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January 16, 2026

VIA ELECTRONIC MAIL AND HAND DELIVERY

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

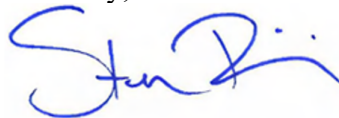
Re: Docket Nos. 25-52-REG & 25-53-REG – The Narragansett Electric Company d/b/a Rhode Island Energy Renewable Energy Growth Program Year 2026-2027 and 2026-2027 Renewable Energy (RE) Growth Program Factor Filing Responses to PUC Data Requests – Set 1

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the “Company”), I have enclosed the Company’s responses to the Public Utilities Commission’s First Set of Data Requests in the above-referenced dockets.

Thank you for your attention to this matter. If you have any questions, please contact me at (401) 709-3359.

Sincerely,



Steven J. Boyajian

Enclosure

cc: Docket No. 25-52-REG & 25-53-REG Service Lists

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate were 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.

Elaina M. Weir

January 16, 2026

Date

**Docket No. 25-52-REG – Renewable Energy Growth Program for Year 2026-2027
The Narragansett Electric Company & RI Distributed Generation Board
Service List updated 12/16/2025**

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Certificate of Service

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Elaina M. Weir

January 16, 2026

Date

**Docket No. 25-53-REG – 2026-2027 Renewable Energy Growth Program Factor Filing
The Narragansett Electric Company d/b/a Rhode Island Energy
Service List updated 12/16/2025**

Parties' Name/Address	E-Mail	Phone
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The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 25-52-REG
In Re: 2026-2027 Renewable Energy Growth Program and
RIPUC Docket No. 25-53-REG
In Re: 2026-2027 Renewable Energy Growth Program Factor Filing
Responses to Commission's First Set of Data Requests
Issued December 30, 2025

PUC 1-1

Request:

Please refile page 6 of Schedule NECO-2 filed in Docket No. 25-53-REG in the same format and with the same columns as page 7 of Schedule NECO-5 from Docket No. 24-48-REG.

Response:

Please see Attachment PUC 1-1 for the requested schedule. For full-time employees, the actual number of employees and their average salaries were utilized. For contractors, the actual number of employees was estimated, as well as the average salary which was estimated at the same value as the actual average salary of full-time employees conducting similar types of work. Labor expenses for the period of April 2026 through March 2027 were estimated, based on actual labor expenses for the period of October 2024 through September 2025, with the exception of Forward Capacity Market ("FCM") Support and FCM Contractor, which were derived from and identical to the values from Docket 25-51-EL. These costs are split 50/50 between the Long-Term Contracting for Renewable Energy Recovery Factor and the Renewable Energy Growth Program Factor. The overhead rate is based on Company records for full-time employees, excluding pension and post-retirement benefits other than pensions, and 0 percent for contractors.

Renewable Energy Growth Program
Estimated Administrative Costs
for the Program Year Ending March 31, 2027

Summary of Estimated Annual Administrative Expenses

(1) Billing System Modifications - Revenue Requirement of Capitalized Costs	\$0
(2) Billing System Modifications - 2025 Program Year O&M Budget Estimate for Additional Modifications	\$0
(3) Incremental Labor Resources (Internal & External)	\$582,139
(4) DG Board Expense	\$368,147
(5) Revenue Requirement - Meter Investment	<u>\$85,666</u>
(6) Total	\$1,035,952

- (1) No revenue requirement remaining
- (2) No revenue requirement remaining
- (3) Line (12), column (i)
- (4) Pursuant to \$123,616 budget for RE Growth ceiling price development for PY2026 in Docket No. 25-13-REG and \$244,531 for 2025 Renewable Energy Quality Assurance Field Case Studies in Docket No. 25-26-REG.
- (5) Schedule NECO-3, Page 1
- (6) Sum of Lines (1) through (5)

