

April 7, 2017

**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 Supplemental Response to PUC 10-3**

Dear Ms. Massaro:

I have enclosed National Grid's<sup>1</sup> supplemental response to PUC 10-3 in the above-referenced docket.

The Company has included an additional update regarding the Champlain Wind Power Purchase Agreement in this supplemental response. Other than the update for Champlain Wind, the remainder of the response is the same as originally submitted.

Thank you for your attention to this filing. Please 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.

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

Certificate of Service

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



\_\_\_\_\_  
Joanne M. Scanlon

April 7, 2017

Date

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

**Service List updated 1/5/17**

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<b>File an original &amp; 10 copies w/:</b> Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	<a href="mailto:Luly.massaro@puc.ri.gov">Luly.massaro@puc.ri.gov</a> ;	401-780-2017
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PUC 10-3 - Supplemental

Request:

For each contract entered into under the Long Term Contracting for Renewable Energy statute (not including distributed generation) for which commercial operation has not begun, please provide an update as to the status, including copies of any extensions that may have been executed and which have not already been filed with the PUC.

Response:

***Champlain Wind***

On December 30, 2015, Champlain Wind provided notice to the Company that it elected to extend by one year the critical milestone dates under the Power Purchase Agreement with National Grid (the PPA). That election extended the Critical Milestone for the receipt of the permit from the Maine Department of Environmental Protection (the Maine DEP) that is required to construct and operate the Champlain Wind project to December 31, 2016. The Maine DEP denied Champlain Wind's application for that permit, and Champlain Wind appealed that denial to the Maine Board of Environmental Protection. The Board of Environmental Protection affirmed the Maine DEP's order denying that permit application, and Champlain Wind appealed that decision to the Maine Supreme Judicial Court. On December 3, 2015, the Maine Supreme Judicial Court affirmed the Board of Environmental Protection's decision.

Under Section 3.1(b) of the PPA, Champlain Wind must provide National Grid with notice of the achievement of a Critical Milestone within seven days after that achievement, and Champlain Wind has not provided any notice with respect to the Maine DEP permit. Section 3.1(c) of the PPA allows Champlain Wind to extend the Critical Milestone deadlines by up to two additional six-month periods and Champlain Wind did not elect to further extend the Critical Milestone deadlines or provide the additional Development Period Security prior to the December 31, 2016 deadline for obtaining the Maine DEP permit.

The failure to satisfy the Critical Milestone for the Maine DEP Permit resulted in an Event of Default under the PPA, and National Grid terminated the PPA as a result of that Event of Default by written notice on January 23, 2017. Under the PPA, National Grid is entitled to a Termination Payment of \$1,485,000, and National Grid included a demand for that Termination Payment in its January 23, 2017 termination notice. That Termination Payment was due by February 2, 2017, and on February 7, 2017 National Grid sent a follow-up notice to demand the Termination Payment. To date, National Grid has not yet received that Termination Payment.

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Under the PPA, Champlain Wind was required to provide “Development Period Security” in the amount of \$4,500,000, in the form of either a cash deposit or a letter of credit. Champlain Wind had provided a letter of credit in that amount, but that letter of credit expired on February 18, 2016 and was not renewed by Champlain Wind, notwithstanding the fact that renewal, or a new letter of credit and/or cash deposit for the same amount, was required under the PPA. The Company, therefore, does not have the option of drawing on the Development Period Security under the PPA for the amount of the Termination Payment that is currently due.

***Copenhagen Wind***

On October 13, 2016, EDF Renewable Energy provided a progress report for activities performed during the third quarter of 2016. As indicated in that progress report, permit and real property and site control access is ongoing. The PPA letter of credit was extended from \$4.2 million to \$7 million on July 1, 2016 and the project's expected Commercial Operation Date is November 30, 2018.

***Orbit Energy***

In a recent communication to National Grid, Orbit Energy provided the following status update: "The project has not yet achieved partial generation. That is scheduled to occur by the end of February. We are in the process now preparing to load the inoculate to start methane production. It will take about 1.5 months of inoculum feeding until methane production is sufficient to operate a generation unit. Production will then ramp throughout the remainder of the spring and we will achieve COD according to the PPA by June 30th."