

May 22, 2015

BY HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4483 – In Re: Petition of Wind Energy Development, LLC and
ACP Land, LLC Relating to Interconnection
Joint Rebuttal Testimony**

Dear Ms. Massaro:

On behalf of National Grid¹, I have enclosed the Joint Rebuttal Testimony of Timothy R. Roughan and John C. Kennedy in the above-referenced matter.

Thank you for your attention to matter. If you have any questions, please contact me at 781-907-2121.

Sincerely,



Raquel J. Webster

Enclosures

cc: Docket 4483 Service List
Leo Wold, Esq.
Steve Scialabba, Division

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or the Company).

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.

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

May 22, 2015
Date

**Docket No. 4483 – Wind Energy Development LLC & ACP Land, LLC –
Petition for Dispute Resolution Relating to Interconnection
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**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4483
IN RE: WIND ENERGY DEVELOPMENT, LLC AND ACP LAND, LLC
PETITION FOR DISPUTE RESOLUTION RELATING TO INTERCONNECTION
WITNESSES: TIMOTHY R. ROUGHAN
AND JOHN C. KENNEDY
REBUTTAL TESTIMONY**

JOINT REBUTTAL TESTIMONY

OF

TIMOTHY R. ROUGHAN

AND

JOHN C. KENNEDY

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1 **I. Introduction**

2 **Q. Mr. Roughan and Mr. Kennedy, are your titles and qualifications the same as those**
3 **submitted to the Rhode Island Public Utilities Commission (PUC) in your joint Pre-**
4 **Filed Testimony in this proceeding dated April 24, 2015?**

5 A. Yes.

6
7 **II. Purpose of Rebuttal Testimony**

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of our rebuttal testimony is to address the Pre-Filed Testimony of Mark
10 DePasquale submitted in this proceeding on May 7, 2015. In his pre-filed testimony, Mr.
11 DePasquale cites concerns with National Grid's¹ proposed revisions to the Standards for
12 Connecting Distributed Generation tariff, RIPUC No. 2078 (DG Tariff).

13

14 **III. Rebuttal to DePasquale Testimony**

15 **Q. Please summarize the purpose of the Company's January 15, 2015 tariff filing in**
16 **this proceeding.**

17 A. As noted in the Company's filing letter accompanying its proposed revisions to the DG
18 Tariff, which the Company incorporated by referenced in its April 24, 2015 Pre-Filed
19 Testimony in this proceeding, the Company submitted its revised DG Tariff in
20 compliance with the PUC's November 12, 2014 interim order (Interim Order) (item 4).

¹ The Narragansett Electric Company (National Grid or Company).

1 The Interim Order addressed a settlement offered by National Grid to resolve certain
2 issued raised by Wind Energy Development, LLC and ACP Land, LLC (WED) in its
3 dispute with the Company associated with the interconnection of distributed generation
4 facilities proposed by WED. Item 4 of the Interim Order provides that:

5 National Grid will convene a working group of parties interested in
6 providing input into possible revisions to the Distributed Generation
7 Interconnection Tariff (R.I.P.U.C. No. 2078). By December 1, 2014,
8 the Company will file proposed tariff revisions resulting from the
9 working group, including an explanation of any unresolved issues. The
10 proposed revisions may also include recent changes to ISO-NE rules or
11 operating procedures and the Renewable Energy Growth law.
12

13 On January 15, 2015, National Grid complied with Item 4 of the Interim Order by filing
14 its proposed revisions to the DG Tariff.²
15

16 **Q. What is your understanding of Mr. DePasquale’s testimony regarding the tariff**
17 **revisions submitted by the Company?**

18 A. Mr. DePasquale summarized his concerns regarding the Company’s DG Tariff by noting
19 that it should be “simpler,” “reduce opportunities for and impact of National Grid’s
20 administrative discretion (especially on the time and cost for interconnection)”, and
21 “should strive toward much greater cooperation and collaboration to achieve efficient
22 interconnection.” The Company addresses each of these general recommendations
23 below. The Company also addresses Mr. DePasquale’s additional recommendations
24 regarding specific provisions in the DG Tariff.

² The PUC granted National Grid an extension of up to January 15, 2015 to file its proposed revisions to the DG Tariff.