Detail of Incremental Labor Resources (Internal & External)	Accounts Processing (a)	Accounts Processing Contractor (b)	Customer Solutions (c)	Billing Implementation Support (d)	Interconnection Consultant (e)	FCM Support (f)	FCM Contractor (g)	Energy Procurement (h)	Total (i)
(7) Full Time Employees/Contractors	5	2	0	0	6	1	4	0	18
(8) Average Salary / Budget	\$96,785	\$96,785	\$0	\$0	\$105,251	\$92,082	\$92,082	\$0	
(9) Percent Dedicated to RE Growth	<u>67.43%</u>	<u>53.63%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>2.74%</u>	<u>2.50%</u>	<u>2.17%</u>	<u>0.00%</u>	
(10) Estimated Labor Expense - through March 31, 2027	\$326,289	\$103,821	\$0	\$0	\$17,289	\$2,302	\$7,977	\$0	\$457,678
(11) Overhead Rate	<u>36.72%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>22.62%</u>	<u>32.36%</u>	<u>0.00%</u>	<u>0.00%</u>	
(12) Total Estimated Program Year Ending March 31, 2027 Incremental Labor Resource Expense	\$446,094	\$103,821	\$0	\$0	\$21,200	\$3,047	\$7,977	\$0	\$582,139

- (7) Actual for full time employees; estimated for contractors
- (8) Based on Company records for full time employees; estimated for contractors based on full-time employee rate
- (9) Line (10) / (Line (7) X Line (8))
- (10) Per Company records for columns, except columns (f) and (g)
- (10)(f) Docket 25-51-EL, Attachment 1 (Corrected), Page 6, Line (6) X Line (5)
- (10)(g) Docket 25-51-EL, Attachment 1 (Corrected), Page 6, Line (10)
- (11) Per Company records for full time employees, excluding pension and PBOP; 0% for contractors
- (12) Line (10) X (1 + Line (11))

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 25-52-REG
In Re: 2026-2027 Renewable Energy Growth Program and
RIPUC Docket No. 25-53-REG
In Re: 2026-2027 Renewable Energy Growth Program Factor Filing
Responses to Commission’s First Set of Data Requests
Issued December 30, 2025

PUC 1-2

Request:

Please provide a table showing, by year, the number of residential Net Metering customers and REG customers with solar systems of 25 kW or less who expanded their installed solar capacity, for each year from 2015 (or the earliest year for which data is available) through December 1, 2025. For purposes of this request, please define what constitutes an “expansion” and describe any data limitations or assumptions used.

Response:

For the purpose of this request, the Company defines an “expansion” as any addition of kW_{AC} capacity, which would represent the addition of new solar inverters and panels, and/or any addition of kW_{DC} capacity, which would represent the addition of new solar panels only to an existing solar system that had already received permission to operate at an earlier date. The data presented in the table below identifies expansions where the initial solar system and the expanded solar system are both in the same program (i.e., both Net Metering or both Renewable Energy Growth).

	a	b	c	d
	Initial Solar System Connected Year	Net Metering	Renewable Energy Growth	Total
1				
2	2000	1	N/A	1
3	2001	1	N/A	1
4	2004	1	N/A	1
5	2006	1	N/A	1
6	2007	3	N/A	3
7	2008	2	N/A	2
8	2009	5	N/A	5
9	2010	6	N/A	6
10	2011	3	N/A	3
11	2012	5	N/A	5

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PUC 1-2, Page 2

12	2013	11	N/A	11
13	2014	10	N/A	10
14	2015	26	0	26
15	2016	20	6	26
16	2017	19	2	21
17	2018	35	1	36
18	2019	47	1	48
19	2020	51	1	52
20	2021	69	0	69
21	2022	71	1	72
22	2023	80	0	80
23	2024	23	0	23
24	2025	5	0	5
25	Total	495	12	507

Please note that while the request was for data through December 1, 2025, the Company was able to provide data through December 31, 2025, which is represented in the table above. The column labeled “Initial Solar System Connected Year” in the table represents the year the initial solar system was connected, and which was expanded upon at a later date.

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PUC 1-3

Request:

Pages 9-10 of Gauntner's testimony explain that the Company's proposal allowing Small-Scale Solar I and II REG customers to add a second solar project to their existing REG meter was based on focus groups and surveys conducted by the Company. Please explain whether the costs of this research are included in the administrative cost of the REG program or impacting the Company's revenue requirement in Docket No. 25-45-GE.

Response:

The costs associated with the focus groups and survey are not included in the administrative cost of Renewable Energy Growth nor are they included in the Company's revenue requirement in Docket No. 25-45-GE.

