approved has reached the cap will be kept on a waiting list in the order of complete application with the exception of the performance deposit, which will not be required for the waiting list, but must be paid within five business days from time of notification that capacity becomes available for a project. Applicants that fail to pay the performance deposit within this time frame shall lose their spot on the waiting list.

(ii) If a Community Remote Net Metering System with a cap allocation (a) is not commercially operational or (b) has not met the credit allocation requirements under Section II.(7) below on or before the date that is 24 months from the issuance of the cap allocation (“Cap Expiration Date”), the capacity allocation for the Community Remote Net Metering System will be cancelled, and that capacity will be made available to other applicants, except as provided in sections 2(v) and 2(vi), below. Once cancelled, a customer may apply for a cap allocation again with payment of another performance deposit.

(iii) Customers seeking a Community Remote Net Metering System cap allocation under item (i) above will be required to submit a performance deposit equal to \$25.00 multiplied by the expected annual megawatt-hour output of the system, or \$75,000.00, whichever is less. The deposit will be refunded after the Company verifies that the Community Remote Net Metering System has achieved commercial operation and has met the credit allocation requirements under Section II.(7) below. In the event that the Community Remote Net Metering System does not achieve commercial operation or meet the credit allocation requirements prior to the Cap Expiration Date, the deposit will be forfeited and will be refunded to all customers through the Net Metering Surcharge.

(iv) The Company will track the amount of capacity that has been allocated and that remains available under the Community Remote Net Metering System cap, and will post such information on its website, which will be updated on a monthly basis until the cap has been reached. The Company may establish additional procedures and guidelines to implement a system of processing, obtaining, and maintaining net metering cap allocations for Community Remote Net Metering Systems.

(v) The Cap Expiration Date may be extended by six (6) months (to 30 months) with no additional performance deposit. The Cap Expiration Date may be extended for an additional six (6) months beyond that (to 36 months) by posting

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one-half of the original performance deposit if a Community Remote Net Metering System still does not achieve commercial operation or has not met the credit allocation requirements under Section II.(7) below because of :

- 1) Demonstrable lack of action or failure on the part of a governmental agency to issue a required permit or approval in the normal course. The Customer must provide to the Company evidence that it filed either a preapplication or completed state or municipal permit application for the Community Remote Net Metering System and that such preapplication or permit application was officially accepted by the applicable state agency or municipality as a complete application within the first six (6) months of being awarded capacity by the Company; providing such evidence shall be deemed sufficient for the Company to grant the additional six (6) months (to 36 months) extension to the Customer; or
- 2) Project construction related delays associated with weather, materials, or labor, which are in good faith and beyond the control of the Customer, and could not have been prevented or avoided (each, a “Delay Event”).

(vi) If the Cap Expiration Date cannot be met because 1) the Company’s interconnection work is not complete (“Interconnection Delay”), or 2) there is a pending legal challenge or moratorium (collectively, a “Permit Delay”) after the permit process has been started, affecting one or more required governmental permits or approvals that is not resolved by the expiration of the 36-month period set forth in section 2(v) above, and the Interconnection Delay or Permit Delay, as applicable is not attributable to any action or inaction of the Customer, the Cap Expiration Date shall be extended by the period of the Interconnection Delay or Permit Delay, as applicable, with no additional performance deposit required. With respect to a Permit Delay, the Customer must provide evidence of the legal challenge or moratorium to the Company and Office of Energy Resources and a monthly update on the status of the pending legal challenge or moratorium. Failure by the Customer to provide such status updates to the Company and Office of Energy Resources may result in the termination of capacity with the Customer by the Company. Nothing herein shall be construed to alter or amend any timeframes set forth in the Customer’s interconnection service agreement and/or the Company’s interconnection tariff.

(vii) In the event of a request for an extension due to a Delay Event under section 2(v), above and/or a Permit Delay under section 2(vi), above, the Customer must give the Company, and Office of Energy Resources written notice within thirty (30) days of pending project deadline milestone (i.e., 24, 30, 36 months) and certify to the existence of the Delay Event and/or the Permit Delay prior to the Cap Expiration Date, providing details regarding the nature, extent of, and expected duration of the Delay Event and/or the Permit Delay.