1 **IV. Testimony Regarding Tariff Simplicity**

2 **Q. What is your perspective on Mr. DePasquale's Statements Regarding Tariff**
3 **Simplicity?**

4 A. We understand the statements regarding the need for a simple and efficient
5 interconnection process.³ For the vast majority of DG projects, the process is simple and
6 straightforward. Indeed, the Simplified process is used for the majority of applications
7 and typically results in interconnection for qualified projects to occur within one to two
8 weeks. However, the interconnection of large and sophisticated distribution generation
9 equipment to the Company's electric power system (EPS) is, by necessity, more complex
10 than the typical services the Company provides to retail customers in Rhode Island. Such
11 interconnections must meet detailed technical standards that are developed by the
12 Company, the electric power industry, and state and federal regulators in order to ensure
13 that the power flowing from distributed generation facilities into the Company's
14 distribution system does not compromise the safety and reliability of electricity flowing
15 to the Company's 493,000 customers.

16 As an electric distribution company, National Grid has a public service obligation to
17 provide its customers with adequate services (i.e. reliable and safe electrical service). To
18 ensure that the Company meets its obligation to provide reliable and safe service to its
19 customers, it is our understanding that the Rhode Island Division of Public Utilities and

³ In fact, to assist developers, the Company hosts a number of Distributed Generation Seminars annually where developers and other interested stakeholders have the opportunity to learn more about the Company's interconnection processes.

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1 Carriers (Division) has clearly stated the Company is not required to install electric
2 distribution system components that are specifically requested by a customer if the
3 Company determines that the installation of such equipment would negatively affect
4 either customers or the operation of the Company's EPS. Additionally, our
5 understanding is that, the Division may also enforce this obligation by requiring any
6 dangerous, improper, or unsafe conditions to be removed or remedied if it finds that the
7 plant or equipment, appliances, or service of any public utility, or any condition permitted
8 or maintained by any public utility is unsafe or improper.

9 Although WED may find the interconnection process complicated, it is what is necessary
10 to identify and address impacts to the Company's EPS so that the interconnection of a
11 distribution generation facility does not prevent or adversely impact the Company from
12 fulfilling its obligation to provide safe and reliable electric service to its customers. The
13 interest of a DG developer to interconnect cannot not trump the public interest of all other
14 customers (specifically, the neighbors served from the same distribution line), to have
15 safe and reliable electric service.

16
17 **Q. How do you respond to Mr. DePasquale's specific recommendations on pages 7-8 of**
18 **his testimony regarding the complexity of the DG tariff?**

19 A. First, Mr. DePasquale recommends that the PUC consider simplifying the DG Tariff,
20 citing model DG tariffs published by IREC and the National Association of Regulatory
21 Commissioners. These are general guidelines to be used by parties without existing

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1 interconnection standards, and IREC’s model tariff is simply a different version of the
2 current tariff in use in RI that does not address any state-specific needs. Notably, this
3 issue was raised in the Company’s DG workshop sessions to get input from the DG
4 community on proposed changes to the DG Tariff, and WED did not provide any specific
5 language that the Company could use. Without some specific reference as to which parts
6 of the current tariff should be replaced or modified with sections or verbiage from
7 IREC’s model tariff, the Company cannot respond specifically to this point.

8 Second, Mr. DePasquale commented on the alleged complexity of the DG Tariff
9 regarding: (a) possible delays in reviewing Impact Studies associated with Company
10 requests for additional information; and (2) his belief that the DG Tariff “requires
11 completion of the entire interconnection process for ‘Standard Applications’ in no more
12 than 150 days.” With regard to the perceived “complexity” of allowing the Company to
13 “stop the clock” on its timeline for reviewing Impact Studies while it awaits information
14 from an applicant, the provision addressing such “clock stoppages” is included in Note 1
15 to Table 1 on page 25 of the DG Tariff. The Company requires the ability to halt its
16 review of an application in those instances where it needs additional information from a
17 customer in order to complete an Impact Study.

18 Mr. DePasquale assumes that the Company should never need to seek additional
19 information during the study process, which is wholly without merit or support. On the
20 contrary, the Company regularly needs new, updated, or additional information from the

1 Interconnecting Customer during the study process, such as the actual location of the
2 proposed point of common coupling, updated one-line diagrams, the specific equipment
3 that will be used (many customers do not select the final equipment until later in the
4 process and this was particular concern for other DG developers in the workshop
5 sessions), and other related issues. Accordingly, the Time Frames included in the DG
6 Tariff must necessarily account for any time that the Company cannot reasonably proceed
7 with an Impact Study due to a lack of necessary information. A Time Frame should
8 never take precedence over substantive information the Company may need to adequately
9 analyze whether an interconnection may adversely affect its EPS.