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 25-52-REG
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RIPUC Docket No. 25-53-REG
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PUC 1-4

Request:

Setting aside anti-segmentation rules, is it the Company's position that small-scale solar facilities cannot be expanded today, or is the Company's proposal intended to clarify the program rules and tariff through which expansion can occur. If it is the latter, please explain how the Company would treat expansion of solar facilities absent approval of the proposed changes.

Response:

It is the Company's interpretation of the existing statute that small-scale Renewable Energy Growth solar facilities cannot be expanded today. Although the Renewable Energy Growth statute does not specifically contemplate a scenario where a second project is added to an existing meter in the manner being proposed by the Company, the Company believes the proposed changes to its Rules and Tariffs to allow for this additional project advances the statutory purpose of promoting the development of renewable energy projects. Without the proposed tariff changes or directive from the Commission, the Company would continue its practice of not allowing Renewable Energy Growth systems to expand in any way; however, a second Renewable Energy Growth system with a second Renewable Energy Growth meter on the same home or business would still be allowed as long as project segmentation rules are met.

Of note, in the chart shown in the Company's response to PUC 1-2, there are twelve Renewable Energy Growth systems that have expanded over the last eleven years. Upon review of those systems, it is the Company's belief that due to a mismatch of the customers' addresses within the Company's platform, the first Renewable Energy Growth system was not properly identified when these customers sought to (and were successful in) enrolling the expanded systems into the Renewable Energy Growth Program. The Company has taken steps with new and additional internal processes to reduce the likelihood of this type of error from happening again.

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PUC 1-5

Request:

Page 12 of Gauntner’s testimony states that “customers adding a second system are likely to use the same installer, resulting in much lower or no acquisition costs.” Please explain the Company’s basis for this statement, including any supporting data or analysis, and identify all assumptions used.

Response:

Recent historical data shows that between 2020 through 2025, 80 percent of customers who expanded their solar systems—originally installed and registered under the net metering program during those years—chose the same installer as for their first project. However, when looking at all net metering systems since the program began, this rate drops to 66 percent. This decrease for older systems is expected since some original installation companies may have gone out of business or no longer operate in Rhode Island.

PUC 1-6

Request:

Page 8 of Gauntner's testimony states that to qualify as a "second solar project," the project must meet at least two requirements, such as additional solar panels, upgraded or additional inverters, electrical upgrades, or structural modifications.

- a. Please explain why adding generating capacity is not the determinant factor for a qualifying "second solar project."
- b. Please explain whether, and if so how, the Company considered current statutory and RES definitions for "new" and "existing" renewable generation units when determining its factors for a "second solar project," (*see* 810-RICR-40-05-2.3.A.24.f). If not, please explain why not.

Response:

- a. As explained in the Company's response to PUC 1-4, the Renewable Energy Growth statute does not specifically contemplate a scenario where a second project is added to an existing meter in the manner being proposed by the Company. The Company believes the proposed changes to its Rules and Tariffs to allow for this additional project advance the statutory purpose of promoting the development of renewable energy projects. The statute requires Renewable Energy Growth projects to be newly constructed and not built at the time of application (*see* R.I. Gen Laws § 39-26.6-3(7)(i)-(ii)). As a result, simply increasing generating capacity by adding a small number of solar panels to an existing installation would arguably fail to meet the definition of distributed-generation facility under the Renewable Energy Growth statute. The Company has interpreted these incremental additions as modifications rather than the development of a new project. Therefore, the Company believes that a proposed "second solar project" must meet clearly defined criteria to ensure it is consistent with the statutory intent and regulatory definition of a distributed-generation facility for Renewable Energy Growth eligibility.
- b. Although the Company did not directly consider the language in Section 810-RICR-40-05-2.3.A.24.f when developing this proposal, key elements of the Company's approach reflect similar concepts. In particular, the proposed method for compensating a combined

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PUC 1-6, Page 2

solar installation involves allocating the two distinct Performance-Based Incentives according to the proportional size of each system at the time the second solar system is installed.

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PUC 1-7

Request:

Page 10 of Gauntner's testimony proposes a requirement that the combined size of an original and second solar project "must not exceed the maximum system size permitted for the applicable Renewable Energy Class at the time the second project is enrolled. To clarify further, adding a second solar project behind an existing Renewable Energy Growth meter cannot move a customer into a different class."

Please explain the Company's rationale for this requirement, including the specific problem the Company is seeking to address.