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- (3) If the electricity generated by an Eligible Net Metering System during a billing period is equal to or less than the Net Metering Customer's usage at the Eligible Net Metering System Site, or the aggregate consumption of the Net Metered Accounts, the Net Metering Customer shall receive Renewable Net Metering Credits, which shall be applied to offset the Net Metering Customer's usage on Net Metered Accounts at the Eligible Net Metering Site, or shall be used to credit the Net Metered Accounts, as applicable.
- (4) Unless the Company and Net Metering Customer have agreed to a billing plan pursuant to Section II(8) of this Tariff, if the electricity generated by an Eligible Net Metering System during a billing period is greater than the Net Metering Customer's usage or the aggregate consumption of the Net Metered Accounts, as applicable, during the billing period, the Net Metering Customer shall be paid Excess Renewable Net Metering Credits for the excess generation up to an additional twenty-five percent (25%) of the Net Metering Customer's consumption or the aggregate consumption of the Net Metered Accounts during the billing period.
- (5) For purposes of administering Sections II(3) and II(4) of this Tariff, on a monthly basis, the Company will apply Renewable Net Metering Credits to the Net Metered Accounts for all kWh generated by the Eligible Net Metering System. On an annual basis, for the Eligible Reconciliation Pool, the Company will conduct a reconciliation applying a volumetric method analysis as explained in this section and as presented in Schedule C. The Company will compare kWh generated by the Eligible Net Metering System during the applicable 12-month period to the on-site consumption of the Net Metering Customer or the aggregate consumption of the Net Metered Accounts, as applicable, or to the three-year average aggregate sum of the on-site consumption of the Net Metered Accounts of a Community Remote Net Metering System. If such consumption is less than the kWh generated by the Eligible Net Metering System during the applicable 12-month period, the Company will apply a billing charge to the Net Metering Customer's account equal to the difference between the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the difference between the kWh generated by the Eligible Net Metering System and the consumption during the same 12-month period. If the kWh generated by the Eligible Net Metering System during the applicable 12-month period exceeds such consumption by more than 25 percent, the Company will apply a billing charge to the Net Metering Customer's account equal to the Renewable Net Metering Credit in effect during the applicable 12-month period multiplied by the kWh generated in excess of 125 percent of the consumption. Refer to Schedule C for volumetric method billing charges.
- (6) All Net Metering Customers shall be required to complete Schedule B. Renewable Net Metering Credits will be applied to Net Metered Accounts in the manner specified on Schedule B. Changes to Schedule B may be submitted to the Company on a quarterly basis.

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- (7) A Community Remote Net Metering System must allocate Net Metering Credits to a minimum of (i) one account for a system associated with Low or Moderate Income Housing Eligible Credit Recipient or (ii) three (3) Eligible Credit Recipient accounts.

If Net Metering Credits are allocated to three or more Eligible Credit Recipient accounts, the following shall apply to all accounts except for those accounts associated with Low or Moderate-Income Housing Eligible Credit Recipients:

- a. No more than fifty percent (50%) of the Net Metering Credits may be allocated to one Eligible Credit Recipient; and
- b. At least fifty percent (50%) of the Net Metering Credits must be allocated to the remaining Eligible Credit Recipients in an amount allocated to each Recipient that does not exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity.

These requirements must be met before the Company authorizes the project to operate.

The Community Remote Net Metering System may transfer credits to Eligible Credit Recipients in an amount that is equal to or less than the aggregate consumption of the Net Metered Accounts measured by the three-year average annual consumption of energy over the previous three years. A projected annual consumption of energy may be used until the actual three-year average annual consumption of energy over the previous three years at the Net Metered Accounts becomes available.

- (8) For ease of administering Net Metered Accounts and stabilizing Net Metered Account bills, the Company may elect (but is not required) to estimate for any 12-month period (i) the production from the Eligible Net Metering System and (ii) aggregate consumption of the Net Metered Accounts and establish a monthly billing plan that reflects the expected Net Metering Credits that would be applied to the Net Metered Accounts over 12 months. The billing plan would be designed to even out monthly billings over 12 months, regardless of actual production and usage. If the Company makes such an election, the Company will reconcile payments and credits under the billing plan to actual production and consumption at the end of the 12-month period and apply any credits or charges to the Net Metered Customer Accounts for any positive or negative difference, as applicable. Should there be a material change in circumstances at the Eligible Net Metering System Site or associated Net Metered Accounts during the 12 month period, the Company may adjust the estimate and credits during the reconciliation period. The Company may also (but is not required to) elect to issue checks to any Net Metering Customer in lieu of billing credits or carry forward credits or charges to the next billing period. For residential Eligible Net Metering Systems that are twenty-five kilowatts (25 kW) or smaller, the Company, at its option, may administer Renewable Net Metering Credits month to month allowing unused credits to carry forward into following billing period.

