

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: DISTRIBUTED GENERATION (DG))	
STANDARD CONTRACTS PROGRAM)	DOCKET NO. 4277 & 4288
ENROLLMENT APPLICATION AND)	
ENROLLMENT PROCESS RULES AND)	
STANDARD CONTRACTS)	

**OBJECTION
BY
WED COVENTRY ONE, LLC**

WED Coventry One, LLC (COV1), hereby objects to National Grid’s third enrollment report for 2014 DG Standard Contracts. National Grid has wrongfully disqualified COV1 from participation in the DG Standard Contract Program.

COV1 intends to construct a 1.5 megawatt wind turbine that will be located at 210 Piggy Lane – RI Plat 310, Lot 9, in Coventry, Rhode Island (the “Project”). COV1 competed for a Distributed Generation Standard Contract (DG Contract) for the sale of electricity, renewable energy credits (RECs) and capacity from the Project pursuant to R.I. Gen. Laws §39-26.2-1, et seq (the Act). National Grid contended that the Project was not eligible for a DG Contract because the Project was larger than the 1.5MW class category established for wind turbines when combined with an adjacent turbine planned by WED Coventry Two, LLC, that was not proposed for inclusion in the DG Contract. After administrative litigation, on June 28, 2013, the Rhode Island Public Utilities Commission (PUC) ordered National Grid to enter a DG Contract with COV1 for the Project. PUC Docket 4277/4288, Order 21087.

On March 5, 2013, National Grid sent COV1 an Interconnection Feasibility Study that estimated a total cost of \$270,502 to interconnect the Project to National Grid's distribution system, or approximately \$180 per kilowatt.

On August 2, 2013, COV1 and National Grid executed a DG Contract for the Project (the Contract). In the Contract, National Grid committed to pay a price of \$148 per MWh for the electricity, RECs and capacity from the Project. The price was set by a regulatory body at an amount sufficient to fund the projected cost of developing a 1.5 megawatt wind turbine and a rate of return on investment. The pricing model assumed that National Grid would charge a total interconnection cost of \$100 per kilowatt for the connection of a 1.5 megawatt wind turbine to National Grid's distribution system. The Contract required COV1 to pay a non-refundable Performance Guarantee Deposit of \$46,905, as required by the Act. The Contract required that the Project must be operating within eighteen months of execution of the Contract, or else the Contract would be terminated and the Performance Guarantee Deposit would be forfeited, pursuant to the Act.

On January 15, 2014, Wind Energy Development, LLC (WED), filed a petition with the PUC contending, among other things, that National Grid was charging WED projects an interconnection tax from which they were exempt under federal law and overcharging WED projects for the cost of interconnection. PUC Docket 4483.

On April 17, 2014, National Grid sent COV1 an interconnection impact study for the two turbines proposed by WED Coventry One, LLC and WED Coventry Two, LLC (COV2) that had been studied together. The Impact Study required prepayment of an estimated interconnection cost of \$1,126,540 for the two projects, or approximately \$375 per kilowatt, almost four times the amount of interconnection cost projected for the DG Contract price and almost twice the estimated cost of interconnecting the Project as first provided in the Feasibility Study. \$907,000 of the required

interconnection cost of COV1 and COV2 is for “System Modifications to the Company EPS” including “Engineering, design, construction and testing for revenue metering, feeder modifications, reclosers, disconnect switches, and remote stations modifications.” \$22,400 of the required interconnection cost is for “Interconnecting Customer Interconnection Facilities” including “engineering review and acceptance, and compliance verification of the ICIFs including all required drawings and equipment spec reviews, relay settings, and construction.” \$197,140 of the required interconnection cost is for the disputed interconnection tax.

National Grid’s Interconnection Tariff provides that National Grid may not charge COV1 the cost of improvements to the Company’s EPS to service other customers and can only charge for system modifications necessary to allow for safe operation of the Project with National Grid’s distribution system. The Narragansett Electric Company Standards for Interconnecting Distributed Generation, R.I.P.U.C. No. 2078 (the Tariff), §5.4, Sheet 39.

The Impact Study estimated a schedule of eighteen to twenty-four months to complete the system modifications necessary to interconnect the Project. National Grid’s Interconnection Tariff allows a maximum time of 150 days for National Grid to complete its most lengthy and stringent interconnection process. The Tariff, §3.4, Sheet 17. COV1 cannot operate the Project until it is interconnected, so National Grid’s resolution that it would take eighteen to twenty four months to interconnect the Project will result in termination of the Contract and COV1’s forfeiture of the Performance Guaranty Deposit. National Grid’s required price to interconnect the process also made the Contract and the Project economically unsustainable for COV1.