Response:

The Company has not identified a specific problem that this proposed requirement would address. Instead, the purpose of this requirement is to limit complexities and potential unintended consequences of moving into a different class. The Company has vetted the administrative consequences of allowing a second solar system within an existing class and has created a methodology for calculating performance-based incentives based on that methodology.

PUC 1-8

Request:

Page 14 of Gauntner's testimony states that "[s]ince the original project will continue generating energy but cannot independently qualify for net metering due to the shared meter, the Company suggests implementing a Post-Original Tariff Term ("POTT") PBI rate"

- a. Please explain the rationale for providing a PBI payment for a solar project after the expiration of its tariff term, including how the Company determined that an original solar project "cannot independently qualify for net metering" when sharing a meter with a second solar project.
- b. Please explain how the Company determined that an original solar project PBI should be reduced by 40% at the end of its tariff term, including any workpapers, data sources, and assumptions.
- c. Please explain any practical considerations that would prevent the Company from compensating an original solar project with Renewable Net Metering Credits at the end of its tariff term, rather than through a weighted-average PBI or Post-Original Tariff Term PBI.
- d. Does the Company plan to take title to all the RECs generated by an expanded facility during the Post-Original Tariff Term period?

Response:

- a. The customer's original system could independently qualify for net metering at the end of its tariff term. However, as the original solar project would be electrically joined with the second solar project, separating the two systems so that the original system independently qualifies for net metering would require substantial electrical wiring changes and, likely, a significant financial investment by the customer. Specifically, this would entail rewiring only the original solar project so that it connects to the customer's main breaker panel, thereby allowing the original solar project to offset the customer's own electric usage. The second solar project would also likely require modifications. These modifications are required for the original solar project to be independently metered and to be appropriately compensated under net metering.

PUC 1-8, Page 2

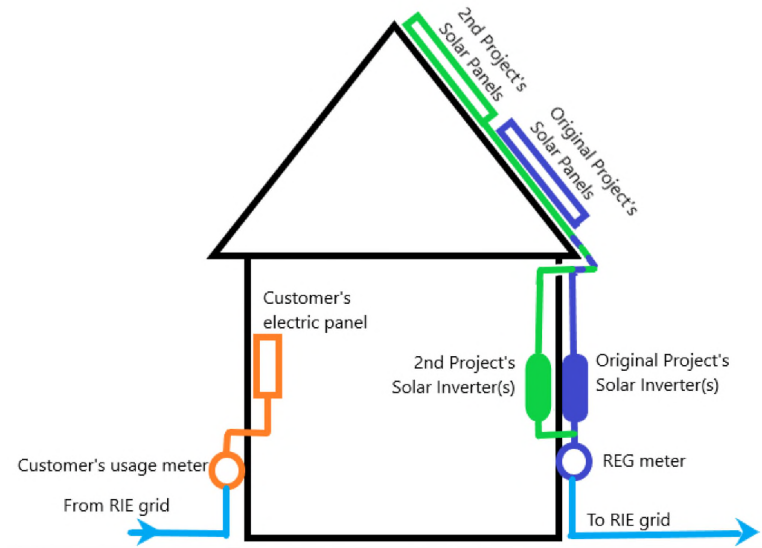
If a customer intends for the original Renewable Energy Growth (“REG”) system to independently qualify for net metering upon the expiration of its tariff term while also seeking to install a second solar project under REG, the most direct approach would be to meter each REG system separately using two distinct REG meters. This approach is permissible under the current and proposed provisions of the REG program, provided that all project segmentation requirements are satisfied. Customers participating in REG with an active tariff term of 15- or 20-years are not eligible to transition to net metering until their current term has concluded.

The purpose of implementing a Post-Original Tariff Term rate is to ensure continued compensation for customers for the portion of the combined solar facility that remains operational following the expiration of its initial tariff term. Because the original and second solar projects are electrically interconnected, the original project's equipment will continue to produce electricity after its tariff term concludes. The associated RECs from the original project should, therefore, receive compensation. The Company recommends the use of the Post-Original Tariff Term Performance-Based Incentive (“PBI”) rate, which is designed to provide fair, but reduced, compensation for this ongoing generation.

