

November 14, 2014

BY HAND DELIVERY & ELECTRONIC MAIL

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

**RE: The Narragansett Electric Company d/b/a National Grid
Tariff Advice Filing for Renewable Energy Growth Program and
Solicitation and Enrollment Process Rules
Docket No. _____**

Dear Ms. Massaro:

National Grid¹ is pleased to submit this request to the Rhode Island Public Utilities Commission (PUC) for review and approval of the Company's proposal to implement the Rhode Island Renewable Energy Growth Program (RE Growth Program)² under the recently-enacted Clean Energy Jobs Program Act³ (the Act). This proposal is designed to finance the development, construction, and operation of 160 megawatts (MW) of renewable energy distributed generation (DG) projects in the State of Rhode Island over a five-year period using performance-based incentives. The Company's filing includes the following documents: (1) the Executive Summary, which summarizes the Company's proposal for implementing the RE Growth Program; (2) the joint pre-filed direct testimony from the Company's witnesses, Corinne M. DiDomenico and Jeanne A. Lloyd (with schedules); (3) the RE Growth Program Tariff for Residential Customers (RIPUC No. 2151); (4) the RE Growth Program Tariff for Non-Residential Customers (RIPUC No. 2152); (5) the RE Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects; (6) the RE Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects; and (7) the RE Growth Program Cost Recovery Provision (RIPUC No. 2153).

In their joint testimony, Ms. DiDomenico and Ms. Lloyd describe the Company's proposed solicitation and enrollment process rules for participation in the RE Growth Program, the tariff provisions that will govern participation in the program, the terms and conditions for receiving compensation through the program, and the program's cost recovery provisions. The following documents for which the Company is seeking the PUC's approval are provided as schedules to the joint testimony:

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

² Chapter 26.6 of Title 39 of the Rhode Island General Laws.

³ House Bill No. 2014-H 7727Aaa; Senate Bill No. 2014-S 2960Aaa.

- Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (Schedule NG-1);
- Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (>25kW), Wind, Hydro and Anaerobic Digester Projects (Schedule NG-2);
- Renewable Energy Growth Program Certificate of Eligibility (Schedule NG-3);
- Renewable Energy Growth Program Enrollment Application (Schedule NG-4);
- Renewable Energy Growth Program Tariff for Residential Customers, RIPUC No. 2151(Schedule NG-5);
- Renewable Energy Growth Program Tariff for Non-Residential Customers, RIPUC No. 2152 (Schedule NG-6); and
- Renewable Energy Growth Program Cost Recovery Provision, RIPUC No. 2153 (Schedule NG-7).

The Company believes that this proposal satisfies the requirements of the Act and will encourage the development of renewable energy projects across the State of Rhode Island.

The Company has enclosed a draft notice to be published in *The Providence Journal* to notify the public of this filing. The Company will publish this notice after receiving a docket number for this filing from the PUC.

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

Very truly yours,



Raquel J. Webster

Enclosures

cc: Steve Scialabba, Division
Leo Wold, Esq., Division

National Grid

The Narragansett Electric Company

RENEWABLE ENERGY GROWTH PROGRAM PROPOSAL

Consisting of:

Joint Direct Testimony and Schedules of:
Corinne M. DiDomenico and
Jeanne A. Lloyd

Tariffs and Solicitation and Enrollment Process Rules

November 14, 2014

Submitted to:
Rhode Island Public Utilities Commission
RIPUC Docket No. _____

Submitted by:

nationalgrid

**Joint Testimony of
C.M. DiDomenico & J.A.Lloyd**

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD

JOINT PRE-FILED DIRECT TESTIMONY

OF

CORINNE M. DIDOMENICO

AND

JEANNE A. LLOYD

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1 **I. Introduction and Qualifications of Corinne M. DiDomenico**

2 **Q. Ms. DiDomenico, please state your name and business address.**

3 A. My name is Corinne M. DiDomenico, and my business address is 100 East Old Country
4 Road, Hicksville, New York 11801.

