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December 8, 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**  
**Rhode Island Energy Reply Brief**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Company”), enclosed is the Company’s reply brief in the above-referenced matter.

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

Sincerely,

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

Andrew S. Marcaccio

Enclosures

cc: Docket No. 23-05-EL Service List

**STATE OF RHODE ISLAND**  
**PUBLIC UTILITIES COMMISSION**

The Narragansett Electric Company d/b/a Rhode Island Energy Tariff Advice to Amend Net Metering Provision	) ) ) ) )	Docket No. 23-05-EL
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**REPLY BRIEF OF RHODE ISLAND ENERGY**

**I. INTRODUCTION**

On November 29, 2023, The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), MassAmerican Energy LLC d/b/a Gridwealth (“Gridwealth”), Revity Energy LLC (“Revity”), Division of Public Utilities and Carriers (“Division”), and the Office of Energy Resources (“OER”) filed post-hearing briefs in accordance with the Public Utilities Commission (“Commission”) instructions on the Company’s 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 (“Net Metering Tariff”).

In their post-hearing briefs, Revity and Gridwealth restated their recommendation that the Commission not approve the Company’s proposed solution to improve the administration of excess net metering credits on a go-forward basis (the “Proposal”) (Revity Br. at 1; Gridwealth Br. at 2). The Division supports the Company’s Proposal and is neutral on the proposal to require Schedule B to be as close to 100% allocation as possible before authority to interconnect (“ATI”) (Division Br. at 2). OER recommends the Company communicate with hosts and off-takers to resolve allocation issues before implementing the proposed reconciliation (OER Br. at 2).

For the reasons stated below, the Commission should reject Revity and Gridwealth’s arguments for rejecting the Proposal because they are not supported by the Net Metering Statute,<sup>1</sup> counter to the Commission’s precedent, and are largely based on policy questions beyond the scope of this proceeding.

## II. ARGUMENT

### A. **Revity’s Interpretation of the Net Metering Tariff and State Law is Flawed and Should be Dismissed.**

#### 1. Definition of Excess Renewable Net Metering Credits

Revity reiterates its argument that the Net Metering Statute definition of “excess renewable net-metering credits” uses the term “own consumption” versus the “renewable net-metering credit” definition using the term “usage” means the General Assembly must have meant to exclude third-party off-takers with contracts with stand-alone generators from the Excess Renewable Net-Metering Credits definition because they do not “consume” (Revity Br. at 4-7). On September 22, 2023, the Company submitted a response to this contention, opposing it. (Response of the Narragansett Electric Company d/b/a Rhode Island Energy to the Memorandum of Law Addressing Tariff Advice Filing, pp. 6-8). The Company continues to oppose Revity’s arguments on this point for the reasons noted therein.

#### 2. Annual Reconciliation Should Begin with 2022 Reconciliation.

Revity claims the Company’s proposal is inappropriately retrospective and recommends, billing charges should only be assessed prospectively beginning with 2024 (Revity In. Br. at 1, 7). Annual reconciliations by their very nature must be done following the completion of the pertinent calendar year in order to *reconcile* overpayment of excess net metering credits (Tr. at 787:17-20

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<sup>1</sup> R.I. Gen. Laws § 39-26.4-1 *et seq.* (“Net Metering Statute”)

(Revity - Brennan)). In this case, the Commission held an Open Meeting on December 7, 2022 during which it expressed an expectation that the Company would propose a solution to the challenges associated with the administration, calculation, and recovery of net metering credits in a manner consistent with the Net Metering Statute. (Testimony of Russell Salk and Briggs at 5, lines 16-19.) When the Company was put on notice of the Commission's expectations, 2021 was the last fully completed calendar year making calendar year 2022 the first potential reconciliation year.

At the time of the Tariff Advice filing in February 2023, the most recent data the Company had to perform an analysis on was calendar year 2022 and the Company intended to reconcile in 2023 (Tr. at 409:22 – 410:3 (Revity - Russell-Salk)). The Company continues to support reconciling 2022 costs as the first year of its proposed program. Going forward, the Company intends to make a filing by August 1st each year to update the net metering charge to reflect the results of the Volumetric Method reconciliation for the previous calendar year's complete year of data (Testimony of Russell Salk and Briggs at 17, lines 3-5; Tr. at 788:11-19 (Revity – Brennan)). The Company had also targeted an August 1, 2023 filing reflecting the results of the 2022 reconciliation. (Testimony of Russell Salk and Briggs at 16, lines 1-2.) Given the passage of time between the target date and the actual date, the Company will make every effort to provide Host Customers subject to the program with adequate time in 2024 to work with the Company to ensure that the Company has accurately reconciled its net metering costs attributable to the Host Customer's account and is charging/crediting the Host Customer's account accordingly (see Exh. PUC-1-7). Further, the Company has committed to hearing and potentially re-evaluating any customer disputes related to a billing charge or estimates (id.).

