

December 13, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

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

Re: Docket 4371 - Long-Term Contracting for Renewable Energy Recovery Factor Responses to Division Post Hearing Data Requests – Set 2

Dear Ms. Massaro:

Enclosed are National Grid's¹ responses to the Division's Second Set of Post Hearing Data Requests concerning the above-referenced proceeding.

Thank you for your attention to this filing. Please feel free to contact me if you have any questions concerning this matter at (401) 784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4371 Service List
Steve Scialabba, Division
Leo Wold, Esq.

¹ The Narragansett Electric Company d/b/a National Grid.

Certificate of Service

I hereby certify that a copy of the cover letter and/or any materials accompanying this certificate were electronically transmitted to the individuals listed below. Paper copies of this filing were hand delivered to the Rhode Island Public Utilities Commission and to the RI Division.

December 13, 2013

Joanne M. Scanlon
National Grid

Date

Docket No. 4371 - National Grid – Tariff Advice Filing to Amend Long-Term Contracting for Renewable Energy Recovery Factor effective 01/01/13

Service List updated 10/21/13

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In re: Long-Term Contracting for Renewable Energy Recovery Factor
Responses to Division Post Hearing Data Requests – Set 2
Issued October 21, 2013

Division 2-1

Request:

In the data provided, or to be provided, in response to Commission 5-1, issued on October 3, 2013, please identify the assumed annual megawatt-hours (MWh) of Deepwater Wind's Block Island (DWBI) wind farm utilized by National Grid in calculating the response and the basis for using that level of annual generation.

Response:

The Company utilized an estimated annual output of 105,120 MWh for Deepwater Wind. This estimate is based on the 30 MW project and assumed annual average capacity factor of 40.0%. This is consistent with Appendix Y of the PPA, which states that the Annual Production Target includes a target net capacity factor of 40%.

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Division 2-2

Request:

If not done so in the production of the response to Commission 5-1, please provide a projection of the above-market premium of the Deepwater Wind Block Island purchase power agreement assuming the DWBI wind farm generates 125,500 MWh each year. Regarding other assumptions in responding to this request, please be consistent with the response provided to Commission 5-1 for this projection.

The source for the 125,500 MWh is page ES-2 of Deepwater's Block Island Wind Farm Environmental Report (Executive Summary), dated September 2012, prepared by Tetra Tech EC, Inc. and submitted to the Rhode Island CRMC. It is attached to this request and also available on Deepwater Wind's website at:

<http://dwwind.com/block-island/block-island-project-overview#block-island-wind-farm-permitting-docs>

Response:

Please see Attachment DIV 2-2.

Note: The above market cost is calculated using market price forecasts for energy, capacity, and RECs provided by ESAI in October 2013. As directed above, the annual output used for the projection was based on 125,500 MWh each year, which is equivalent to a 47.8% annual capacity factor. All other assumptions are consistent with the projection provided in response to Commission 5-1.

Year	Deepwater Wind 30 MW
	Above Market Cost
2012	\$0
2013	\$0
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$13,740,196
2019	\$14,371,964
2020	\$15,036,844
2021	\$14,875,917
2022	\$15,433,154
2023	\$19,416,950
2024	\$20,528,229
2025	\$21,264,102
2026	\$22,142,042
2027	\$23,064,208
2028	\$24,088,652
2029	\$25,148,793
2030	\$26,273,165
2031	\$27,372,950
2032	\$28,523,132
2033	\$29,949,454
2034	\$31,223,376
2035	\$32,555,321
2036	\$33,890,320
2037	\$35,354,415
Total	\$474,253,184
NPV (7%, 2013)	\$160,082,123

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Division 2-3

Request:

Similar to Division Request 2-2, for Deepwater Wind's Block Island project, please provide the same information as requested by Commission 5-2 regarding total contract cost and National Grid's annual financial remuneration, except using an assumed generation level of 125,500 MWh per year.

Response:

Please see Attachment DIV 2-3.

As directed above, the annual output used for the projection was based on 125,500 MWh each year, which is equivalent to a 47.8% annual capacity factor. All other assumptions are consistent with the projections provided in response to Commission 5-1 and 5-2.

Year	Deepwater Wind 30 MW	
	Contract Cost	Remuneration
2012	\$0	\$0
2013	\$0	\$0
2014	\$0	\$0
2015	\$0	\$0
2016	\$0	\$0
2017	\$0	\$0
2018	\$29,580,350	\$813,460
2019	\$30,615,662	\$841,931
2020	\$31,687,210	\$871,398
2021	\$32,796,263	\$901,897
2022	\$33,944,132	\$933,464
2023	\$35,132,177	\$966,135
2024	\$36,361,803	\$999,950
2025	\$37,634,466	\$1,034,948
2026	\$38,951,672	\$1,071,171
2027	\$40,314,981	\$1,108,662
2028	\$41,726,005	\$1,147,465
2029	\$43,186,415	\$1,187,626
2030	\$44,697,940	\$1,229,193
2031	\$46,262,368	\$1,272,215
2032	\$47,881,551	\$1,316,743
2033	\$49,557,405	\$1,362,829
2034	\$51,291,914	\$1,410,528
2035	\$53,087,131	\$1,459,896
2036	\$54,945,181	\$1,510,992
2037	\$56,868,262	\$1,563,877