6 **Q. Ms. DiDomenico, by whom are you employed and in what position?**

7 A. I am the Manager of Environmental Transactions for the Energy Procurement
8 organization on behalf of The Narragansett Electric Company.¹ In this role, I am
9 responsible for the competitive solicitations for renewable energy projects, negotiations
10 for power purchase agreements for renewable energy projects, and the development of
11 National Grid's policies on renewable energy. My responsibilities will include working
12 with projects under the recently-enacted Renewable Energy Growth Program statute (RE
13 Growth Statute), R.I. Gen. Laws § 39-26.6-1 *et seq.*

15 **Q. Ms. DiDomenico, please describe your educational background and professional
16 experience.**

17 A. In 2005, I graduated from Drexel University with a Bachelor of Science Degree in Civil
18 Engineering. In May 2013, I received a Master's degree in Business Administration in
19 Finance and Investments from Baruch College. In July 2005, I joined KeySpan
20 Corporation as an Engineer in Generation Operations. I was accepted into the

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

1 Engineering Rotation Program and held various positions in Power Engineering,
2 Generating Plant (Steam and Gas Turbine) Operations, and Maintenance Services. In
3 November 2009, as part of a management development initiative, I joined Energy
4 Portfolio Management as the technical advisor to the Senior Vice President. I was named
5 to my current position in June 2011. As the Manager of Environmental Transactions, I
6 am responsible for handling the Company's annual competitive solicitations for
7 renewable energy projects, which are conducted pursuant to the Rhode Island Long-Term
8 Contracting Standard for Renewable Energy Act (Long-Term Contracting Standard).² I
9 am also responsible for negotiating power purchase agreements under the Long-Term
10 Contracting Standards, and providing business support in the associated regulatory
11 proceedings. In my current role, I also conduct the periodic solicitations required under
12 the Distributed Generation Standard Contracts Act (DG Standard Contracts Act).³ Since
13 the enactment of the RE Growth Statute, I have been participating in the development of
14 the Renewable Energy Growth (RE Growth) Program, including solicitation and
15 enrollment process rules and applications, which accompany this filing.

16
17 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
18 **(PUC)?**

19 **A.** Yes. I have testified before the PUC in support of the power purchase agreements that
20 the Company has entered into pursuant to the Long-Term Contracting Standard in

² R.I. Gen. Laws § 39-26.1-1 *et seq.*

³ R.I. Gen. Laws § 39-26.2-1 *et seq.*

1 Docket Nos. 4437 and 4319. In addition, I have testified before the PUC in Docket Nos.
2 4277 and 4288, which involved the enrollment rules and process, ceiling prices, and
3 standard contracts under the DG Standard Contracts Act.
4

5 **II. Introduction and Qualifications of Jeanne A. Lloyd**

6 **Q. Please state your full name and business address.**

7 A. My name is Jeanne A. Lloyd, and my business address is 40 Sylvan Road, Waltham,
8 Massachusetts 02451.
9

10 **Q. Please state your position.**

11 A. I am a Principal Program Manager in Electric Pricing, New England in the Regulation
12 and Pricing group of National Grid USA Service Company, Inc. This department
13 provides rate-related support to the Company.
14

15 **Q. Please describe your educational background and training.**

16 A. In 1980, I graduated from Bradley University in Peoria, Illinois with a Bachelor's Degree
17 in English. In December 1982, I received a Master of Arts Degree in Economics from
18 Northern Illinois University in De Kalb, Illinois.
19

20 **Q. Please describe your professional experience.**

21 A. I was employed by Eastern Utilities Association (EUA) Service Corporation in December

1 1990 as an Analyst in the Rate Department. I was promoted to Senior Rate Analyst on
2 January 1, 1993. As a Senior Rate Analyst, my responsibilities included the study,
3 analysis and design of the retail electric service rates, rate riders, and special contracts for
4 the EUA retail companies. After the merger of New England Electric System and EUA
5 in April 2000, I joined the Distribution Regulatory Services Department as a Principal
6 Financial Analyst. I assumed my present position on October 1, 2006. Prior to my
7 employment at EUA, I was on the staff of the Missouri Public Service Commission in
8 Jefferson City, Missouri in the position of research economist. My responsibilities
9 included presenting both written and oral testimony before the Missouri Public Service
10 Commission in the areas of cost of service and rate design for electric and natural gas rate
11 proceedings.

