

State of Rhode Island Public Utilities Commission

**In Re: The Narragansett Electric Co. d/b/a Rhode Island Energy's Petition for
Acceleration Due to DG Project – Tiverton Projects**

Docket No. 23-37-EL

Pre-Filed Testimony of

Matthew Ursillo

April 10, 2024

I. Introduction and Qualifications

Q. Please state your name and business address.

1 A. My name is Matt Ursillo and my business address is 2000 Chapel View Boulevard,
2 Suite 500, Cranston, RI 02920.

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

3 A. I am the Vice President of Construction and Project Management for Green
4 Development, LLC, formerly Wind Energy Development, LLC or WED (“Green”).

Q. What was your professional background before joining Green?

5 A. I have nearly two decades of experience in the engineering, management, and
6 construction of electric utility projects. Prior to joining Green, I worked for Constellation
7 Energy, Exelon, and the M&W Group in both engineering and project management
8 capacities. I have worked on a wide variety of projects throughout the energy industry
9 including utility solar projects, wind generation, fuel cells, electrical distribution,
10 microgrids, demand response, cogeneration systems, fossil fuel power plants, boilers,
11 chillers, HVAC systems, and civil construction.

Q. What do you do for Green?

12 A. I am responsible for the execution of renewable energy projects including
13 photovoltaic, wind energy, and other emerging technologies.

Q. What is your educational background?

1 A. I am a graduate of the University of Rhode Island, holding a Bachelor of Science
2 degree in Mechanical Engineering. I am also a graduate of the Pennsylvania State
3 University, holding a Masters of Business Administration. I am a certified Project
4 Management Professional through the International Project Management Institute as well
5 as a licensed Renewable Energy Professional.

Q. When was Green formed?

6 A. The company was founded in 2009.

Q. What is Green's mission?

7 A. Green Development's mission is to help transform the energy mix in Rhode Island to
8 clean, reliable energy while preserving farmland, reducing water and air pollution,
9 increasing energy security, and creating local jobs.

Q. How does Green's work enhance energy security?

10 A. Rhode Island imports the majority of its energy resources. Approximately 83% of the
11 resources used to generate electricity come from natural gas produced out of state. That's
12 down from the 91-93% range reported just several years ago but is still the second-
13 highest percentage among all states. Of course, the cost of these resources increases in
14 times of short supply. Green Development is committed to helping Rhode Island produce

1 more of its power from renewable sources, to establish a reliable, sustainable, and local
2 energy supply.

Q. How has Green's work reduced carbon emissions?

3 A. Our solar and wind projects produce no carbon dioxide (CO₂), a greenhouse gas that
4 is linked to atmospheric warming. Green's current solar and wind projects offset over
5 121,248 metric tons of CO₂ each year, equivalent to the CO₂ generation of 12,376,963
6 gallons of gas or the annual carbon sequestered by 127,421 acres of forest.

Q. How does Green's work help our local economy?

7 A. Green's renewable energy solutions deliver significant energy savings to towns,
8 cities, and non-profit entities at a fixed low rate, via Rhode Island's virtual net metering
9 program. Our current installed projects will save Rhode Island government entities and
10 non-profits approximately \$85 million over 25 years. Green's wind and solar projects
11 also create local jobs including the manufacturing of components, service, and
12 maintenance.

Q. How has Green done?

13 A. Projects that Green has developed and constructed currently generate approximately
14 264,000,000 kilowatt-hours of energy annually. That is enough to power an estimated
15 26,000 homes each year.

Q. What are the opportunities?

1 A. There is lots of interest from investors and banks, provided we can efficiently, and
2 cost effectively, build and interconnect these projects. We are upbeat about recent
3 advancements in Rhode Island law, Rhode Island’s energy plan (Energy 2035), the
4 State’s progressive emissions targets set in the Act on Climate, prospects of greater
5 collaboration and alignment around project siting policy and the hope that we can better
6 align these public policy interests with utility policies and procedures.

Q. What are the challenges?

7 A. The risks and soft costs of project development are still substantial, from siting
8 policies to local taxation policy to interconnection challenges posed by utilities and more
9 recently by FERC. Our state energy plan reflects the wealth of stakeholder and expert
10 input on the need to diversify our energy sources for energy security, reliability, and cost
11 reasons, but policy and regulatory positions present challenges to meet our energy and
12 climate goals.

II. Summary

Q. Please summarize the interconnection issue under review in this docket?

13 A. In early 2019, Green applied to Narragansett Electric, now dba RI Energy, (“RIE” or
14 “the Company”) to interconnect a photovoltaic system located 390 Brayton Road,
15 Tiverton RI 02878 (“Tiverton Projects”) and was informed that in order to do so it would

1 also be responsible for additional System Improvements determined by RIE to be
2 necessary to serve future load customers and other customers. Green contested that the
3 added System Improvements were not needed to interconnect Green’s proposed project
4 and that Green could fund a much less complicated System Modification to serve its own
5 project. Due to concerns about affordability and potential delays, Green requested and
6 was approved to self-construct the project and include the provisions for future load
7 customers subject to reimbursement of the cost of System Improvements. After lengthy
8 back and forth about proper allocation, auditing, and timing of reimbursement, RIE and
9 Green largely agreed on the cost allocation that has been presented in this petition for
10 Commission approval.

Q. What is RIE proposing in this docket?

11 A. RIE proposes to accelerate System Improvement costs as described in R.I. Gen. Laws
12 §39-26.3-4.1 (the “Statute”) Section 5.4 of the Narragansett Electric Company Standards
13 for Connecting Distributed Generation (the “Tariff”). RIE proposes to calculate the
14 payment by applying the System Modification acceleration clause of the Tariff, Section
15 5.4(b).

Q. Please summarize your testimony.

16 A. Green generally supports RIE’s filing because Green is entitled to reimbursement for
17 the additional System Improvements necessary for future load customers at issue. Green
18 has worked with RIE to delineate the appropriate amount of reimbursement required for
19 the System Improvements Green provided, as submitted in the petition. Under that

1 arrangement, Green is reimbursed for the cost of System Improvements that were
2 planned and would have been made without the modifications required for Green’s
3 project.