10 With respect to Mr. DePasquale's confusion regarding whether the Time Frames in the
11 DG Tariff address the time between receipt of an application and the issuance of an
12 executable Interconnection Service Agreement, or the time between receipt of an
13 application and the completion of the entire interconnection process, this issue was
14 directly addressed by the PUC's arbitrator (Arbitrator) in the context of a separate dispute
15 filed by WED in Docket No. 4547. The Arbitrator's findings on this issue were as
16 follows:

17 WED alleged that National Grid violated the DG Interconnection
18 Standards by not interconnecting the projects within 150 days of
19 submitting an application for interconnection. The Distributed Generation
20 Interconnection Act does not require interconnection of projects within
21 150 days of submission of an application for interconnection. The DG
22 Interconnection Standards are less clear, but cannot reasonably be read to
23 require interconnection in 150 days. [...]
24

1 R.I. Gen. Laws § 39-26.2-1 states: “[t]he general assembly hereby finds
2 and declares that the expeditious completion of the application process for
3 renewable distributed generation is in the public interest.” The completion
4 of the application process is set forth in R.I. Gen. Laws § 39-26.2-3(b)-(d):
5

6 (b) An applicant for a renewable distributed generation
7 interconnection must submit an application to the electric
8 distribution company for an impact study, including a request for
9 an estimate of the cost of interconnecting the renewable distributed
10 generation resource to the distribution system. The applicant may
11 request a feasibility study prior to requesting an impact study, but
12 the applicant is not required to do so and may submit an
13 application for an impact study without having obtained a
14 feasibility study. The distribution company shall follow the
15 schedule below for all applications.

16 (c) Upon receipt of a completed application requesting a feasibility
17 study and receipt of the applicable feasibility study fee, the electric
18 distribution company shall provide a feasibility study to the
19 applicant within thirty (30) days.

20 (d) Upon receipt of a completed application requesting an impact
21 study and receipt of the applicable impact study fee, the electric
22 distribution company shall provide an impact study within ninety
23 (90) days. Addressed in these subsections are the timeframes
24 required from application to the issuance of studies. There is no
25 requirement that National Grid interconnect customers within 150
26 days of application for interconnection. In fact, the statute does not
27 even address the signing of an Interconnection Service Agreement.
28 Therefore, there is no statutory basis for requiring interconnections
29 within 150 days of application for interconnection.
30

31 The DG Interconnection Standards are a bit more confusing as to the timeframes.
32 A plain reading of Section 3.3 and paragraph 3 of Section 3.4 could lead a
33 customer to believe that the maximum timeframe applies to the entire
34 interconnection process through the Certificate of Completion and authorized
35 interconnection. However, a closer review of Table 1 – Timeframes (Note 1) and
36 the Explanatory Notes to table one clarifies that the times apply through to the
37 delivery of an executable Interconnection Service Agreement. Therefore, National
38 Grid has not violated the DG Interconnection Standards by not interconnecting
39 the projects within 150 days. However, this is something that should be clarified
40 in the DG Interconnection Standards. As a practical matter, extending a
41 subtransmission circuit over seven miles would likely be impossible to
42 interconnect in 150 days from application unless National Grid was to prioritize

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1 this project ahead of all other work. In reality, National Grid would only have
2 about 60 days to complete the work from the time the Impact Study was issued.
3 And this assumes that all permits were in place at the outset, Verizon schedules
4 could be coordinated, and weather was favorable. Such a timeline is shorter than
5 even that testified to by Mr. Depasquale referencing the use of outside
6 contractors.

7
8 Petition of WED Coventry One, et. al, Docket No. 4547 (Arbitrator’s Decision at 32-33,
9 April 2, 2015).

10 Although the Company believes that the DG Tariff in Table 1, Note 1 is clear that the
11 Time Frames in Table 1 govern timeframes to the delivery of an executable
12 Interconnection Service Agreement, and not the completion of the entire interconnection
13 process, given the Arbitrator’s recommendation that the DG Tariff be clarified on this
14 point, the Company proposes to add the following provision in bold below to its revised
15 DG Tariff in Section 3.0:

16 “There are four basic paths for interconnection of the Interconnecting
17 Customer’s Facility in Rhode Island. They are described below and
18 detailed in Figures 1 and 2 with their accompanying notes. Tables 1 and 2,
19 respectively, describe the timelines and fees for these paths. **Unless**
20 **otherwise noted, the Total Maximum Days set forth in Table 1 of the**
21 **Interconnection Tariff represents the aggregate processing time**
22 **allowed (in business days) for the Company to review an application**
23 **for completeness, complete studies (where necessary) and send an**
24 **executable Interconnection Service Agreement, and may be extended**
25 **by mutual agreement as specified in this tariff. Such time frames may**
26 **be affected, suspended, or interrupted by events of Force majeure,**
27 **ISO-NE requirements, and delays caused by the Interconnecting**
28 **Customer or third parties.”**