12
13 **Q. Have you previously testified before the PUC?**

14 A. Yes. I have testified before the PUC on numerous occasions in support of various rate-
15 related issues.

16
17 **III. Purpose of Joint Testimony**

18 **Q. Ms. DiDomenico and Ms. Lloyd, what is the purpose of your joint testimony?**

19 A. The purpose of our joint testimony is to present the Company's proposal for
20 implementation of the RE Growth Program pursuant to the RE Growth Statute. The
21 Company's proposal includes the enrollment and solicitation rules necessary for

1 participation in the RE Growth Program and the tariff provisions that will govern the
2 compensation to participants, terms and conditions for receiving compensation, and the
3 program cost recovery provisions. Specifically, the Company is seeking the PUC's
4 approval of the following documents:

- 5 1. Schedule NG-1 – Solicitation and Enrollment Process Rules for Small-Scale Solar
6 Projects;
- 7 2. Schedule NG-2 – Solicitation and Enrollment Process Rules for Solar (Greater
8 Than 25kW), Wind, Hydro and Anaerobic Digester Projects;
- 9 3. Schedule NG-3 – RIPUC No. 2151, Renewable Energy Growth Program for
10 Residential Customers;
- 11 4. Schedule NG-4 – RIPUC No. 2152, Renewable Energy Growth Program for
12 Non-Residential Customers; and
- 13 5. Schedule NG-5 – RIPUC No. 2153, Renewable Energy Growth Program Cost
14 Recovery Provision.
15
16
17
18
19

20 **Q. How is your testimony organized?**

21 A. Section IV. of our joint testimony provides a high-level overview of the RE Growth
22 Program. In Section V. of our joint testimony, provides a general description of the RE
23 Growth Program enrollment process. Section VI. describes the proposed Solicitation and
24 Enrollment Process Rules and the process for participation in RE Growth Program
25 enrollments. Section VII. is a brief summary of the RE Growth Program enrollment for
26 medium-scale solar and competitively bid projects. Section VIII. summarizes the RE
27 Growth Program enrollment for small-scale solar projects. Section IX. describes the
28 proposed Renewable Energy Growth Program for Residential Customers tariff

(Residential Tariff), RIPUC No. 2151, and the Renewable Energy Growth Program for Non-Residential Customers tariff (Non-Residential Tariff), RIPUC No. 2152 (together, Tariffs) and the terms and conditions for receiving Performance-Based Incentive (PBI) Payments pursuant to the Tariffs. Section X. illustrates the calculation of PBI Payments, and how they will be distributed to program participants. Section XI. describes how PBI Payments will be applied for Residential Customers. Section XII. describes how Non-Residential Customers may receive PBI payments. Section XIII. is an overview of the Company's proposal for recovering the costs incurred in implementing and operating the RE Growth Program, and presents the Renewable Energy Growth Program Cost Recovery Provision tariff. Section XIV. concludes the joint testimony. For purposes of this joint testimony, any capitalized terms not otherwise defined herein will have the meaning set forth in the RE Growth Statute.

IV. Overview of the RE Growth Program

Q. What is the purpose of the RE Growth Statute?

A. The RE Growth Statute was enacted to:

(1) facilitate the development of renewable distributed generation (DG) systems; (2) reduce carbon emissions and environmental impacts; (3) diversify generation resources; (4) promote economic development; (5) enhance the resiliency and reliability of the distribution system; and (6) and reduce distribution system costs.⁴

⁴ RI. Gen. Laws § 39-26.6-1.

1 **Q. Please describe in general terms the key provisions of the RE Growth Statute.**

2 A. The RE Growth Statute establishes a five-year tariff-based program that is designed to
3 achieve 160 megawatts (MW) of nameplate capacity of new renewable energy DG
4 projects. For eligible DG, the RE Growth Program will succeed the current DG
5 Standards Contract Program, and it will be administered by the Company, and guided by
6 the Rhode Island Distributed Generation Board (DG Board), in consultation with the
7 Rhode Island Office of Energy Resources (OER), subject to the PUC's review and
8 approval. Although payments under the DG Standard Contracts Program will continue
9 for those projects already under contract, after December 30, 2014, there will be no new
10 enrollments in the DG Standard Contracts Program.

11
12 To achieve the aggregate target of 160 MW of nameplate capacity, the RE Growth
13 Statute sets forth annual MW targets for each Program Year,⁵ and the Company, in
14 consultation with the DG Board, and the OER, is required to conduct at least three
15 enrollments each Program Year⁶. For each enrollment, the DG Board will recommend
16 the specific MW targets for each Renewable Energy Class, subject to PUC approval.
17 Projects enrolled in the RE Growth Program will be compensated through PBI Payments
18 that will be either: (i) a Standard PBI applicable to all projects in a specific renewable

⁵ The RE Growth Statute provides for the following annual megawatt targets: 1) first program year - 25 megawatts of nameplate capacity; 2) second program year - 40 megawatts of nameplate capacity; 3) third and fourth program years – 40 megawatts of nameplate capacity, subject to certain conditions; and 4) fifth program year – set to achieve the balance of the 160 megawatt program target. R.I. Gen. Laws § 39-26.6-12.