4 The Company admits that the additional upgrades which RIE required Green to
5 incorporate into the Tiverton Projects interconnection are System Improvements, planned
6 upgrades to the Company’s electric system that are designed to accommodate the needs
7 of RIE customers. The planned System Improvements at issue here were included in two
8 Infrastructure Safety and Reliability (“ISR”) filings that were reviewed by the Division
9 and approved by the Commission and are not now subject to reopening for dispute. Per
10 the Statute and Tariff, such System Improvements are to be funded by ratepayers, not
11 interconnecting renewable energy customers. In an effort to deliver these Improvements
12 cost effectively RIE determined that Green shall perform them along with their System
13 Modifications for the Tiverton Projects. Green agreed to self-perform these System
14 Improvements subject to RIE’s commitment that Green would be reimbursed for their
15 cost. The repayment for the cost of System Improvements that were never Green’s
16 responsibility to begin with is not to be regulated as an acceleration of System
17 Modifications needed to interconnect Green’s project. Since these are RIE’s planned
18 System Improvements RIE should have advance funded them and they are now
19 automatically subject to reimbursement at their full value. There is no 5-year restriction
20 on the recovery of costs a renewable energy customer has incurred for System

1 Improvements. Nor would the Statute allow a 5-year limitation on recovery of any
2 accelerated System Modifications.

III. History of Assessed Charges and Discussion.

Q. Please summarize the history of negotiations over these assessed costs.

3 A. Green has been in discussion about the proper assessment of interconnection costs for
4 this project since well before the execution of its Interconnection Services Agreement on
5 July 9, 2021. In May of 2019, Green received a feasibility study from RIE identifying
6 that the Tiverton Projects were feasible with upgrades specified as follows: “Install one
7 (1) feeder position at the Tiverton Substation and install approximately 3.6 miles of 3-1/c
8 1000 CU cable from Tiverton Substation to the Facility.” The feasibility study
9 determined that due to the size of the cable required for the Tiverton Projects that this
10 feeder would need to be installed in an underground duct bank.

11 Green asked to move the project application to System Impact Study (“SIS”) but
12 the project was immediately put on hold by RIE pending the completion of the Affected
13 System Operator study. During that period Green requested to self-build the civil portion
14 of the proposed manhole and duct bank system as RIE had approved for Green’s previous
15 projects. A draft SIS was delivered to Green in March 2020. A final SIS was delivered
16 in May 2020 and did not include civil costs for the manhole and duct bank system as
17 Green was to self-perform that work. Green questioned why the upgrades identified in
18 the SIS for the Tiverton Projects detailed a 4-way manhole and duct bank system when
19 only a 2-way system would be necessary.

1 Adding more ducts to an electric duct bank can significantly increase the cost and
2 duration of construction due to the increased size of the new duct bank and potentially
3 having to go under existing infrastructure (deeper in the ground) instead of potentially
4 being able to go on top of that infrastructure due to spacing requirements. The impacts of
5 going deeper can include additional safety measures, encountering ledge, entering the
6 water table and dewatering, protecting and possibly needing to repair the existing utilities
7 which will be above, among others risks and hazards.

8 Green had commitments to interconnect this project at the end of 2021 and as
9 such requested an Interconnection Service Agreement in June of 2020 so that Green
10 could begin design work on the duct bank system, while disputing that the additional
11 ducts were not part of the System Modifications but instead were System Improvements.

12 In November 2020, RIE notified Green that they had identified additional work at
13 the Tiverton substation that would include a) 1100 feet of 9-way duct bank, b) 1100 feet
14 of 6-way duct bank and, c) four new riser poles to accommodate new load customers.
15 RIE also notified Green that cost sharing would be allowed for the installation due to the
16 additional work.

17 An Interconnection Service Agreement was delivered to Green in June 2021 and
18 Green was forced to move the interconnection of the project to 2022 due to delays. That
19 same month Green added Tiverton to a dispute resolution negotiation process Green had
20 been in with RIE to address why Green was responsible for incurring the costs of the
21 additional System Improvements and how Green was to be reimbursed if cost sharing did

1 apply as was previously stated. Green continued to dispute both the added improvements
2 and the method and timing of cost sharing throughout 2021 while design work was
3 ongoing.

4 Green's letter dated January 20, 2022, (attached as **Exhibit A**) documents these
5 disputes and pursuit of dialogue regarding the assessment and allocation of
6 interconnection costs and the timing of interconnection charges. The letter disputed
7 assessment of the cost of a 9-way, and 6-way and a 4-way duct bank at various locations
8 to benefit RIE customers when Green's renewable energy project only required a 2-way
9 conduit duct bank. The letter quotes the Company's stated response on that issue:

National Grid has communicated to the customer several times the minimum build is 4-way and will never allow a 2-way under any circumstances. The duct bank is being built as designed so the company is not limited in the future and that is not up for negotiation. Green Development has all duct bank specifications and there have already been discussions covering the details of those specifications. The duct bank system will be built as designed or this project may be canceled.

10 In that January 2022 letter Green also disputed the requirement to prepay interconnection
11 costs long before they were to be expended – the proposed payment schedule was not tied
12 to the timing of any cash outlays needed for the interconnection work. These disputes
13 about proper cost assessment/allocation and timing of cost outlays were also taken up for
14 PUC investigation in dockets 5205 and 5206 in an effort to navigate systemic resolution
15 with National Grid's new successor, RIE.

16 Green has worked constructively with RIE to distinguish the budget for System
17 Improvements from the upgrades that were otherwise necessary to interconnect Green's
18 project. Under that arrangement, Green is reimbursed for the cost of System

1 Improvements that were planned and would have been made without the modifications
2 required for Green’s project. That delineation is properly accounted for in RIE’s petition
3 and Green supports the accounting as presented.