1 For clarity and to avoid confusion, the Company also proposes to fix the Total
2 Maximum Days column such that the aggregate number of days listed is equal to
3 the time frames for each step of the process set forth in the rows above.⁴

4
5 **V. Testimony Regarding Cost of Interconnection**

6 **Q. Mr. DePasquale also critiques the cost of interconnection, specifically citing what he**
7 **perceives as the fluctuating costs of WED's Coventry projects, and alleged**
8 **retribution by the Company. How do you respond?**

9 **A.** As Mr. DePasquale is aware, the Company history of estimating costs associated with the
10 Coventry projects is squarely related to the Company's review of different
11 interconnection points and designs because WED's proposals regarding the number and
12 scale of the Coventry projects changed over time. Again, this issue was directly
13 addressed by the Arbitrator in Docket No. 4547. The Arbitrator specifically addressed
14 whether the Company should have studied more than one circuit in its December 2014
15 Impact Study to interconnect the Coventry projects, given the substantial cost differential
16 between that study and a subsequent impact study for the projects, assuming
17 interconnection to a different circuit, completed on February 18, 2015. The Arbitrator's
18 findings on this issue are excerpted below:

⁴This is consistent with changes the Company's affiliate, Massachusetts Electric Company, made to fix the same error in the MA DG interconnection tariff. For example, under the RI DG Tariff, the Total Maximum Days in the Simplified process should be 20 days, not 15 (10 days to Review Application for Completeness, plus 10 days to Complete Review of all screens); the Expedited process should be 45/65, not 40/60 (10 days to Review Application for Completeness, plus 25 days to Complete Review of all screens, plus 20 days to Complete Supplemental Review, plus 10 days to Send Executable Agreement); and the Standard process for Non-Renewable DG based on the rationale applied above, should be 135/160, not 125/150.

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1 Ultimately, interconnecting at the two 12.4 kV circuits closest to the
2 projects was more than twice as expensive as extending the 23 kV
3 subtransmission line that ends approximately seven miles from the project.
4 There were many questions in the record about why National Grid only
5 studied the two circuits originally proposed by WED in the application
6 rather than assessing all reasonable points of interconnection in one
7 Impact Study, with the question about whether, in doing so, National Grid
8 complied with the DG Interconnection Standards. Mr. Kennedy explained
9 that each circuit or set of circuits studied constitutes one Impact Study.
10 This means that if the results of an Impact Study show that interconnection
11 will be very costly or infeasible a new Impact Study would be required in
12 order to study interconnection on a different circuit. He stated that
13 National Grid does not know until the end of the Impact Study whether or
14 not there will be substantial System Modifications required or whether the
15 project will even be able to interconnect. That is the purpose of the Impact
16 Study. Furthermore, he testified that the work from one Impact Study
17 cannot be transferred to another study on another circuit. While the DG
18 Interconnection Standards could be more clearly stated to explain this to a
19 customer, Mr. Kennedy's explanation is reasonable and does not
20 constitute a violation of the DG Interconnection Standards nor does it
21 constitute obstruction of WED's project.

22
23 This case illustrates Mr. Kennedy's points very well. At the time the
24 Impact Study commenced, at a high level, interconnection of the ten
25 turbines on the 12.4 kV circuits appeared feasible. It was undisputed that
26 in the majority of cases, the closest point to the project on the utility's
27 system will be the least expensive point of interconnection. WED's
28 engineer and Mr. Kennedy both testified to that. While [WED Engineer]
29 Mr. Colombo accurately stated that National Grid has better knowledge of
30 its system than he does, testimony from both parties indicated that
31 studying a point of interconnection over seven miles from a project is not
32 a place either engineer would believe to be the obvious starting point.

33
34 Mr. Colombo stated that National Grid is not bound to a developer's initial
35 suggested point of common coupling or point of interconnection. Mr.
36 Kennedy explained that there have been times when the Company has
37 adjusted the point of interconnection to a more convenient pole or a
38 different circuit if there is more than one available on the same street.
39 However, based on the fact that in the majority of cases, the closest points
40 of interconnection are the least expensive, the Company would not study a
41 point of interconnection seven miles away. Finally, the Impact Study
42 reviews a point of interconnection on a circuit (or two circuits in the case

1 of WED's December 18, 2014 combined Impact Study). Extending a 23
2 kV circuit from where it ends over seven miles from the project is a much
3 different study from two 12.4 kV circuits going into two different
4 substations. The work from one study could not be transferred to the other.
5 This is much different from expecting National Grid to choose to study
6 interconnection at a different pole or on a different circuit in the area
7 where there are two or three choices on the same poles. For all of these
8 reasons, it would be unreasonable to read the DG Standards or the
9 Distributed Generation Interconnection Act to require multiple studies
10 within a limited timeframe until interconnection could be achieved.