⁶ For calendar year (CY) 2015, the DG Board may recommend that the Company conduct only two enrollments.

1 energy class; or (ii) a project-specific PBI established through a competitive bidding
2 process.

3
4 The terms and conditions for participation in the RE Growth Program are to be
5 established through PUC-approved tariffs, tariff supplements, and enrollment and
6 solicitation rules. Once approved, the tariffs will be in effect throughout the entire term.
7 In addition, each tariff supplement will apply to projects associated with a specific
8 enrollment and with applicable Certificates of Eligibility (COEs), which are attached to
9 our testimony as Schedule NG-6. The RE Growth Statute expressly provides that, once
10 approved by the PUC, the terms under the tariff supplements for a Program Year will not
11 be altered in any way that would undermine reliance on those tariff supplements by
12 developers, owners, investors, customers, and lenders of the projects receiving PBI
13 Payments under the Tariffs so that those projects can obtain financing.

14
15 Finally, the RE Growth Statute authorizes the Company to recover the costs of the PBI
16 Payments and incremental administrative costs that it incurs to implement and operate the
17 RE Growth Program, including remuneration in the amount of 1.75 percent of PBI
18 Payments made to participants.⁷

⁷ R.I. Gen. Laws § 39-26.6-12(j) provides for remuneration subject to the following conditions: (i) the applicable program year targets are satisfied, or, if not, that any failure to satisfy such targets was due to factors beyond the Company's reasonable control; and (2) the Company has processed applications for service and completed interconnections in a timely and prudent manner.

1 **Q. What are the obligations and responsibilities of the DG Board pursuant to the**
2 **provisions of the RE Growth Statute?**

3 A. The DG Board is responsible for evaluating and making recommendations to the PUC
4 regarding: (i) ceiling prices and standard performance based incentives; (ii) annual
5 megawatt enrollment targets; (iii) eligible renewable energy classes; and (iv) the terms of
6 the Company's Tariffs. The DG Board is also responsible for providing involvement by
7 interested stakeholders affected by or involved with the development of projects eligible
8 for PBI Payments under the program. In addition, the DG Board is responsible for
9 monitoring and evaluating the effectiveness of the RE Growth Program.
10

11 **Q. Did the Company provide the DG Board an opportunity to review the Company's**
12 **proposed Solicitation and Enrollment Process Rules and Tariffs prior to this filing?**

13 A. Yes. On October 2, 2014, the Company submitted Solicitation and Enrollment Process
14 Rules and Tariffs in draft form to the DG Board for its review, in accordance with the RE
15 Growth Statute.⁸ In addition, during a technical session that the DG Board sponsored on
16 October 14, 2014, the Company presented an overview of the proposed RE Growth
17 Program, and answered questions from DG Board members and the public regarding the
18 provisions of the RE Growth Program. Following the technical session, the Company
19 received comments from the DG Board and stakeholders. The Company incorporated
20 many of those comments in its proposal presented in this filing.

⁸ R.I. Gen. Laws § 39-26.6-5(c).

1 **Q. What is the timeframe specified in the RE Growth Statute for implementation of the**
2 **RE Growth Program in the first program year?**

3 A. The timeframe specified in the RE Growth Statute is as follows:

- 4 • 45 days prior to the filing of the Tariffs and solicitation rules with the PUC
5 (October 3, 2014): The Company must submit its RE Growth Program
6 proposal to the DG Board for review (R.I. Gen. Laws § 39-26.6-5(e)).
- 7 • No later than November 15, 2014: The Company must file with the PUC the
8 first set of tariffs and solicitation rules (R.I. Gen. Laws § 39-26.6-10(a)).
- 9 • After November 15, 2014: DG Board submits recommendations to the PUC
10 regarding ceiling prices, standard performance based incentives for small-
11 scale and medium-scale solar, enrollment MW targets, eligible renewable
12 energy classifications, and terms of the tariffs.
- 13 • 90 days before the effective date of rates (or January 1, 2015): The Company
14 files with the PUC its proposed RE Growth Program cost recovery factor
15 filing (R.I. Gen. Laws § 39-26.6-25).
- 16 • No later than March 31, 2015: The PUC shall issue its order approving the
17 Tariffs and solicitation rules (R.I. Gen. Laws § 39-26.6-10(c)).