4 By June 2022, RIE had also notified Green that due to procurement delays in
5 securing the required wire for the Tiverton Projects, Green would not be able to
6 interconnect in 2022 and, as the delays were significant, would potentially not be able to
7 interconnect by the end of 2023. Green asked to see if their vendors could provide the
8 cable in a shorter time frame in order to still be able to secure a 2023 interconnection
9 date. Green was able to secure the wire with an August 2023 delivery date which would
10 allow for the project to interconnect during that calendar year. RIE authorized Green to
11 procure the wire and agreed to amend the ISA accordingly.

12 As Green had completed the duct bank design and had knowledge of the required
13 cable lengths between manholes, Green utilized standard industry practices to itemize
14 which reels of cable would be used on which manhole sections. RIE stated that they
15 would require separate 900’ wire reels for each manhole section regardless of the field
16 distance between manholes. This means that on a manhole section that is 400’ in
17 distance approximately 500’ of wire would be wasted as scrap at a significant cost.
18 Additionally, RIE required Green to procure additional 900’ reels of cable as “spares.”
19 As such Green requested to be compensated for the waste cable and additional spares
20 since they were purchased at RIE’s direction and would be turned over to RIE at the end
21 of the project. After multiple discussions, on August 30, 2022, RIE notified Green that

1 “RI Energy will retain all reels and excess cable, RI Energy will reimburse Green
2 development for the excess cable on any used reel based on the Greens costs” and that
3 “Reimbursement would be after the audit and cost verification is complete.”

IV. System Improvements and System Modifications

Q. What are “System Improvements?”

4 A: The Narragansett Electric Company Standards for Connecting Distributed
5 Generation, RIPUC No. 2258 (the “Tariff”) defines System Improvements as
6 “Economically justified upgrades determined by the Company in the Facility study phase
7 for capital investments associated with improving the capacity or reliability of the EDS
8 that may be used along with System Modifications to serve an Interconnection
9 Customer.”

Q: Are System Improvements assessable to interconnecting renewable energy customers?

10 A. No. Green hopes to have the opportunity to more fully address this legal question in
11 its briefing of this docket rather than in witness testimony, but see e.g., R.I Gen. Laws §
12 RIGL §§ 39-26.3-4.1(a), (b); Tariff, §5.4; RIE Response to DPUC 1-8 (“Costs for
13 interconnection that also benefit other retail customers, and are economically justified
14 upgrades, are deemed System Improvement and the costs are rate based”).

Q. Are any of the upgrades in question System Improvements?

- 1 A. There is no dispute that in repeated Electric Infrastructure Safety and Reliability
2 filings, RIE has identified the need to improve the Tiverton circuit in the vicinity of this
3 project to serve its customers. The petition reads:

The System Modifications benefit distribution customers, too. As described in the Tiverton Area Study which is attached hereto as Exhibit EJRS-3, the addition of a new feeder position and extension of the 33F6 would solve issues with thermal limits, contingency response capability, and voltage issues in the area. The scope of work that will benefit the Company’s distribution customers meets the definition of a “System Improvement” provided in the Company’s Interconnection Tariff. . . The construction of a new 12.47kV feeder position out of Tiverton Substation and extension south to serve distribution customers to address thermal limits, contingency response capability, and voltage issues meet the definition of a System Improvement. . . The Area Study identified thermal issues, contingency response capabilities, and voltage issues on the existing Tiverton circuits. The least cost option would be to create a new circuit and extend it south to serve load. This is the same proposed circuit that Green is constructing for the Tiverton Projects.

- 4 Testimony of Russell Salk and Briggs (RIE Testimony), at pp. 15-18. RIE further
5 responded to PUC 4-1, stating:

If the DG project does not proceed, this 33F6 circuit will still be needed to address the area contingency loading concerns, and the same route would be followed as the least- cost solution. However, the new 33F6 will need to be extended past the proposed DG site to address the contingency load-at-risk issue. Since the DG project is on a different schedule, which is earlier than the Company’s recommended plan, the DG developer will be responsible for the costs to serve their project. Cost sharing will apply to this portion of work once the 33F6 circuit is being used to serve load as per the Standards.

Q. Were these planned System Improvements ever reviewed and approved by the Commission?

1 A. That system need was first identified in the 2022 ISR, filed on December 18, 2020
2 (Docket No. 5098). It was repeated in the 2024 ISR filing docketed on December 22,
3 2022 (Docket No. 22-53-EL). Both those filings were fully adjudicated before the
4 Commission and approved in Orders 54560 and 24873.

Q. Was the Division a party to those proceedings?

5 A. Yes.

Q. Does RIE have a history of trying to address these system constraints in Tiverton?

6 A. Yes, this area has seen a decline in commercial electricity use and an increase in
7 residential electricity use, causing the Company to seek solutions, including
8 incentivization of west-facing solar arrays to moderate the peak demand, among others,
9 as far back as 2012. In PUC Docket 23-48-EL (Proposed FY 2025 Electric
10 Infrastructure, Safety, and Reliability Plan), section 2 of the Electric Capital Plan,
11 attachment 5, RIE reported on a non-wires alternative pilot contemplated for execution in
12 Tiverton from 2011 through 2016 in collaboration with RI OER, with a \$2.9 million
13 budget to accomplish load reduction by installation of a battery system. That project is
14 indicated as “closed.” That same schedule also indicated consideration of a new feeder

1 for Tiverton in 2017 which project was discontinued because of equipment delays and
2 because it was uneconomical.

Q. Is this petition about the value of those planned System Improvements?

3 A. Yes. Per RIE’s Petition testimony at pages 17-18,

The estimated total cost of the System Improvement that will be charged to Green is approximately \$14.660M. This can be broken out into two categories: substation work and distribution line work. The estimate for the substation work to install a new breaker and feeder position is \$1.022M. The estimate for the distribution line work, which includes both civil and electrical, is \$13.638M. The scope of the distribution line work for Green Development’s interconnection consisted entirely of an underground manhole and duct system along Fish Road, Route 177, and Brayton Road to accommodate the 11.7MW size.