11
12 Petition of WED Coventry One, et. al, Docket No. 4537 (Arbitrator's Decision at
13 29-31, April 2, 2015).

14 Accordingly, Mr. DePasquale's claims that the Company decreased its cost estimate of
15 the Coventry projects "only as fear of further retribution from the Commission and the
16 General Assembly" is wholly contradicted by the facts.

17 **Q. Mr. DePasquale also expresses concern about the allocation of costs associated with**
18 **interconnection to DG developers. How do you respond?**

19 A. The Company understands that Mr. DePasquale wants to pay only those costs for
20 interconnection that he believes are associated with his projects, and his projects alone.
21 Therefore, he advocates that the PUC should require the Company to determine cost
22 allocation associated with a DG project "at the outset of the interconnection process."

23 For every DG project that may include upgrades that benefit other customers, the
24 Company makes a determination regarding whether the costs for such upgrades are

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1 properly borne by the developer, or the Company's distribution customers through base
2 rates. The Company's proposed revision to the DG Tariff in Section 5.3 regarding
3 allocation of DG interconnection costs to DG customers is designed to address this issue.
4 The Company's proposed revisions to Section 5.3 simplify and clarify how costs for DG
5 interconnection projects are allocated. Section 5.3 of the revised DG Tariff provides that
6 the interconnecting customer pays for the costs of interconnection and to the extent other
7 interconnecting customers benefit from this interconnection within five years, those
8 interconnecting customers will be assessed a portion of the costs. This approach is
9 comparable to the Company's line extension policy. Under the Company's line
10 extension policy, a new customer who wishes to obtain electric service but requires the
11 Company to construct its system to interconnect with the customer is required to pay the
12 cost of the line extension. If other customers obtain service through the line extension
13 within five years of the construction of the line extension, a portion of the cost for this
14 line extension is charged to the additional customers. Id. We understand that the PUC
15 has approved the Company's line extension policy. See Order No. 18101, Compliant of
16 Scott Pollard, Docket No. 3643 (2004). Likewise, cost causation principles should
17 inform how costs for DG interconnection are allocated.

18 WED seems to argue that other customers should be required to subsidize the renewable
19 energy industry's interconnection. Notably, the ceiling price determination for the older
20 DG contract program and new REG program done for the DG Board does include

1 average interconnection costs as part of their derivation. It is our understanding that
2 WED's approach is contrary to basic cost causation principles and Rhode Island law.
3 Cost causation principles are the foundation of cost allocation in ratemaking. For other
4 customers to be charged for the costs of interconnecting DG customers, who clearly
5 benefit from interconnections to the Company's EPS, it must be clear that other
6 customers also directly benefitted from the system modifications.

7 Generic arguments of how DG benefits the entire electric system or speculation as to how
8 a particular DG facility benefits the entire electric system is not sufficient cause to charge
9 other customers for the interconnection costs of a DG developer. Clear cost causation
10 principles should govern the allocation of DG interconnection costs.

11
12 **VI. Testimony Regarding Timetable of Interconnection**

13 **Q. In critiquing the time necessary to complete the interconnection review and**
14 **construction processes, Mr. DePasquale notes on page 6 of his testimony that**
15 **“[i]nterconnection persists as one of the largest contingencies to the development of**
16 **renewable energy projects.” What is your reaction to this statement?**

17 **A.** The Company appreciates Mr. DePasquale's perspective of interconnection as merely a
18 contingency to be addressed on the path to the operation of his projects. However,
19 interconnection cannot be meaningfully compared to the other milestones that a
20 distributed generation developer may have to reach in order to operate a project (e.g.,
21 obtaining permits or land rights). Interconnection, gone wrong, can adversely affect

1 scores of customers, from homeowners to public health facilities to public safety
2 facilities, which are relying on the EPS serving their homes and businesses to work
3 properly. Therefore, the Company's DG Tariff includes step-by-step provisions and
4 detailed technical standards, all approved by the PUC, that govern the interconnection of
5 distributed generation in Rhode Island.

6 **Q. How do you react to Mr. DePasquale's criticism of the time necessary to complete**
7 **the interconnection process?**

8 A. Mr. DePasquale notes that the State of Rhode Island has not mandated a timetable within
9 which "actual interconnection must be completed." He is correct. He then offers
10 recommended tariff language that would impose a 60-day time limit to complete all
11 interconnection work from the time that a customer's Impact Study is completed, with
12 possible penalties, actual damages and consequential damages, if construction is not
13 completed within that timeframe. He does so to counter what he perceives as the
14 Company's "administrative discretion" over the timing of interconnection.