18
19 **Q. Is the RE Growth Program different from the DG Standard Contracts Program?**

20 A. Yes. The RE Growth Program is a completely new statutory requirement and is not a
21 direct continuation of the DG Standard Contracts Program. In addition, the RE Growth

1 Program will operate differently from the DG Standard Contracts Program and include
2 different project eligibility requirements. For example, the RE Growth Program includes
3 specific provisions and exclusions for residential, small-scale, and medium-scale solar
4 projects. The Company presents these requirements later in this testimony. Finally,
5 under the DG Standard Contracts Program, the Company is required to enter into long-
6 term contracts, or power purchase agreements, with eligible renewable DG projects. In
7 contrast, under the RE Growth Statute, the Company is required to implement the RE
8 Growth Program for eligible renewable DG projects exclusively through PUC-approved
9 tariffs, and the Company is not required to execute power purchase agreements.⁹
10

11 **V. General Overview of the RE Growth Program Enrollment Process**

12 **Q. What potential renewable resources are eligible for participation in the RE Growth**
13 **Program?**

14 A. Pursuant to the RE Growth Statute, an eligible renewable resource is defined as a
15 generation facility that:

- 16 1) will be located in the Company's load zone;
- 17 2) has a nameplate capacity of no greater than five MW;
- 18 3) uses eligible renewable energy resources as defined by Sections 39-26.6-7 and
19 39-26.6-8;

⁹ R.I. Gen. Laws § 39-26.6-11.

1 4) will interconnect to the Company's electric distribution system;¹⁰

2 5) has not begun operation;

3 6) is not under construction, other than preparatory site work that is less than 25
4 percent of the estimated total project cost; and

5
6 7) except for small-scale solar projects and eligible pre-existing hydro generation,¹¹
7 does not have in place investment or lending agreements necessary to finance the
8 construction of the facility prior to the submittal of an application or bid.¹²
9

10 In addition to these statutory requirements, the project must qualify under the Renewable
11 Energy Classes recommended by the DG Board and approved by the PUC. If a potential
12 resource meets these requirements, it is eligible to apply as a DG Project in the RE
13 Growth Program.

14
15 **Q. Must a DG Project meet any additional statutory requirements to be eligible for**
16 **participation in the RE Growth Program?**

17 A. Yes. The RE Growth Statute provides that to be eligible for participation in the RE
18 Growth Program, a DG Project must not be segmented.

19
20 **Q. What is project segmentation and how is it treated under the RE Growth Statute?**

21 A. The RE Growth Statute specifically prohibits project segmentation. Project segmentation
22 occurs when a project developer designs a single large DG Project and attempts to qualify
23 it as multiple smaller-sized projects within the RE Growth Program. This prohibition

¹⁰ R.I. Gen. Laws § 39-26.6-3(4).

¹¹ R.I. Gen. Laws § 39-26.6-3(4)(iii).

¹² *Id.*

1 exists because smaller projects are generally eligible for higher PBI Payments due to
2 higher PBIs in the RE Growth Program. With certain limited exceptions, the RE Growth
3 Statute generally prohibits any person from segmenting one DG Project into multiple
4 smaller-sized projects if the projects are located on the same parcel or on contiguous
5 parcels.

6
7 However, a DG Project will not be considered segmented if the projects use different
8 renewable energy generating technologies, or if construction of a subsequent project
9 commences at least two years after the first project begins operating as a project within
10 the RE Growth Program. Also, if only one DG Project applies to the RE Growth
11 Program, and any other projects are funded through other programs or means, the DG
12 Project will be eligible to participate in the RE Growth Program as long as the facilities
13 are separately electrically configured and separately metered.

14
15 **Q. Could the same developer provide systems to neighboring properties, at different**
16 **customer locations, such as neighboring homes or commercial businesses?**

17 **A.** Yes, the installation of DG Projects by the same developer at individual commercial
18 properties or residences that are located on contiguous properties will not be considered
19 segmentation as long as the DG Projects are sized to be eligible to provide each of the
20 customers with PBI Payments under the Tariffs, and elect to do so.

1 **Q. What does the Company require for a project to be eligible for an enrollment?**

2 A. To facilitate DG Projects meeting the statutory timelines required for project operation,
3 the Company proposes that each project be required to submit a copy of its
4 interconnection application and a completed Impact Study for Renewable DG (ISR DG)¹³
5 as part of its Application, if such study was required as part of the interconnection
6 process. If a project is not required to have an ISR DG under the interconnection process,
7 the Company will require a fully executed Interconnection Service Agreement (ISA).
8 Additionally, the Company requires that each applicant certify that it has site control for
9 the proposed project prior to an enrollment.