Q. Did you ever dispute with RIE Green’s obligation to fund System Improvements?

4 A. Yes. Multiple times through dispute resolution and good faith negotiations. For
5 example, the letter Green sent to RIE on January 20, 2022 (attached as **Exhibit A**) clearly
6 contested Green’s legal obligation to fund work that was planned to enhance service of
7 other RIE customers.

Q. What are “System Modifications?”

8 A. The Tariff defines “System Modifications” as “Modifications or additions to
9 Company facilities that are integrated with the Company EDS for the benefit of the
10 Interconnecting Customer.”

Q. Are any of the Tiverton upgrades addressed in this docket “System Modifications”?

1 A. No. The changes to the system addressed in this Docket are System Improvements.
2 Although System Modifications were made to serve Green’s project, none are subject to
3 reimbursement and none are addressed in this Docket.

Q. Do you understand and can you please explain RIE’s distinction of “System Improvements” from “System Modifications” for this Tiverton work?

4 A. RIE’s testimony on pages 17 and 18 intended to distinguish the scope of System
5 Improvements while indicating that not scope of System Modifications are at issue in this
6 docket. They describe the System Improvements as substation work and distribution line
7 work and provide more specifics. Neither the testimony nor the data requests ever
8 describe the additional work required to interconnect Green’s project. That is because, as
9 RIE testified on page 18, “the incremental cost associated with the customer DG project
10 to go underground (i.e. the cost beyond \$14.660M) is borne by the DG customer” and is
11 not included in this petition to reimburse Green.

12 RIE would need to perform these System Improvements anyway as identified in
13 the electric ISR plan.

Q. Do you understand and can you explain RIE’s budgets for the System Improvement work?

14 A. According to RIE’s petition testimony,

Had this DG project not moved forward, the scope of the distribution line work would have differed. The scope of work would have been to extend the 33F6 circuit from the Tiverton Substation underground on Fish Road to the intersection of Rt. 177, where the circuit would rise up and double circuit the existing 33F4 with 477 spacer cable and continue down Brayton Road. In other words, a portion of the job would be overhead instead of underground, and with a different cable type/rating. The Company estimated the scope of this work which came to \$13.638M. The incremental cost associated with the customer DG project to go underground (i.e. the cost beyond \$14.660M) is borne by the DG customer.

1 RIE Testimony at Page 18, line 3. Although the testimony is somewhat confusing, the
2 intention is to indicate that the amount filed for this Petition is all for reimbursement of
3 System Improvements and any additional cost is borne by Green and not included in this
4 Petition. RIE identifies the \$13.638M direct line work, as well as the \$1.022M breaker
5 and feeder work, as System Improvements. Thus, Green is to be reimbursed for the cost
6 of System Improvements that were planned and would have been made without the
7 modifications required for Green’s project.

Q. Does the tariff speak to projects including both System Improvements and System Modifications?

8 A. Yes. Section 5.4 of the Tariff addresses a scenario where system upgrades are
9 combined with System Improvements. It states that:

“The Company may combine the installation of System Modifications with System Improvements to the Company’s EDS to serve the Interconnecting Customer or other customers, but shall not include the costs of such System Improvements in the amounts billed to the Interconnecting Customer for the System Modifications required pursuant to this Interconnection Tariff.”

Q. How does RIE’s testimony explain the use of acceleration policy to address an interconnecting renewable energy customer’s responsibility to fund accelerated System Improvements subject to reimbursement?

1 A. The petition testimony says:

The Interconnection Tariff does not precisely address this process. As noted above, Sections 5.4(b) and (c) of the Interconnection Tariff describe a process for accelerated “System Modifications” but does not use the term “System Improvements”. As described herein, in this instance, the System Improvements that have been accelerated by the Interconnection Customer’s Tiverton Projects are System Modifications that benefit the Interconnection Customer and distribution customers. As such, among other findings, the Company seeks PUC approval to apply the provisions of Section 5.4(b) and Section (c) of the Interconnection Tariff that address “System Modifications” to the “System Improvements” described herein.

Q. Why is it that the Tariff does not expressly address assessment of costs of accelerated “System Improvements” to interconnecting renewable energy customers?

2 A. Because the law and the tariff are clear that interconnecting renewable energy
3 customers are not to be assessed the cost of System Improvements in the first place.
4 RIE’s planned improvements are not costs to be borne by any interconnecting renewable
5 energy customers.

Q. Is the reimbursement at issue here properly characterized as an acceleration of System Modifications subject to section 5.4 of the Tariff?

6 A. No, it is properly characterized as reimbursement for the cost of System
7 Improvements that were never to be assessed to Green in the first place.

Q. Then what is the statutory provision regarding acceleration of system upgrades?

1 A. The statute says that System Modifications that benefit other customers may be
2 accelerated but still ultimately require reimbursement to the interconnecting renewable
3 energy customer. The statute reads:

If the public utilities commission determines that a specific system modification benefiting other customers has been accelerated due to an interconnection request, it may order the interconnecting customer to fund the modification subject to repayment of the depreciated value of the modification as of the time the modification would have been necessary as determined by the public utilities commission. Any system modifications benefiting other customers shall be included in rates as determined by the public utilities commission.

4 The law does not make interconnecting renewable energy customers responsible for
5 accelerated “System Improvements,” which are those improvements planned by RIE.
6 Instead, it indicates that there may be situations where the upgrade work needed to
7 interconnect a renewable energy customer may benefit other RIE customers even where
8 RIE has not specifically planned the upgrade work to do so. In that case, the
9 interconnecting renewable energy customer can be required to fund the upgrades due to
10 their acceleration, subject to reimbursement at their depreciated value.

Q: What about the Divisions question about what happens if a planned System Improvement never ends up being needed? (DPUC 1-9)

11 A. Once planned and reviewed and approved, System Improvements are never authorized
12 to be assessed to interconnecting renewable energy customers whether or not they
13 ultimately prove to be needed. That scenario is irrelevant to this petition.

