

July 11, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

RE: Docket No. 4201 – Rhode Island LFG Genco, LLC – Eligibility as a New Renewable Energy Resource - Request for a Change in the Effective Date of RECs
National Grid Comments

Dear Ms. Massaro:

On July 9, 2013, Commission counsel provided National Grid¹ with a copy of a letter dated June 28, 2013 from Rhode LFG Genco (“RI Genco”) for National Grid’s review and comment, if any, prior to the open meeting scheduled in the above-referenced docket for July 11, 2013. National Grid is the counter-party to the power purchase agreement (“PPA”) referenced in the June 28, 2013 letter. National Grid understands that RI Genco has requested the Commission find that renewable energy certificates (“RECs”) that are generated from test energy prior to commercial operation should be considered eligible from the date of the Commission’s December 20, 2010 Order determining eligibility, and not from the date on which the conditions in that Order have been met. In RI Genco’s case, the date on which the Commission’s conditions for eligibility were met was June 1, 2013. RI Genco has been generating since December 2012. In the event that the first quarter 2013 RECs (produced between January 1, 2013 and March 31, 2013) are deemed not to be eligible prior to the opening of the GIS trading period on July 15, 2013, then RI Genco will forfeit the revenue associated with those RECs in Rhode Island; however, the Company understands that they may be able to sell these RECs into other New England REC markets such as Massachusetts.

From a market perspective, the Company does not dispute that the intent of the PPA with RI Genco was to treat test RECs as a renewable resource notwithstanding the date of commercial operation by requiring the Company to purchase RECs delivered during the test period, subject to the relevant provisions of the PPA. The Company generally agrees with RI Genco that there is no distinction between RECs generated by test energy and RECs generated by energy after commercial operation. Certainly, there is value in qualifying test energy as eligible, provided it meets the requirements for eligibility set forth in the Renewable Energy Standard (“RES”), R.I.G.L. § 39-26, and the Commission’s Rules and Regulations. Most importantly, allowing test energy to qualify benefits customers. Allowing the test RECs to qualify for the RES would increase the supply of eligible RES RECs in the market and could potentially reduce the price of these RECs to customers.

¹ The Narragansett Electric Company d/b/a National Grid (referred to herein as “National Grid” or the “Company”).

Luly E. Massaro, Commission Clerk
Docket 4201 – Rhode Island LFG Genco, LLC
July 11, 2013
Page 2 of 2

In the event that the Commission determines that a change in the Commission's policy is required in order to allow test RECs to qualify, then the Company would support such an approach for the reasons set forth above, and generally agrees with the merit arguments outlined by Commission Staff in its July 10, 2013 open meeting memorandum.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7288.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer Brooks Hutchinson", with a horizontal line extending to the right.

Jennifer Brooks Hutchinson

cc: Leo Wold, Esq.
Steve Scialabba