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- (9) As a condition to receiving Net Metering Credits pursuant to this Tariff, customers who install Eligible Net Metering Systems must enter into an interconnection agreement and comply with the Company's Standards for Connecting Distributed Generation, as amended and superseded from time to time.
- (10) As a condition to receiving any payments pursuant to this provision, Net Metering Customers who install Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW must comply with any and all applicable NEPOOL and ISO-NE rules, requirements, or information requests that are necessary for the Eligible Net Metering System's electric energy output to be sold into the ISO-NE administered markets. If the Company must provide to NEPOOL or ISO-NE any information regarding the operation, output, or any other data in order to sell the output of the Eligible Net Metering System into the ISO-NE administered markets, the Net Metering Customer who installs an Eligible Net Metering System must provide such information to the Company prior to the project being authorized to operate in parallel with the Company's electric distribution system.
- (11) NEPOOL and ISO-NE have the authority to impose fines, penalties, and/or sanctions on participants if it is determined that a participant is violating established rules in certain instances. Accordingly, to the extent that a fine, penalty, and/or sanction is levied by NEPOOL or the ISO-NE as a result of the Net Metering Customer's failure to comply with a NEPOOL or ISO-NE rule, requirement, or information request, the Net Metering Customer will be responsible for the costs incurred by the Company, if any, associated with such fine, penalty, and/or sanction.
- (12) Following the annual reconciliation described in subsection (5) above, the Company may issue payment to the Net Metered Account for the remaining Excess Renewable Net Metering Credit at the annual average Last Resort Service rate. No payments permitted under this subsection will be issued until after the annual reconciliation of the Net Metered Account. In lieu of payment, the Net Metered Account customer may elect to roll over remaining Excess Renewable Net Metering Credits.

III. Rates for Distribution Service to Net Metering Customers and Net Metered Accounts

- (1) Retail delivery service by the Company to the Net Metering Customer and Net Metered Accounts shall be governed by the tariffs, rates, terms, conditions, and policies for retail delivery service that are on file with the Commission.
- (2) The Last Resort Service and retail delivery rates applicable to any Net Metered Account shall be the same as those that apply to the rate classification that would be applicable to such delivery service account in the absence of Net Metering, including customer and demand charges, and no other charges may be imposed to offset Net Metering Credits.

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- (3) Net Metering Customers shall be exempt from backup service rates commensurate with the size of the Eligible Net Metering System.

IV. Cost Recovery

- (1) Any prudent and reasonable costs incurred by the Company pursuant to achieving compliance with Rhode Island General Laws Section 39-26.2-3(a) and the annual amount of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts shall be aggregated by the Company and billed to all distribution customers on an annual basis through a uniform per kilowatt hour (kWh) Net Metering Charge embedded in the distribution component of the rates reflected on customer bills.
- (2) The Company will include the energy market payments received from ISO-NE for the electricity generated by Eligible Net Metering Systems in the Company's annual reconciliation of the Net Metering Charge. Eligible Net Metering Systems with a nameplate capacity in excess of 25 kW shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE. The Company will report all exported power to the ISO-NE as a settlement only generator and net this reported usage and associated payment received against the annual amount of Last Resort Service component of any Net Metering Credits provided to Net Metering Customers or Net Metered Accounts.
- (3) The Company will perform an annual reconciliation which compares kWh generated to kWh consumed over an annual period and applies billing charges for ratios greater than 100%. The results of the reconciliation will be credited to all distribution customers through a uniform per kilowatt hour (kWh) through the Net Metering Charge for a period of up to twelve (12) months subject to Commission approval.

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Schedule B – Additional Information Required for Net Metering Service

THE NARRAGANSETT ELECTRIC COMPANY
NET-METERING APPLICATION OF CREDITS

Customer Name: _____

Account Number: _____

Facility Address: _____

City: _____ State: RI Zip Code: _____

The Agreement is between _____, a Net Metering Customer (“NMC”) and The Narragansett Electric Company (the “Company”) for application of Net Metering Credits earned through Net Metering from the NMC located at _____, Rhode Island.

The NMC agrees to comply with the provisions of the Net Metering Provision, the applicable retail delivery tariffs, and the Terms and Conditions for Distribution Service that are on file with the Rhode Island Public Utilities Commission as currently in effect or as modified, amended, or revised by the Company, and to pay any metering and interconnection costs required under such tariff and policies.

A) NMC Address: _____

Nameplate rating (AC) of the Eligible Net Metering System _____ kW
Estimated annual generation in kWhs of Eligible Net Metering System _____ kWh

Net Metered Account(s)

The following information must be provided for each individual Net Metered Account in a proposed Eligible Net Metering System Site:

Name: _____ (Except in the case of a Public Entity, Educational Institution, Hospital, Nonprofit, or Multi-Municipal Collaborative or Community Remote Net Metered System, the customer of record must be the same the customer for each Net Metered Account)

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Service Address: _____

Electric Delivery Company Account number: _____

Three-year average kWh usage for this account _____

Total three-year average kWh usage for all accounts as associated with an Eligible Net Metering System Site _____

Total estimated generation to consumption ratio _____ (shall be as close to 100% as feasible, any ratio between 100% - 125% will be subject to partial billing charge and any ratio greater than 125% will be subject to a full billing charge).