15 Establishing a time limit to complete construction is clearly untenable. As we previously
16 noted in response to a different critique by Mr. DePasquale, the Arbitrator's decision in
17 Docket No. 4547 cited a "real world" example of why establishing a time frame on
18 construction is unreasonable. Specifically, the Arbitrator cited the impracticality of
19 requiring National Grid to extend a subtransmission circuit over seven miles within 150
20 days from the Company's receipt of an application requesting such an interconnection,

1 unless the Company dropped all other work. Moreover, she correctly alluded to the
2 Company's need to obtain permits (just like developers do), and coordinate with Verizon
3 in order to ensure that all communications between the DG facility and the EPS are in
4 place. Lastly, she correctly acknowledged the role that weather plays in the context of
5 any construction timetable. These are merely three variables that the Company typically
6 encounters when scheduling construction of DG interconnection and capital project work
7 in Rhode Island, and these factors cannot properly be characterized as examples of
8 "administrative discretion." The Company does provide a construction schedule when
9 they deliver an executable interconnection service agreement to the customer by
10 providing a construction milestone schedule for both the Company and the customer to
11 provide clarity as to the expected completion timeline.

12 Mr. DePasquale's critique of the revisions the Company has offered to Section 2 of the
13 DG Tariff serves to emphasize this point. In Section 2 of the DG Tariff, the Company
14 has added language (on Sheet 10) to note that facilities larger than 3 MWs (nameplate
15 capacity), or those that require substation upgrades may be subject to special
16 interconnection requirements and may require timelines for studies to be conducted on a
17 mutually agreed upon basis versus the timelines otherwise provided in the DG Tariff.
18 Mr. DePasquale states that this new language allows the Company "unfettered discretion"
19 to delay projects that are 3MW or larger or that require substation work. We are
20 confident that the PUC understands the complexity associated with substation
21 construction. Substations feed electricity to the distribution system for upwards of

1 thousands of customers. As such, substations have complex engineering, and the
2 integrity of the substation after reconstruction must be the first priority of the Company in
3 the context of engineering and constructing changes that may be necessary to
4 accommodate interconnection to the substation. In short, there are many factors involved
5 to ensure the safety and reliability of the Company's EPS, and establishing a binding
6 timeframe for construction as proposed by Mr. DePasquale is unreasonable.

7
8 **VII. Additional Recommendations by Mr. DePasquale**

9 **Q. On page 13 of his Direct Testimony, Mr. DePasquale expresses concern about the**
10 **Company's compliance with "the accepted projects conference" requirement. How**
11 **did the Company address this requirement?**

12 A. The Company did not intend to include any accepted bidders conference in the DG
13 Tariff. In its November 12, 2014 Memorandum and Summary of Interim Orders, the
14 PUC noted that National Grid will conduct an "accepted projects conference" following
15 each distributed generation enrollment and before the submission of impact study
16 applications. The Company responded to this recommendation in a letter dated May 14,
17 2014, noting that when it sent the executed distributed generation standard contract to the
18 interconnecting customer, in its transmittal email, the Company would include a sentence
19 that it will conduct a conference for all interconnecting customers for that enrollment.

1 The Company will include information regarding such conferences on its website as part
2 of the questions and answers involving the Renewable Energy Growth Program.

3
4 **Q. On pages 13-14, Mr. DePasquale requests that the PUC require the pre-application**
5 **(or application) process to “produce sufficient information to enable National Grid**
6 **to determine whether the IRS safe harbor against taxation of interconnection” may**
7 **apply to a project. Do you agree?**

8 A. All applications processed by the Company through its Standards for Connecting
9 Distributed Generation are for projects that wish to interconnect to the Company’s
10 electric distribution system, which by definition in the DG Tariff, is the system owned,
11 controlled or operated by the Company to provide distribution service to its Customers.
12 The “safe harbor” exemption cited by Mr. DePasquale refers to the tax exempt status of
13 contributions in aid of construction received from projects interconnecting to the
14 Company’s transmission system. The Company understands that the “safe harbor” tax
15 exemption does not apply to projects interconnecting to the Company’s distribution
16 system.

17 As for Mr. DePasquale’s related recommendation that the DG Tariff should describe the
18 “safe harbor” exemption and how to pursue it, the Company disagrees, on the basis that
19 the exemption does not apply to projects under the DG Tariff. Accordingly, the PUC
20 should not require the Company to include such provisions in the DG Tariff.