V. Scope and Cost of System Improvements and System Modifications

Q. What is Green’s position on the Division’s data requests that question the scope and cost of System Improvements, upgrades that RIE plans as part of its ISR filings?

1 A. Once System Improvements are identified as a planned system need to serve RIE’s
2 customers, the cost of those upgrades cannot be assessed to interconnecting renewable
3 energy customers. As stated above, RIE’s filing clearly establishes its planned need to
4 provide a new feeder position and upgrade and extend the 33F6. *See* RIE Testimony at p.
5 15. The Company testified that “the addition of a new feeder position and extension of
6 the 33F6 would solve issues with thermal limits, contingency response capability, and
7 voltage issues in the area.” *Id.* RIE provided additional data within the Division’s data
8 requests including CYME models detailing the need as well as other options considered
9 to mitigate the forecasted issues.

Q. Was the scope of those planned System Improvements reviewed by the Division and approved by the Commission?

10 A. Yes, as part of two Electric Infrastructure Safety and Reliability dockets, No. 5098
11 and 22-53-EL.

Q. Were the costs of those System Improvements reviewed by the Division and approved by the Commission?

12 A. RIE’s testimony is that some but not all of the costs of those System Improvements
13 were included in the ISR plan. In response to PUC 1-3, the Company states:

The scope of work included in the FY 2024 ISR Filing Attachment 3c Second Supplemental – Five Year Budget with Details totaling \$4,566,000 (under both Asset Condition and System Capacity & Performance spending rationales) from FY 2024 to FY 2028 is different than the work included in the estimate listed in Schedule SAB-1 totaling \$14,660,000. The scope of work included in the petition was not budgeted for in the FY 2024 filing. The Company was in the process of completing the estimates associated with the reimbursement to the developer at the time the FY 2024 ISR Plan was filed.

Q. How does RIE’s budget proposed for System Improvements relate to the issues presented in this docket?

1 A. It is not relevant. As long as RIE’s plan to make an upgrade has been presented to the
2 Commission and approved as part of the ISR, the cost of that upgrade must be assessed to
3 ratepayers and the budget for that upgrade is between RIE and the ratepayers, as
4 regulated by the Division and the Commission.

Q. Then what scope of upgrade work and budget is properly characterized as System Modification that is relevant to this docket proceeding?

5 A. None. Green performed upgrades that serve its project only, however those System
6 Modifications are not at issue in this Docket.

Q. Division 3-5 questions whether changes to the scope of Green’s project had the effect of changing the scope of authorization for the upgrade work at issue here – is that the case?

7 A. No. RIE petitions for Green to be reimbursed for the cost of System Improvements
8 that were planned and would have been made without the modifications required for
9 Green’s project.

VI. Timing of upgrade work and assessment/reimbursement of that work

Q. Has Green done the upgrade work at issue in this docket?

1 A. Yes, all the work at issue has been completed and is available for use as needed by
2 Green's project and RIE's other customers.

**Q. Why did Green self-perform and fund the work properly characterized as
System Improvements?**

3 A. In RIE's response to the letter from January 20, 2022, Green was notified that the
4 project must be built as specified and designed by RIE or it's interconnection would risk
5 getting cancelled. Green already had significant investment as well as standing
6 agreements associated with the Tiverton Projects interconnecting in 2023 and was not in
7 a position to have the interconnection cancelled.

Q. Was RIE authorized to allow Green's self-performance of this upgrade work?

8 A. Yes. The Commission recently addressed the authorization for and policy reasons to
9 support self-performed work in Docket 5235. There the PUC observed that Green's
10 construction of modifications necessary for three renewable energy projects was more
11 efficient than constructing modifications for all three separately, as "it would be unlikely
12 that the towns would allow the road to be reopened multiple times within a short
13 timeframe to accommodate each of the projects separately." The Commission held that
14 refusing Green's right to reimbursement for such modifications would "be contrary to the
15 law and tariff, thwart Rhode Island state policy supporting renewable energy
16 development, and violate the principles of cost causation." The PUC held that the plain

1 language of the law and tariff requires cost sharing by a subsequent interconnecting
2 customer for costs of necessary System Improvements incurred by an earlier
3 interconnecting customer. While this case involves different statutory provisions (not the
4 law regarding sharing between interconnecting renewable energy customers) the
5 principles supporting the right to self-perform construction are the same.

Q. The Division’s data requests raise concerns about the cost of money associated with reimbursing Green for these System Improvements at the time Green funded them and placed them in service rather than at the time they are needed (Division 4-1) – what is Green’s position on that issue of the time value of money?

6 A. As long as Green is reimbursed its costs of performing these System Improvements, it
7 will forego the time value of money it has suffered as a result of agreeing to conduct
8 them without funding. There is no time value of money issue for ratepayers, where
9 Green voluntarily advance funded upgrades for which it should not have been held
10 accountable.

Q. The Division has issued RIE data requests regarding whether these System Improvements were needed within five years of the system impact study (Division 2-11), what is Green’s position on that?

11 A. The law does not support assessment of System Improvements to Green to begin
12 with, whether or not the System Improvements are needed within 5 years of Green’s
13 Impact Study.

1 Even if this petition were about System Modifications, the statutory provision,
2 reproduced on pages 11 and 12 above, does not allow any limitation on the recovery of
3 accelerated System Modifications. The five-year limitation in section 5.3 of the Tariff is
4 inconsistent with the Statute, and therefore, cannot be enforced.