The costs of net metering are recovered from the Company's customers through the net metering charge, which is a uniform per-kWh charge applicable to all customers and, along with the long-term contracting recovery factor, is included in the line item labeled as the renewable energy distribution charge on customer bills (Testimony of Russell Salk and Briggs at 9, lines 6-14). By commencing reconciliations beginning with calendar year 2022, the Company's distribution customers will receive the benefit of lower overall Net Metering Program costs than if the Company commenced its Proposal with a reconciliation for calendar year 2023. Accordingly, beginning with a reconciliation of calendar year 2022 is reasonable and should be approved.

3. Billing Charges Should be Assigned to the Host Account.

If the Commission does not reject the Company's Proposal, Revity recommends billing charges be assessed to off-takers, not host developer accounts (Revity In. Br. at 1). In addition to complying with the Net Metering Statute, a key component of the Proposal is it is supposed to ease the administrative burden of the Company and create a more accurate and efficient program. Practically, Revity's proposal to charge off-takers would only create more difficulty. Without visibility or involvement in the off-taker account and host account contract, the Company could not know what portion of the billing charge to apply to which satellite account (Record Request No. 7). Similar to a Schedule B for allocation of credits, the Company would need a schedule from the host account identifying the allocation of the billing charges (*id.*). The Company would require further details on the mechanics of this schedule allocation in order to quantify the incremental administration, however, this approach would be more administratively burdensome by increasing the order of magnitude of impacted accounts requiring charges (*id.*).

Moreover, the Company does not have a contract with the off-taker; the Company has a contract with the host (*id.*). The host signs and submits a Schedule B and, as such, agrees to the

terms and conditions of the Net Metering Tariff. It is the responsibility of the host to comply with the definition of an “Eligible Net Metering System” to appropriately size their system and acquire enough off-taker load accounts such that their generation is reasonably sized to not exceed the load (id.). Through this contract, the host account is agreeing to the value of the Net Metering Credits for Renewable Net Metering Credits and Excess Renewable Net Metering Credits which identifies that the assessment of such is made based on a generation to consumption comparison (id.). Per Section 5 of the Net Metering Tariff, the host agrees to the Company’s administration to pay out monthly the value of Renewable Net Metering Credit and annually reconcile and apply billing charges to their account as appropriate for any over payment made throughout the year (id.). This language in Section 5 states that the charge will apply to the Net Metering Customer’s account, and in Schedule B, the host account agrees to be the Net Metering Customer.

For the reasons explained above, Revity’s proposal to assess billing charges to off-takers rather than the host customer should be denied because it is in violation of the Commission-approved Net Metering Tariff and would add to the administrative burden of the Net Metering Program and add costs to the Net Metering Program for all distribution customers.

**B. Gridwealth’s Proposed Amendment and Arguments are Contrary to State Law, Commission Precedent, and are Unsupported Policy-Based and Should Be Dismissed.**

Gridwealth reiterates its argument that when calculating the Renewable Net Metering Credit should be based on an annual average last resort service rate rather than a monthly LRS rate when calculating the reconciliation (Gridwealth In. Br. at 2-3). Gridwealth asserts the annual average LRS is more equitable than using a monthly rate because the Renewable Net Metering

Credit is otherwise “devalued” due to lower natural gas prices in summer when its facilities generally have higher generation (id. at 3).<sup>2</sup>

Gridwealth’s argument that the Company’s proposed annual reconciliation is somehow inequitable is solely based on a policy argument and must be dismissed for lacking legal foundation.<sup>3</sup> The definition and calculation for Renewable Net Metering Credits is statutorily set and the Company does not propose to revise that calculation in this proceeding rather, this Proposal is focused on the administration of Excess Renewable Net Metering Credits (Rebuttal of Russell Salk and Blazunas at 5-6, lines 18-3). Moreover, the calculation of the monthly value of the Renewable Net Metering Credit is done pursuant to the Commission-approved Net Metering Tariff and is consistent with the guiding principles of Docket No. 4600 (id. at 4-5).