1 **Q. On page 14, Mr. DePasquale expresses concern about the “basic starting point” for**
2 **the establishment of a design strategy for interconnection, noting that “the way the**
3 **process works right now, an interconnecting customer must submit a proposed**
4 **means of interconnection for the Company to study”, and further noting that” the**
5 **customer and its engineers do not have access to all information about the nature of**
6 **the distribution system to inform their initial proposal for interconnection.” What**
7 **is your reaction to his concern?**

8 A. First, National Grid only requests that a proposed point of common coupling be included
9 in the customer’s site diagram to aid in siting of Company equipment on private property
10 where required. The Company does not request or expect that a customer submit “a
11 proposed means of interconnection.” Also, as noted above, in order to address this
12 specific issue, the Company has included a Pre-Application Report stage in its revised
13 DG Tariff at the commencement of the interconnection process for expedited and
14 standard projects. This process has worked in Massachusetts for several years as an
15 efficient means by which a DG interconnection developer and the Company can discuss
16 the design aspects of a potential DG facility. Through this process, the parties exchange
17 information regarding the project and the Company’s EPS, in an effort to facilitate any
18 future Impact Study associated with the project.

19 However, Mr. DePasquale appears to envision that, at the earliest stages of a project
20 proposal, the Company should think through each and every possible interconnection
21 option that may be available to interconnect a particular project, no matter how difficult

1 or expensive some of the interconnection options may first appear. In Docket No. 4547,
2 the Arbitrator addressed this issue directly in her decision regarding WED's Coventry
3 projects by stating as follows:

4 Mr. Kennedy explained that there have been times when the Company has
5 adjusted the point of interconnection to a more convenient pole or a
6 different circuit if there is more than one available on the same street.
7 However, based on the fact that in the majority of cases, the closest points
8 of interconnection are the least expensive, the Company would not study a
9 point of interconnection seven miles away. Finally, the Impact Study
10 reviews a point of interconnection on a circuit (or two circuits in the case
11 of WED's December 18, 2014 combined Impact Study). Extending a 23
12 kV circuit from where it ends over seven miles from the project is a much
13 different study from two 12.4 kV circuits going into two different
14 substations. The work from one study could not be transferred to the other.
15 This is much different from expecting National Grid to choose to study
16 interconnection at a different pole or on a different circuit in the area
17 where there are two or three choices on the same poles. For all of these
18 reasons, it would be unreasonable to read the DG Standards or the
19 Distributed Generation Interconnection Act to require multiple studies
20 within a limited timeframe until interconnection could be achieved.
21

22 Petition of WED Coventry One, et. al, Docket No. 4537 (Arbitrator's Decision at
23 30, April 2, 2015) (emphasis added). The Company agrees with the Arbitrator's
24 conclusion on this point.

25 **Q. Mr. DePasquale is not in favor of the Company including language in the DG Tariff**
26 **regarding possible delays to completing an Impact Study in the event that**
27 **Independent System Operator-New England (ISO) review associated with the**
28 **proposed project is needed. Why did the Company include this language?**

29 A. The Company included language in the revised DG Tariff noting the possible effects an
30 ISO review may have on the Impact Study timelines for larger projects in order to

1 provide customers with sufficient notice that: (1) their projects may be subject to ISO
2 review; and (2) the completion of this review is necessary in order for the Company to
3 complete its analyses of the impacts of the project on the Company's EPS. ISO review of
4 a DG Project typically requires a review by the ISO-NE's Reliability Committee, and is
5 one of the many variables in interconnection that are wholly outside of the Company's
6 control and which may require more time to complete an Impact Study. Mr. DePasquale
7 may prefer that the DG Tariff be silent on this, rather than informing customers of this
8 fact, however, in its Memorandum and Summary of Interim Orders issued in this
9 proceeding on November 12, 2014, the PUC explicitly stated that the Company "may
10 also include recent changes to ISO-NE rules" Accordingly, the PUC should reject
11 Mr. DePasquale's recommendation on this issue.

12 **Q. Mr. DePasquale also expresses concern about the language submitted by the**
13 **Company as a revision to the definition of "Impact Study." How do you respond?**

14 A. As noted in the Company's January 15, 2015 filing in this proceeding, the Company
15 revised the definition of "Impact Study" merely to note the time during which the
16 Company's cost estimate for proposed System Modifications would be valid. This
17 mirrors existing Company policy relative to estimates given for any sort of customer-
18 driven work (i.e., new service for a business, relocation of Company equipment, etc.).
19 Mr. DePasquale has not indicated why DG developers should be treated differently than
20 the remainder of the Company's customers requesting new services.