5 Alternatively, even if the system upgrades addressed in this Docket were
6 classifiable as System Modifications, those modifications were clearly needed within five
7 years of Green’s Impact Study. As the Company states in response to DPUC 1-9, “As
8 identified in the Tiverton Area Study, the System Improvements were recommended not
9 only to serve load but also to mitigate thermal (capacity) limits, contingency response
10 capability, and voltage issues identified on the existing Tiverton circuits.” Indeed, RIE’s
11 area study states that Feeders 33F1-33F4 are all at or above ninety percent (90%) loading,
12 and that was expected to increase through 2035. (Tiverton Area Study, September 2022,
13 starting on p. 153 of the Petition.) The study states that a new feeder would be required
14 no matter what in order to accommodate any new load. Since Green’s proposed project
15 required a new circuit extension the least cost option was to size the new circuit to
16 accommodate both Green’s project and the forecasted new load.

17 For all of these reasons, the five-year limitation on recovery of accelerated 2022
18 System Modifications is a non-issue.

Q. Does the cost of any System Improvement self-performed by an interconnecting renewable energy customer absolutely have to come in below RIE’s estimated budget?

1 A. No, as with Company implemented interconnection upgrades there is an allowance
2 for reasonable cost overruns. Thus, as RIE states in response to PUC 1-8, “The DG
3 projects are subject to the standard final accounting practice regarding the 10% cap
4 [in the ISA]. If the cost increases are identified during the project, and the DG
5 customer is notified of such increase, then the costs will be collected from the DG
6 customer,” and in response to PUC 1-9, “Whether the customer is self-building or the
7 Company is performing the work, there can be justified reasons for project costs to come
8 in above estimate.”

Q: In its request 1-8 the Division asks “If the DG is net metered, how are any of the costs of providing distribution/transmission services necessary to deliver the power produced by the DG to other consumers allocated to the DG?” – what does net metering have to do with the allocation of interconnection upgrade costs?

9 A: Nothing. The interconnection law and tariff speak directly to the proper assessment
10 and allocation of interconnection upgrade costs without any reference to program
11 enrollment. That is because any renewable energy program incentives approved by the
12 general assembly are completely independent and apart from assessment of
13 interconnection upgrade costs.

Q. Did or does the project benefit from any tax incentives?

1 A. No. The recently passed Inflation Reduction Act did provide new tax credit benefits
2 for interconnection upgrade work but those credits only apply to projects under five
3 megawatts in size and they do not apply to projects already placed in service.

4 Contrary to any tax incentives, Green has already realized the Tiverton duct bank
5 invoiced amounts as taxable income now and, as such, will have current tax liability.
6 Green already suffers an added federal and state tax burden because RIE did not fund
7 these System Improvements.

VII. Act on Climate and other Policy Implications

Q. Do you agree with the Company's assessment of Act on Climate implications raised in this docket?

8 A. Yes. We agree with the Company's testimony that

The 2021 Act on Climate, R.I. Gen. Laws §42-6.2-1 et seq., mandates a statewide, economy-wide 45% reduction in greenhouse gas emissions by 2030 relative to 1990 emissions levels, 80% by 2040, and shall be net-zero emissions by 2050. The Company has assessed that approval of this Petition positively influences the Act on Climate mandates by reasonably charging Interconnection Customers only for incurred costs solely due to their project, and incentivizing continued development of distributed generation connections.

9 RIE Testimony, pp. 23-24.

Q. Do you have anything to add to that position regarding consistency with the Act on Climate?

10 A. Yes. Green would go further to state that it would be entirely inconsistent with the
11 Act on Climate to assess interconnecting renewable energy customers any costs of RIE's

1 planned System Improvements intended to benefit its other customers. Any such
2 assessment artificially inflates the cost of developing renewable energy projects in a way
3 that inherently makes them less competitive as to alternative supply options that emit
4 substantially more greenhouse gases. Moreover, Green's actions in performing the
5 construction of these System Improvements not only benefit RIE's load customers, they
6 will also benefit other renewable energy projects looking to interconnect to this circuit,
7 which, in turn, substantially benefits Rhode Island's efforts to implement the Act on
8 Climate. This is especially true given the anticipated need for more and more clean
9 electricity given the call to electrify our thermal energy and transportation.

Q. Is Green's position in this docket consistent with other Rhode Island plans and policies?

10 A. Yes, many. The State Energy Plan, Energy 2035, calls for reduction in the soft costs
11 that burden development of the local distributed generation of renewable energy, which
12 serves to reduce cost, enhance security and reduce emissions of our electric supply. *See*
13 [Energy 2035: Rhode Island State Energy Plan](#),
14 <http://www.planning.ri.gov/documents/LU/energy/energy15.pdf>.
15 RI OER's Systems Integration Rhode Island (SIRI) study included the following
16 foundational recommendations:

Achieving Rhode Island's energy goals is anticipated to involve significant changes in the electric sector, which will become more distributed and will converge with the thermal and transportation sectors. The SIRI team notes the following foundations relative to utilities and utility regulation as existing processes and systems are evaluated:

- **Enable Customers:** Customers will be viable sources of energy resources (“prosumers”) through a proper balance of both utility regulation and markets. Rhode Island will embrace cost-effective customer/distributed energy solutions as integral elements of the vision for its energy system.
- **Manage Costs:** Clean energy goals and desired services will cost no more to achieve than necessary.
- **Reveal, Monetize Value:** Processes and systems will motivate value-based resource investments from customers and the utility.
- **Minimize Barriers:** Decision-makers will work to improve the existing regulatory process if it proves to be an obstacle to effective investments by the utility and customers, while still protecting the public interest.

1 *Systems Integration Rhode Island Vision Document*, Regulatory Assistance Project for RI
2 Office of Energy Resources (January 2016). In addition, in docket 4600 the Commission
3 established guiding principles for energy decision-making. Those principles include the
4 foundational goals to “Appropriately compensate distributed energy resources for the
5 value they provide to the electricity system, customers, and society’ and to
6 “Appropriately charge customers for the cost they impose on the grid.” *Public Utilities*
7 *Commission’s Guidance on Goals, Principles and Values for Matters Involving the*
8 *Narragansett Electric Company d/b/a National Grid* (October 27, 2017). It called for
9 rate design that “Ensures that all parties should provide fair compensation for value and
10 services received and should receive fair compensation for value and benefits delivered.”
11 Id. at p. 5. Green’s position in this docket is consistent with all of these policies.