A net metering customer, in either the summer or winter period, is compensated for net generation based on the Renewable Net Metering Credit, including the LRS rate in effect at the time of generation, which represents the benefit of the generation absent an energy storage system (id. at 8). Likewise, a net metering customer, like all other LRS customers, is charged for net consumption based on its applicable rate charges, including the LRS rate, which represents the cost of the consumption at the time of consumption (id. at 8-9). Compensation is tied to the time of generation, not consumption (Exh. MAE 1-7). This design effectuates the Net Metering Statute’s purpose which is intended for “grid-connected generation of renewable energy” such that compensation at the time of consumption would be more aligned with an energy storage system (see R.I. Gen. Laws §39-26.4-1; Exh. MAE 1-7). By more closely linking the timing of generation to the timing of consumption, the Company is more appropriately valuing renewable energy

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<sup>2</sup> Gridwealth’s argument serves its financial interests without consideration for other net metering facilities with net generation months in the wintertime (See Exhs. MAE 2-8, MAE 2-9).

<sup>3</sup> As noted by the Division, whether the net metering compensation takes into account the “benefits” of distributed generation is not at issue in this docket (Division In. Br. at 2).

production, which provides its benefits at the time of generation absent an energy storage system. By allowing seasonal valuation, and implicitly incorrectly assuming energy storage capability of renewable energy systems, the Company would be violating the Docket 4600 principle that “rate structures should be evaluated on whether they encourage or discourage appropriate investments that enable the evolution of the future energy system” because the value of energy storage would be inappropriately internalized in compensation for renewable energy production (Exh. MAE 1-7).

Further, the Company agreed to use the weighted average billing charge for the purpose of the annual reconciliation (Rebuttal of Russell Salk and Blazunas at 5, lines 6-7). The Company would weight the Renewable Net Metering Credit and the Excess Renewable Net Metering Credit used to calculate the billing charges for a customer based on a customer’s monthly excess generation (id.). The use of the weighted average billing charge addresses any concerns with respect to “inequity” that would otherwise arise due to the fact that the manner in which net metering credits were paid to customers (i.e., on a monthly basis utilizing the Renewable Net Metering Credit in effect for that month) does not align with the manner in which the billing charges would be assessed on excess generation (i.e., utilizing an average annual Renewable Net Metering Credit and Excess Renewable Net Metering Credit)(id.).

The net metering credit calculation is based on the Net Metering Statute. Gridwealth’s argument that net metering credits should be based on an annual average LRS amounts to a request for a statutory amendment, an authority the Commission does not have, and is outside the scope of the instant proceeding and without merit. Accordingly, the Commission should deny Gridwealth’s argument.



**C. The Proposal is Consistent with the Net Metering Statute and Should be Approved.**

As discussed in greater detail in the Company's initial brief, the Company's Proposal best aligns with the statutory definitions of "Renewable Net-Metering Credit" and "Excess Renewable Net Metering Credit" found in the Net Metering Statute (see Exhs. PUC 1-10; MAE 1-1).

**III. CONCLUSION**

The Company requests the Commission approve the Proposal as outlined in the Company's briefs, without modification. The Proposal will result in more precise calculations and administration of renewable net metering credits and excess renewable net metering credits in an administratively efficient manner. Moreover, the Proposal is compliant with and facilitates the purpose of the Net Metering Statute.

Respectfully Submitted,

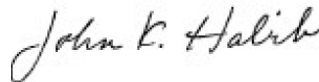
**The Narragansett Electric Company  
d/b/a Rhode Island Energy**

By its attorneys,



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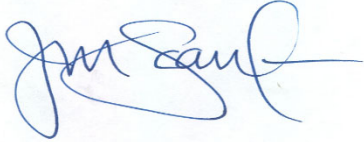
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Date: December 8, 2023

**CERTIFICATE OF SERVICE**

I hereby certify that on December 8, 2023, I delivered a true copy of the foregoing Motion via electronic mail to the parties on the Service List for Docket No. 23-05-EL.



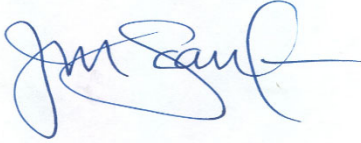
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Joanne M. Scanlon

Certificate of Service

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

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



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Joanne M. Scanlon

December 8, 2023  
Date

**Docket No. 23-05-EL Rhode Island Energy – Net Metering Provision, RIPUC No. 2268  
Service List updated 9/22/2023**

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