Given the results of the Impact Study, COV1 asked National Grid to extend the production deadline pursuant to the force majeure clause in the contract or terminate the contract and refund the deposit. National Grid refused to do either. On November 5, 2014, COV1 wrote National Grid to

inform them that the Contract was terminated immediately given COV1's inability to comply with the deadlines for production. On November 10, National Grid responded that the contract could not be terminated unilaterally and required COV1 to sign an agreement to forfeit its performance guaranty deposit to ratepayers as a condition of termination. COV1 disagrees with National Grid's position that the Contract cannot be terminated unilaterally, especially where National Grid has violated its interconnection tariff and denied a force majeure extension for interconnection delays solely caused by National Grid. COV1 refuses to sign a termination letter agreeing to forfeit its deposit because of interconnection costs and delays that are solely caused by National Grid.

COV1 disputed this matter directly with National Grid pursuant to the Contract provision for dispute resolution. Rather than taking the next step in that process and dedicating its resources to a Court appeal, COV1 decided to move forward, submitting an application for a new DG Contract in the third enrollment, to allow another eighteen months for the interconnection process. The new application contemplates a net metering arrangement to meet the Town of Coventry's energy consumption needs and enrolling the balance of production in the DG Contract program. COV1 informed the Distributed Generation Board that the Contract was terminated to ensure that the Project would be considered eligible for the third enrollment in 2014.

On November 25, 2014, National Grid sent the DG Board a letter saying COV1 would not be eligible for the third enrollment unless it agreed to forfeit its performance guaranty deposit on the Contract. National Grid has since denied COV1's application to the third enrollment for a DG contract.

This denial of eligibility is not only the result of a breach of the interconnection tariff and the contractual provision regarding force majeure; it also violates the intent of the DG Standard Contract program. The General Assembly's program required National Grid to contract for at least 40MW of

renewable energy before the end of 2014. With the third enrollment, National Grid has not met that goal and the wrongful denial of COV1's eligibility exacerbates that failure.

Our General Assembly has declared that “[s]upervision and reasonable regulation by the state of the manner in which such businesses . . . carry on their operations within the state are necessary to protect and promote the convenience, health, comfort, safety, accommodation, and welfare of the people, and are a proper exercise of the police power of the state.” R.I. Gen Laws §§39-1-1(a)(1)-(2). With these purposes and declarations in mind, the legislature “vested in the public utilities commission and the division of public utilities and carriers the exclusive power and authority to supervise, regulate, and make orders governing the conduct of companies offering to the public in intrastate commerce energy, communication, and transportation services and water supplies for the purpose of increasing and maintaining the efficiency of the companies, according desirable safeguards and convenience to their employees and to the public, and protecting them and the public against improper and unreasonable rates, tolls and charges by providing full, fair, and adequate administrative procedures and remedies. . .” Id. at §39-1-1(c).

WHEREFORE, COV1 asks that the PUC grant the following relief:

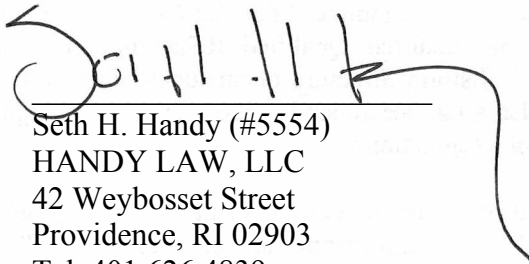
1. Order National Grid to acknowledge COV1's eligibility for the third and final enrollment in the Distributed Generation Standard Contract program and properly consider and process its application;
2. Order National Grid to refund COV1's performance deposit guaranty for the Contract because its failure to produce energy within eighteen months of contracting was solely due to the unreasonable and noncompliant interconnection delays and excessive interconnection costs caused solely by National Grid;

3. Award COV1 reasonable attorneys fees and costs.
4. Issue any and all other relief deemed reasonable and appropriate.

Respectfully submitted,

WED COVENTRY ONE, LLC

By their attorney,

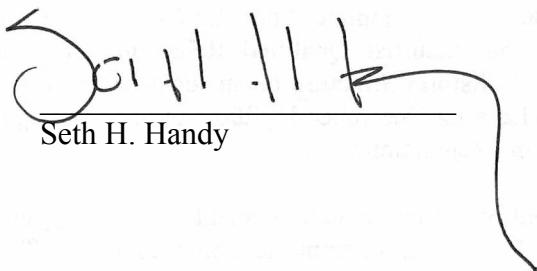


A handwritten signature in black ink, appearing to read 'Seth H. Handy', is written over a horizontal line. The signature is stylized and includes a large initial 'S'.

Seth H. Handy (#5554)
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CERTIFICATE OF SERVICE

I hereby certify that on January 2, 2015, I sent a true copy of the document by electronic mail to the PUC and the service list and filed the original pleading and 9 photocopies with the PUC.



A handwritten signature in black ink, appearing to read 'Seth H. Handy', is written over a horizontal line. The signature is stylized and includes a large initial 'S'.

Seth H. Handy