Q. Do you have any concerns about how RIE addresses cost assessment issues in the context of the interconnection of renewable energy projects?

12 A. Yes, I do. Interconnecting renewable energy customers have little insight into RIE’s
13 plan to upgrade its electric system or how that plan relates to the proposed

1 interconnection of projects. Few developers have the capacity to follow RIE’s ISR
2 filings to the level of detail that would enable them to see the relationship between
3 proposed system upgrades and project locations. In fact, even if they did, they would
4 often be unable to decipher the details of the relationship between plan and project.
5 Moreover, there is even less transparency regarding System Modifications to benefit
6 projects that provide improvements that RIE has not planned but will still benefit other
7 customers. This lack of transparency frustrates the goals of Rhode Island energy policy.
8 The PUC’s Order 22174 issued in response to the Company’s ISR filing for 2016,
9 observed that “National Grid has admitted that, partially due to the nature of the
10 distributed generation application process, there is little integration of the distributed
11 generation program into the overall planning process.” *In re: National Grid Proposed Fy*
12 *2016 Electric Infrastructure, Safety And Reliability Plan Pursuant To R.I. Gen. Laws §*
13 *39-1-27.7.1*, at p. 25 (Oct. 21, 2015). The Commission then ruled that,

long range plans should consider how designing for growth in load and distributed generation can be mutually beneficial; for example, investigating how new infrastructure necessary to serve load in one area can be designed to also serve generation at a lower cost than designing for load alone, or at a lower cost than designing to serve load in one area, while designing to serve generation in another.

Q. Why is this lack of transparency of practical concern for Rhode Island?

14 A. The impact is evident in this docket where RIE characterizes Green’s construction of
15 RIE’s planned System Improvements as accelerated System Modifications. Green
16 submits that it should not have to be a party to any proceeding in order to be reimbursed
17 for building System Improvements as authorized by RIE.

1 Moreover, to Green’s knowledge this is the first petition RIE has put before the
2 PUC to approve a proposed acceleration of a system upgrade planned for an
3 interconnecting renewable energy customer that benefits other customers. It is extremely
4 hard to believe that this is the first-time system upgrades funded in association with the
5 interconnection of renewable energy projects have benefited RIE’s other customers.
6 Renewable energy customers are not allowed transparency into whether they may be
7 assessed the cost of upgrades needed to service other customers. The lack of transparency
8 in system planning means that renewable energy customers do not have the information
9 or capacity to contend that their project upgrades benefit other customers. Without that
10 transparency, the history certainly suggests that the Company is not proactively
11 acknowledging such benefit and reimbursing renewable energy customers as required by
12 law and as needed to achieve of Rhode Island’s energy and climate goals.

Q. Does this conclude your testimony?

13 Yes.

EXHIBIT A

VIA EMAIL TO eric.hanlon@nationalgrid.com

Eric Hanlon
New England Customer Energy Integration
National Grid
280 Melrose Street
Providence RI 02907

January 20, 2022

Re: Green Development, LLC Interconnection Dispute Resolution – Tiverton Brayton I&2, National Grid NCAP Case Nos. 206316 & 206317

Dear Eric:

I write to dispute the cost allocation and assessment and payment schedule for our Tiverton project. National Grid is assessing this project for system improvements that are not at all necessary for or directly related to the interconnection. Under Rhode Island law any modifications benefitting other customers must be included in rates as determined by the public utilities commission. Moreover, National Grid is requiring this project to advance pay construction costs that are not anticipated or to be incurred at this time.

i. Cost Allocation and Assessment Dispute

As you are aware, R.I. Gen. Laws §39-26.3-4.1(a) provides that “The electric distribution company may only charge an interconnecting, renewable energy customer for any system modifications to its electric power system specifically necessary for and directly related to the interconnection.” R.I. Gen. Laws §39-26.3-4.1(b) requires that “[a]ny system modifications benefitting other customers shall be included in rates as determined by the public utilities commission.” The interconnection tariff incorporates that statutory language and adds:

5.4 Separation of Costs

a. The Company may combine the installation of System Modifications with System Improvements to the Company’s EDS to serve the Interconnecting Customer or other customers, but shall not include the costs of such System Improvements in the amounts billed to the Interconnecting Customer for the System Modifications required pursuant to this Interconnection Tariff. Interconnecting Customers shall be directly responsible to any Affected System operator for the costs of any System Modifications necessary to the Affected Systems.

The Tiverton project requires an underground duct bank to bring a new circuit to the point of interconnection. Green has elected to self-construct the Company’s design and civil engineering of the duct bank, under Company supervision.

The project only requires a 2-way conduit duct bank. However, the Company is requiring that the project design, permit, install and fund a 9-way, and 6-way and a 4-way duct bank at various locations. The cost difference between installing 2-way conduit and 4, 6, or 9-way conduit is very significant. Larger duct banks require deeper excavation and trench boxing throughout, and they slow construction considerably. The Company alleges that a 4-way duct bank is standard, but no such standard is included in any of its public interconnection standards or in any electric system bulletins. There clearly is no standard that requires overbuilding utility infrastructure to interconnect a project.

When pressed on this unjustified requirement to overbuild system modifications, the Company responded:

National Grid has communicated to the customer several times the minimum build is 4-way and will never allow a 2-way under any circumstances. The duct bank is being built as designed so the company is not limited in the future and that is not up for negotiation. Green Development has all duct bank specifications and there have already been discussions covering the details of those specifications. The duct bank system will be built as designed or this project may be canceled.