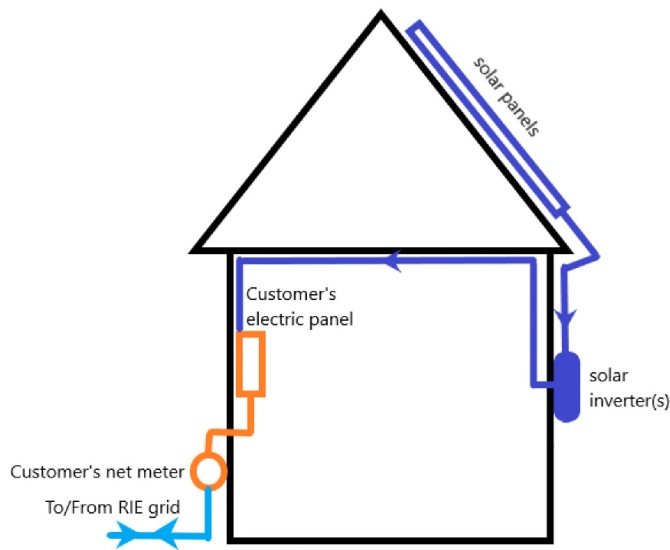
For reference, an illustrative wiring diagram is provided for reference to depict the configuration of an original REG solar project in conjunction with a subsequent REG solar project. Although not explicitly illustrated, this configuration could also accommodate a shared inverter and/or shared wiring or conduits. A comparative illustrative wiring diagram for a net-metered system is included to clearly demonstrate the differences between these configurations.

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Example electrical diagram of an Original REG Solar Project
with a Second REG Solar Project



Example electrical diagram of a Net Metered solar project



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- b. The 40 percent reduction applied to post-tariff revenues is derived from the “Post-Tariff Project Revenue Assumptions” developed by Sustainable Energy Advantage (“SEA”) in the context of calculating ceiling prices. Post-Tariff Project Revenue Assumptions were addressed by SEA in Docket 23-44-REG, SEA Schedule 1, where it is stated:

SEA continues to assume that post-tariff energy revenue for all technologies will be based on forecasted virtual net metering rates (or a comparable successor policy) as opposed to wholesale rates, with a 40% discount applied EXCEPT for Medium Solar (given goal of not subsidizing post-tariff loss).

In this framework, SEA evaluates the total revenue a renewable energy project must earn over its full operational life—typically 25 or 30 years—which encompasses the period following the expiration of the REG tariff term. This approach ensures that the PBI is calculated to enable the project owner to achieve a lifetime revenue target which meets the statutory definition of a reasonable rate of return.

The ceiling price for each technology should be a price that would allow a private owner to invest in a given project at a reasonable rate of return, based on recently reported and forecast information on the cost of capital and the cost of generation equipment. The calculation of the reasonable rate of return for a project shall include, where applicable, any state or federal incentives, including, but not limited to, tax incentives.

A critical component of this analysis is the compensation the system will receive after the conclusion of its REG tariff term. Given that net metering is currently the only compensation mechanism available for REG projects post-tariff, SEA establishes annual net metering compensation values for each year following the tariff term. To address uncertainty in future compensation rates, SEA applies a 40 percent reduction to these projected net metering values. This conservative adjustment to future revenues results in a corresponding increase in the PBI during the REG tariff years, thereby ensuring that the customer's total revenue aligns with SEA's lifetime revenue objectives. As annual PBI's are determined by SEA based on a 40 percent reduction of post-tariff revenue (or net metering values), they provide similar levels of incentives. For these reasons, a flat reduction of 40 percent of the original solar project PBI was proposed. This also aligns with the most recent CREST model provided by SEA showing that on average it is

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expected that there will be 40 percent reduction in per kWh revenues for small scale solar projects post tariff term.

- c. Renewable Net Metering Credits are available only to customers participating in net metering and serve as bill credits to offset future energy usage. As discussed in the Company's response to subsection (a) above, an original solar installation may transition to net metering upon the expiration of its tariff term, thereby enabling the receipt of Renewable Net Metering Credits for surplus energy generated beyond the electricity requirements of the associated residence or business. As previously noted, substantial technical and financial considerations must be addressed when modifying a REG system to qualify for net metering.
- d. Yes, when both systems are metered together, the total quantity of RECs generated will reflect the combined system sizes. Under the Post-Original Tariff Term, the proposed rate structure provides compensation for the RECs produced by the original solar project. It is notable to highlight that, for renewable energy projects classified outside the small-scale category, the Company receives both energy and RECs in exchange for PBI payments. In contrast, for small-scale solar customers, the Company receives only the associated RECs.

