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Amy D'Alessandro, Esq.
RI Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

October 23, 2014

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

Dear Ms. D'Alessandro:

As we have discussed, I write to address specific concerns Petitioners' have with National Grid's response to the Commission's Second Set of Data Requests. I have discussed the first two of these concerns with National Grid and though the conversation provided some clarity and resolve it did not fully address those concerns as discussed below.

First, Petitioners need to be clear that they do not agree to National Grid's position in response to PUC 2-7, that Petitioners may make "reasonable edits" on any request for a Private Letter Ruling Request if it involves one of Petitioner's projects. As stated before, as the taxpayers that filed this petition, Petitioners have legal and equitable interests in the form of the filing that far exceed National Grid's interests. Indeed, National Grid's history of assessing this tax, its adversarial advocacy in this proceeding and its rate and other financial incentives raise significant question of whether their interests are truly aligned with its customers' on this question. National Grid still is not committed to using one of Petitioner's projects for the PLR request and, if they do not, Petitioners' may have no impact on the filing. Petitioner's brought this petition to resolve concerns regarding their projects, some of which have been completed and some that are proposed to be done in the future. Petitioners advocacy in this proceeding has lasting implications for many renewable energy projects to be completed in the future. Other renewable energy interests impacted by the results of this proceeding have the opportunity to intervene and represent their interests; but, until they do, Petitioners are best positioned to advocate such interests. Petitioners respectfully request certainty that they will have the authorization and opportunity to edit National Grid's proposed filing as they deem necessary and appropriate.

Second, Petitioners have concerns with National Grid's statement in response to PUC 2-4, as follows:

> This is more than theoretical because the safe harbor exemption only applies to projects that meet specified criteria. It does not apply to all generation under the IRS rules. One of the criteria is that the generation project is selling its output to the utility or in the market. As a result, even if the IRS rulings indicate that an interconnection to the distribution system, by itself, does not invalidate the exemption, a project that has an on-site customer consuming the output of the generation (other than for station service), would not be eligible for the exemption.

This response is, at the very least, confusing as it applies to net metered projects. In subsequent conversation, the Company helped to clarify that it did not intend to exclude net metering as long as net metered projects meet the safe-harbor criterion that during the first ten taxable years of the intertie, beginning with the year in which the transferred property is placed in service, no more than five percent

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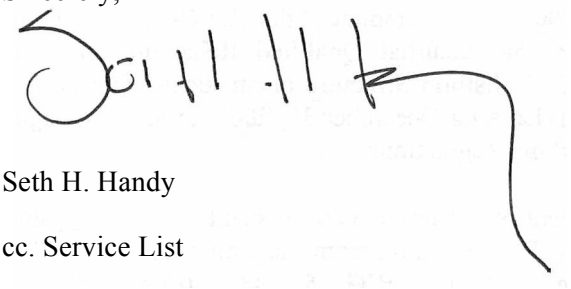
of the projected total power flows over the intertie will flow to the net metered facility. Therefore, it is clear to both Petitioners and National Grid that public entity projects that remote net meter from sites with no load would be eligible for the safe-harbor. However, Petitioners submit that in Rhode Island, even net metering customers that fully net their production against on-site load would be eligible for the exemption. This is because National Grid's net metering policy (with which Petitioners do not agree) is to treat all net metering customers as if they are sending produced energy to the grid (for which they are compensated at the net metering rate) and then sell them energy (at the full retail rate) as a separate transaction. Despite Petitioners' contention that production and consumption should simply be netted at the meter (thereby offsetting production versus consumption simply on a kWh basis before any charges are assessed or credits are applied to the account), National Grid does not handle net metering this way evidently in part because its billing system is not capable. As long as any interconnection cost related to the introduction of renewable energy at a net metering customer location is solely in association with the intended conveyance of electricity to the distribution grid, and that cost is not related to National Grid's distribution of electricity to the net metering customer, then the safe-harbor is applicable. Petitioners asked National Grid to clarify its position on this issue but have not seen such clarification and want to put this concern on record for consideration well before the open meeting.

Petitioners last concern has been repeated before and may not need restating. However, given the point we have reached in this proceeding, Petitioners feel it important to simply restate that they do not think that either the cost or the time required for these requests for private letter rulings are warranted or justified or should be borne by ratepayers and customers.

Thank you for considering these comments.

Sincerely,



Seth H. Handy

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