Green was told that if we were not self-constructing this duct bank the utility would have built a 4-way duct-bank. However, since the project only needs a 2-way duct bank, the Company cannot justify requiring construction of anything more than that. The Company has told Green that there is no more capacity to interconnect distributed generation projects in Tiverton. If that is so, what future need requires overbuilding this circuit? What is the Company's basis for requiring Green to design, permit, build and fund any such future need? The Company is wrongly proposing to profit from this installation, gaining capital improvements at the expense of a distributed generation project.

ii. Payment Schedule Dispute

Green also disputes the payment schedule for the Tiverton project. Green Executed the Interconnection Services Agreement for the project on July 9, 2021. Per the ISA Green made a first 5% ISA payment of \$258,147 when the ISA was executed. National Grid gave Green the duct bank design scope Green on August 10, 2021. Green made a second 5% ISA payment of \$258,147 for long lead substation equipment. Green delivered the design of the duct bank on December 23, 2021. On January 5, 2022, Green was notified that the 20% invoice of \$1,032,590 for long lead distribution equipment (the cable) would be due by January 26, 2022, or the project will be in default. On January 14, 2022, Green was notified by National Grid for its Nooseneck project that although Green has already provided payment for the long lead distribution equipment National Grid will not release the cable until a cost sharing agreement is reached with another developer and approved by the RI PUC. Green has no assurance that upon payment National Grid will actually perform its interconnection obligations. On January 18, 2022, National Grid provided comments on Green's duct bank design. Green has scheduled to interconnect the Tiverton Projects in the fourth quarter of 2022. Green does not know how long National Grid's duct bank review and revision process will take.

The proposed payment schedule is not tied to the timing of any cash outlays needed for National Grid's interconnection work. The Tariff is explicit on this issue. Its language that fees "are due in full prior to the execution of the work" and that "Company will not be required to initiate any work for which advanced payment has not been received" establishes a mutual performance obligation. Section 5.5 further clarifies that Green "is eligible for a payment plan, including a payment and construction schedule with milestones for both parties" and with payment due dates directly tied to construction milestones. By the express language of the tariff, when a construction schedule changes the payment due dates must change accordingly. Section 5.5 likewise requires that at Green's request National Grid "will break the costs into phases in which the costs will be collected prior to Company expenditures for each phase." The tariff is clear that National Grid can only collect money in advance for each phase and not in general for all phases.

Attachment 3 of the ISA sets forth a payment schedule but also states that “[t]he physical construction of system modifications will not commence until full payment is received.” (emphasis added). Attachment 6 to the ISA (System Modifications Construction Schedule) requires that “National Grid will expedite the process whenever possible.” Like the language of Section 5.5 of the Interconnection Tariff, the language of these ISAs implies a mutual performance obligation on behalf of both Green and NEC pursuant to a bilateral contract. Indeed, “covenants and promises in a bilateral contract are mutually dependent.” *Guglielmi v. Guglielmi*, 431 A.2d 1226, 1228 (1981). As indicated above, it is “both elementary as well as fundamental contract law that if one party to the contract prevents the happening or performance of a condition precedent that is part of the contract, that action eliminates the condition precedent.” *Bradford Dyeing Ass'n, Inc. v. J. Stog Tech GmbH*, 765 A.2d 1226, 1238 (2001). The Tariff and the ISA tie together the payment due dates and the construction schedules in a simple and obvious way that cannot be unilaterally untied. This project remains in a National Grid approval process that does not allow for estimation or anticipation of a current schedule for construction. The invoiced and disputed 25% payment is not necessary to fund any long lead items or other costs anticipated to be incurred at this time.

Moreover, Green’s refusal to pay is justified by the force majeure clause of the PUC approved interconnection services agreement, section 16. That section permits delayed performance when a delay is beyond the control of a party, as follows:

the affected Party is unable to prevent or provide against by exercising commercially reasonable efforts, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war or terrorism, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fire; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible. In no event will the unavailability or inability to obtain funds constitute a Force Majeure Event.

Here, Green’s delayed payment is justified for reasons that are beyond its control, including National Grid’s design approval process. Green hereby notifies National Grid of this force majeure event that tolls its performance until it is able to be resolved through commercially reasonable efforts.

National Grid may not remove projects from the queue for nonpayment of any fees in dispute. Section 18.1(a) of the PUC approved interconnection services agreement on default provides that default occurs when “[o]ne of the Parties shall fail to pay any undisputed bill for charges incurred under this Agreement or other amounts which one Party owes the other Party as and when due, and such failure

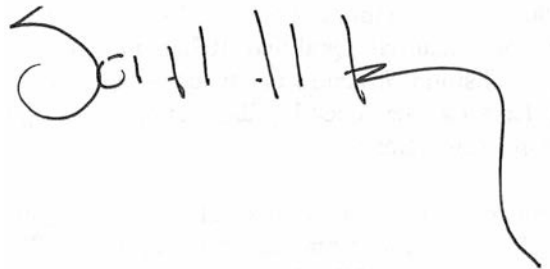
shall continue for a period of thirty (30) days after written notice of nonpayment from the affected Party to the defaulting Party.” Clearly there is no default for nonpayment of a bill that is disputed. National Grid does not have the default remedy of termination of an interconnection services agreement in section 18.2(c) until and unless there is nonpayment of an undisputed bill. We dispute the currently pending bill for our Tiverton project.

Meanwhile, the Company still holds and refuses to refund \$1.9 million in costs prepaid for Green’s Exeter projects which have since been removed from interconnection. The Company claims that this refund is pending cost reconciliation for the Exeter projects but there is no basis for such delay based on a claimed need for reconciliation.

I write, pursuant to section 9.1.a of Interconnection Tariff # 2244, to appeal to senior management for prompt cost reconciliation and repayment of the advanced funds for Exeter, for a revised allocation and assessment of costs and for a new payment schedule including a letter of credit arrangement authorized by section 5.6 of the tariff for our Tiverton project. If National Grid does not address and resolve these concerns within Eight (8) days of this letter, Green will pursue dispute resolution at the PUC per *Section 9* of the Tariff and/or in other jurisdictions as appropriate.

Confirm withdrawal of your threat to remove the Tiverton project from your interconnection queue immediately.

Sincerely,

A handwritten signature in black ink, appearing to read "Jill Hill". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline that extends to the right.