PUC 1-9

Request:

Given the REG program's scheduled sunset in 2033, please explain whether the Company considered simpler or transitional alternatives to the proposed weighted-average PBI and Post-Original Tariff Term PBI. If so, please explain what alternatives were considered and why those alternatives were rejected. If not, please explain why not.

Response:

The creation and timing of this proposal were not influenced by the Renewable Energy Growth program's scheduled sunset in 2033. Instead, it was shaped by feedback from installers and customers as well as the recent elimination of the 125 percent sizing limit tied to historical usage. With seven years remaining in the program, the Company believes the timing of this proposal is appropriate.

While developing this proposal, the Company found no other viable alternatives. Throughout the process, the Company sought a practical solution that enables Renewable Energy Growth customers to increase their renewable energy production in response to rising electricity needs. The Company evaluated several different options during the development of this proposal. A description of these options is provided below.

Option A: Abbreviate the tariff term of the second solar project to end at the same time as the original solar project.

This option was not selected because to reasonably compensate a customer for the development, construction and operation of the second solar project in the potentially short remaining tariff term of the first project could result in high performance-based incentives which could present issues with the reconciliation of program costs and rate predictability.

Option B: Abbreviate the tariff term of the second solar project to end at the same time as the original solar project, but add a limit that a second solar project must be proposed within a specific number of years following the original solar project.

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This option was not selected because, while it better addresses the program costs and rate predictability issues identified in Option A, it did not provide an avenue for all Renewable Energy Growth small-scale customers to increase their generating capacity to better meet their increasing demand.

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PUC 1-10

Request:

Please explain whether the Company requested that SEA develop a ceiling price specifically for second solar projects. If not, please explain why not.

Response:

The Company did not request that SEA develop a ceiling price for second solar projects. This is because SEA is under contract with the Office of Energy Resources to establish ceiling prices and megawatt allocation plans for that office. Instead, the Company relied on SEA's publicly available CREST model, utilizing many of the same assumptions SEA employs in its ceiling price development process, to determine and recommend the calculation methodology presented in this docket.

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PUC 1-11

Request:

Please identify any system changes, billing system modifications, or administrative steps required to implement the proposed weighted-average PBI and Post-Original Tariff Term PBI, and provide estimated costs and timeline(s).

Response:

The Company has conducted a thorough assessment of the necessary efforts, administrative steps, and billing system modifications required to implement both the proposed weighted-average PBI and the Post-Original Tariff Term PBI. Upon receipt of the Renewable Energy Growth application for the second solar project, the Company will calculate and communicate both the weighted-average PBI and the Post-Original Tariff Term PBI and dates of the PBI changes to the customer prior to granting interconnection authority for the second solar project. Once interconnection authority is provided, the weighted-average PBI will be entered into the billing system in accordance with the established process for new Renewable Energy Growth customers. Additionally, the Company is developing a comprehensive protocol for off-boarding Renewable Energy Growth customers upon completion of their tariff terms. Under this protocol, customers with second solar projects will transition to the Post-Original Tariff Term rate rather than being off-boarded. The Company does not anticipate any incremental costs or delays associated with incorporating the Post-Original Tariff Term rate change into the ongoing development of the off-boarding process.

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PUC 1-12

Request:

Please explain whether the Company believes its proposal would still be warranted if the REG program were not sunseting in 2033, and if so, why the methodology was not proposed earlier. If not, please explain why a program nearing sunset warrants a complex redesign.

Response:

The Company maintains that the proposal is warranted irrespective of the scheduled sunset of the Renewable Energy Growth program. The proposal is intended to enable Renewable Energy Growth customers to better align their increasing electricity consumption with their solar generation capacity, particularly in light of the recent elimination of the 125 percent historic demand cap. Although the option to install second solar projects under this tariff will be available only through the program's conclusion in 2033, it is notable that many existing and forthcoming Renewable Energy Growth tariff terms will extend beyond the program's sunset date up to and through 2053. The timing of this proposal is directly related to the removal of the aforementioned demand limitation, which now allows for greater flexibility in meeting customer needs.