Once this information is received, the Company will determine whether the accounts listed are eligible for net metering.

B) For any Billing Period in which the NMC earns Net Metering Credits, please indicate how the Distribution Company will apply them:

- Apply all of the Net Metering Credits to the account of the NMC (skip Items C and D below)
- Allocate all the Net Metering Credits to the accounts of eligible Customers (please fill out C and D below)
- Both apply a portion of the Net Metering Credits to the NMC's account and allocate a portion to the accounts of eligible Customers (please fill out C and D below)

The Company will notify the NMC within 30 days of the Company's receipt of Schedule B whether it will allocate or purchase Net Metering Credits. If the Company elects to purchase Net Metering Credits, the Company will render payment by issuing a check to the NMC each Billing Period, unless otherwise agreed in writing by the NMC and Company. If the Company elects to allocate Net Metering Credits, the NMC must complete Item C and submit the revised Schedule B to the Company.

C) Please state the total percentage of Net Metering Credits to be allocated.

% Amount of the Net Metering Credit being allocated.

The total amount of Net Metering Credits being allocated shall not exceed 100% but shall be as close to 100% as feasible Any remaining percentage will be applied to the NMC's account.

Please identify each eligible Customer account to which the NMC is allocating Net Metering Credits by providing the following information (attach additional pages as needed):

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NOTE: If a designated Customer account closes, the allocated percentage will revert to the NMC's account, unless otherwise mutually agreed in writing by the NMC and the Company.

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

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Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

Name:
Billing Address:
Account number:
Amount of the Net Metering Credit: _____%

D) The terms of this Schedule B shall remain in effect unless and until the NMC executes a revised Schedule B and submits it to the Company. A revised Schedule B may be updated quarterly during a calendar year.

E) A signature on the application shall constitute certification that (1) the NMC has read the application and knows its contents; (2) the contents are true as stated, to the best knowledge and belief of the NMC; and (3) the NMC possesses full power and authority to sign the application.

Notice

Execution of this agreement will cancel any previous agreement for the Net Metered Accounts for the Eligible Net Metering System under the Net Metering Provision.

The Company or NMC may terminate this agreement on thirty (30) days written notice, which includes a statement of reasons for such termination. In addition, the NMC must re-file this agreement annually.

Agreed and Accepted – Please sign

[NAME OF NMC]

Date: _____

By: _____

Name:
Title:

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The Narragansett Electric Company

Date: _____

By: _____

Name:

Title:

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Schedule C – Volumetric Method Billing Charges

Billing Charges	
$\frac{\textit{Generation}}{\textit{Consumption}} \leq 100\%$	No charge: customer was paid the full value of a Renewable Net Metering Credit, all generation is eligible for the Renewable Net Metering Credit amount.
$100\% < \frac{\textit{Generation}}{\textit{Consumption}} \leq 125\%$	Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is eligible for Excess Renewable Net Metering Credits, which are worth less at Last Resort Service. Charge = (Distribution + Transmission + Transition) * (Generation (kWh) 100% - 125%)
$\frac{\textit{Generation}}{\textit{Consumption}} > 125\%$	Customer was paid full value of a Renewable Net Metering Credit, this excess volume of generation is not eligible for any Net Metering Credit. Charge = (Last Resort Service + Distribution + Transmission + Transition) * (Excess Generation (kWh) > 125%)

Billing Charges will be applied based on the annual average rate for each rate class.

**Legal Notice of The Narragansett Electric Company's
Filing of Tariff Advice To Change the Net Metering Provision –
Proposal for Administration of Excess Net Metering Credits
RIPUC Docket No. 23-05-EL**

On February 15, 2023, The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”) filed with the Rhode Island Public Utilities Commission (“PUC”) a tariff advice filing to change the existing Net Metering Provision, R.I.P.U.C. No. 2257.

While this filing is being made under the tariff advice rules due to the proposed amendments to the Net Metering Provision, the Company recognizes this is a substantive filing that will likely require suspension and a formal proceeding. Specifically, this submittal is in response to an Open Meeting held by the PUC on December 7, 2022, and represents the Company’s proposed solution to improve the administration of excess net metering credits on a go-forward basis.

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 Net Metering Provision, R.I.P.U.C. No. 2268, it shall go into effect on April 1, 2023. As mentioned above, the Company recognizes this is a substantive filing likely requiring suspension and a formal proceeding. As such, the effective date of April 1, 2023 represents a place holder date.

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-23-05-EL>

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