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Ms. Luly Massaro, Clerk
RI Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

November 14, 2014

Re: Docket No. 4483 – In re. In re. Petition of Wind Energy Development, LLC and ACP Land, LLC Relating to Interconnection

Dear Ms. Massaro:

I write on behalf of the Petitioners in response to Commissioner Roberti's invitation for the parties to respond to points that came up during the very substantive and important deliberations during the Open Meeting on this docket on November 12. We greatly appreciate the Commission's work on the critically important issues raised in this docket and offer these observations with hope they will help.

I. Orders

Petitioners appreciate the resulting interim orders. Please be sure that they are ultimately made applicable to any type of distributed generation project (eg, including net metering projects) and not just those enrolled in the distributed generation standard contract program (which expires in two months).

Petitioners are grateful for the Commission's diligence regarding the need to amend the interconnection tariff and interest in doing that expediently. Given the importance of that tariff for every development project to come and the significance of its problems, Petitioners want to be sure this amendment process is both effective and efficient. Please be sure that National Grid conducts a real stakeholder process, including notice and opportunity to participate for anyone involved in any dockets related to renewable energy.

Petitioners submit that the attached interconnection standards from FERC and model standards from IREC provide the basis for a simplified tariff as sought by Ms. Wilson-Frias's sound recommendation to the Commission ("Summary of Recommendations," at page 14). Perhaps we do not need to reinvent the wheel here and the incorporation of existing best practices can achieve the effectiveness and efficiency we seek and the development community deserves.

Petitioners most pressing concerns, in this process, are mitigation of the costs and delays of interconnection. Therefore, to address these concerns, we put two specific proposals before the Commission:

i. The revised tariff should make it even more clear that the electric distribution company may not charge an interconnecting renewable energy customer for any upgrades to its Electric Power System that can and should be funded through rates assessed pursuant to its Electric Infrastructure, Safety and Reliability Provision and Plan, including specifically any maintenance, repair or upgrade of any component of the Electric Power System that has been deferred for more than thirty years. Section 5.4 of the tariff currently prohibits the electric distribution utility from charging interconnecting customers for system upgrades benefiting all customers (and not just the project), but

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National Grid has not interpreted this clearly, effectively placing the burden of their independent obligation to make system upgrades squarely on the back of renewable energy developers. This issue was raised on page 4 of the Petition.

ii. The revised tariff should also make it even more clear that all interconnection work must be performed no longer than 150 days from completion of the renewable energy customer's interconnection Impact Study, if required, or else 150 days from the customer's initial application for interconnection. It should state that these deadlines cannot be extended due to customer delays in providing required information, all of which must be requested and obtained by the electric distribution company before completion of the Impact Study. Sections 3.3 and 3.4 of the current tariff allows no more than 150 days for the completion of the most stringent "standard interconnection process," which is defined to include construction of the interconnection. However, National Grid either does not interpret the tariff this way or simply ignores it.

II. Other Observations

1. Do existing PLRs expressly address "distribution interconnections"? Please refer to pages 6-8 of Petitioner's brief for a detailed response that two existing PLRs expressly address distribution interconnections.
2. Can any element of PLRs be relied on as precedent? Please refer to pages 4 and 5 of Petitioners' Brief for the detailed response that PLR's are relied on as precedent for the resolution of legal questions like whether the safeharbor applies to distribution interconnections.
3. How many PLRs do we need here? Please see Petitioners' Brief pages 6-8 for argument that the one and only issue the electric distribution company has raised throughout this process (including the mediation) regarding Petitioners' eligibility for the safeharbor is that the safeharbor does not apply to "distribution interconnections." If the resolution of that question is not already evident from IRS Notice 88-129, guidance and the many existing PLRs related to that notice, it can be resolved by one PLR filing for one of Petitioners' currently proposed projects that will interconnect to the electric distribution company's distribution system. The PLR request should simply repeat all of the language of PLR 1122005 (and the other PLRs that are generally, similarly worded), substituting only the names of these parties. If this was the proposed resolution, Petitioners would have much less concern about their rights to edit the request for the PLR. Petitioner's appreciate the Commission's recent data request 3-3 on this question.
4. Who is the "taxpayer" here? Please refer to Petitioners' Reply to the Commission's Second Set of Data Requests supporting the proposition that Petitioners' actually pay the tax and should be allowed a "taxpayers" prerogative to control the contents of the filing in this context.
5. Why not just pursue an amended return? Petitioners advocated for this, not only as a different approach to reimbursing National Grid for the financial repercussions of their corrected policy, but also a means to recover the tax payments already lost to Petitioners and other developers. My recollection is that National Grid replied that this is either impossible or not practicable.
6. Why not pursue a new and improved IRS Notice that can be held generally

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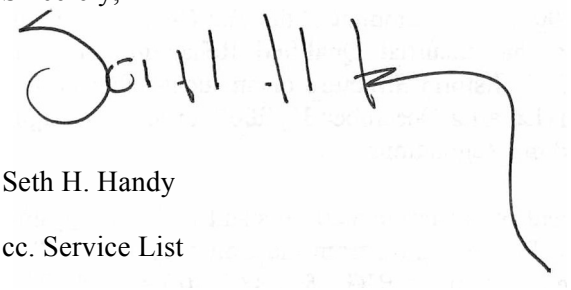
applicable to all projects moving forward? Petitioners resubmit that IRS Notice 88-129 does that. Petitioners have an obvious interest in expedient, lasting and uniform resolution and attempted to pursue this approach through the Rhode Island Congressional delegation. I ultimately discussed it with the IRS Office of Chief Legal Counsel (Paul Handleman, 202-317-4137). He had been given advance information about this proceeding but had little familiarity when I spoke with him. Mr. Handleman responded that the IRS would only issue additional clarification if at the direction of their own policy office and that, otherwise, standard protocol would be for the taxpayer to invest in a PLR. Petitioners were not able to get the policy office to issue such a direction, but expect that the Commission would have more influence.

Thank you again for your good work on these important issues and for considering these comments.

Sincerely,



Seth H. Handy

cc. Service List