1 Although Mr. DePasquale states that “it will be extremely difficult to finance projects if
2 the interconnection cost is so unstable,” it is a simple fact that cost estimates may
3 increase or decrease with time, depending upon market conditions, which is why such
4 offers are generally valid for only for a limited period of time. Accordingly, Mr.
5 DePasquale’s concerns regarding the definition of “Impact Study” do not appear to relate
6 to the actual language proposed by the Company for inclusion in the tariff.

7 **Q. Mr. DePasquale opposes notifying the Company whether he intends to enroll his**
8 **projects in a specific renewable DG compensation program offering available to**
9 **customers, such as net metering or the Renewable Energy Growth program, until a**
10 **project is “closer to operation.” Why does the Company need to know whether a**
11 **DG interconnection applicant intends to enroll in one of its DG compensation**
12 **programs early in the interconnection process?**

13 A. Once a customer notifies the Company that it intends to participate in a particular
14 program, the Company can begin to address any necessary billing setup, metering
15 requirements, ISO asset registration, REC settlement, and other issues. In addition,
16 because some programs have specific requirements (e.g. net metering eligibility is
17 predicated on having more annual on-site usage than generation, the REG program
18 requires a separate meter for the generation, etc.), the Company can inform the customer
19 of a project’s eligibility and the related interconnection requirements in a program as
20 early on in the process as possible. There is no specific requirement about when a
21 customer must notify the Company of his or her intentions, but if the Company is notified

1 at the last minute, some of the issues discussed above could delay the customer's ability
2 to receive authorization to interconnect and/or begin participating in the program of
3 choice.

4 **Q. How do you respond to Mr. DePasquale's concerns with revisions to the Final**
5 **Accounting provision in Exhibit H?**

6 A. Mr. DePasquale opposes the Company's revised Final Accounting language in Section
7 5.2 of Exhibit H that all work orders be closed before the clock starts running for
8 reimbursement of overestimated interconnection costs. However, the Company cannot
9 complete a "final" accounting of costs until it is confident that it has received all work
10 orders associated with a project; otherwise, the Company's reconciliation of costs may
11 not be accurate.

12 **Q. Mr. DePasquale recommends that the Company designate a project manager to**
13 **facility the interconnection of complex projects. Do you agree?**

14 A. The Company has dedicated staff that works solely on generation projects and has the
15 ability to pull in specific project managers in the event a project is large enough to
16 warrant one.

17 **Q. Finally, please address Mr. DePasquale's conclusion that the Company's response**
18 **to COMM-6-10 is inaccurate.**

19 A. The Request, and the Company's response were as follows:
20
21

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4483
IN RE: WIND ENERGY DEVELOPMENT, LLC AND ACP LAND, LLC
PETITION FOR DISPUTE RESOLUTION RELATING TO INTERCONNECTION
WITNESSES: TIMOTHY R. ROUGHAN
AND JOHN C. KENNEDY
REBUTTAL TESTIMONY
PAGE 23 OF 24**

1 Request:
2

3 Sections 1.2. Definitions. Sheets 4 and 5. In one sentence, explain the difference
4 between an impact study and an impact study for renewable DG (ISRDG). Please
5 do not repeat the definitions shown on Sheets 4 and 5. If it is not possible to fully
6 explain the difference in one sentence, identify the one, single fact that
7 distinguishes these 2 terms the most.
8
9

10 Response:
11

12 ISRDGs are strictly for a renewable distributed generation project for which the
13 amount of the study fees is limited by statute as compared to Impact Studies,
14 which are for any distributed generation project for which the study fees are based
15 on an estimate of actual cost.
16

17 The Company does not understand why Mr. DePasquale believes the Company's
18 response to the PUC's question is inaccurate. His response refers to "the statute" and that
19 it "makes no such distinction between classes of customers." The Company's response
20 addresses study fees and does not reference any distinctions between customer classes.

21 **Q. Please summarize your overall position regarding the Company's proposed**
22 **revisions to the DG Tariff**

23 A. The Company's currently effective DG Tariff, as approved by the PUC, is designed to
24 provide terms and conditions for DG interconnection applicable to all of the Company's
25 customers in Rhode Island, from a residential homeowner to a sophisticated large
26 industrial and commercial customer. Mr. DePasquale offers suggestions for language to
27 the DG Tariff or critiques the Company's proposed revisions based on his particular
28 business interests, rather than based on the potential effects of such language on

1 customers generally and the safety or reliability of the Company's EPS. However, as
2 noted earlier in our rebuttal testimony, the interest of one particular DG developer to
3 interconnect does not trump the public interest of all other customers to have safe and
4 reliable service.

5

6 **VIII. Conclusion**

7 **Q. Does this conclude your rebuttal testimony?**

8 A. Yes.