10
11 **Q. How long is an enrollment?**

12 A. The RE Growth Statute provides that, except for small-scale solar projects, the
13 enrollment period for all classes of technologies is a two-week period. For small-scale
14 solar projects, the Company is proposing an open enrollment, meaning that such projects
15 can apply for the RE Growth Program throughout a Program Year.

16
17 **VI. Proposed Solicitation and Enrollment Process Rules**

18 **Q. Please describe how the Solicitation and Enrollment Process Rules will work under**
19 **the RE Growth Program.**

¹³ RIPUC No. 2078, Standards for Connecting Distributed Generation, Section 2.0.

1 A. The RE Growth Statute requires that the Company conduct three enrollments per year.¹⁴
2 The Company proposes to have two sets of Solicitation and Enrollment Process Rules,
3 depending on the size and class of the proposed project; one set is proposed for small-
4 scale solar projects sized 25 kilowatts (kW) and less; and one set is proposed for solar
5 projects larger than 25 kW and all other eligible DG technologies. With the exception of
6 medium-scale solar projects, which are solar projects sized greater than 25 kW and up to
7 250 kW, all other eligible technologies are referred to as “Competitively-Bid DG
8 Projects” because they will compete on price, and so they must submit bids on a price per
9 kWh basis for the entire output of the facility as part of the enrollment process.

10
11 **Q. How does the Company intend to provide customers with the information necessary**
12 **to participate in the RE Growth Program?**

13 A. The Company currently maintains a comprehensive website dedicated to providing
14 necessary information related to participation in the DG Standard Contracts Program.
15 The Company intends to incorporate the provisions of the RE Growth Program into the
16 website content and to provide customers and/or Applicants with “one-stop shopping” by
17 providing the Tariffs, Enrollment and Solicitation Process Rules, interconnection
18 requirements, all necessary forms and documents, as well as a set of “frequently asked
19 questions” that are designed to answer many questions related to enrollment in the

¹⁴ R.I. Gen. Laws § 39-26.6-12(a) provides that “[w]ith the exception of the first program year (2015), the electric distribution company, in consultation with the board and office, shall conduct at least three (3) tariff enrollments for each distributed generation class each program year. For the first program year, the board may recommend that either two (2) or three (3) enrollments be conducted.”

1 program, payments under the tariffs and all other terms and conditions for participation.

2 In addition, the Company will provide scripted information for customer service
3 representatives, and hold training sessions to ensure that all customer-facing employees
4 are prepared to answer questions from customers and developers.

5
6 **VII. Solicitation and Enrollment Process Rules for Medium-Scale Solar and**
7 **Competitively-Bid DG Projects**

8 **Q. Please provide a brief summary of the RE Growth Program enrollment for**
9 **medium-scale solar.**

10 A. Medium-scale solar projects may submit a complete Enrollment Application during a
11 two-week enrollment period. A copy of the Company's Enrollment Application is
12 provided as Schedule NG-7. The Company will select projects on a first-come,
13 first-served basis up to the class target and award COEs for the selected projects, subject
14 to the review and consent of the OER. Projects will receive the Standard PBI, for the
15 period of years in the applicable tariff supplement for the energy, capacity, renewable
16 energy certificates (RECs), and all other environmental attributes and market products
17 that are available or may become available from the project.

18
19 The Company will file with the PUC a list of all COEs when the enrollment process is
20 concluded.

1 **Q. What is the Standard PBI?**

2 A. The Standard PBI is determined annually by the DG Board for small-scale and medium-
3 scale solar classes, and will be the basis for compensating small-scale and medium-scale
4 solar DG Projects for their output. The DG Board will recommend the Standard PBI
5 annually to the PUC, and the PUC will review and rule upon the DG Board's
6 recommendation.

7
8 **Q. Please provide a brief summary of the RE Growth Program enrollment for**
9 **Competitively-Bid DG Projects.**

10 A. During a two-week enrollment period, all Competitively-Bid DG Projects must submit a
11 completed Enrollment Application, and bid a bundled price for energy, capacity, RECs,
12 and all other environmental attributes; and, market products that are available or may
13 become available from the project under the approved tariff supplement term. National
14 Grid will select projects based on the lowest prices it receives, and which do not exceed
15 the Ceiling Price for its applicable technology class, up to the capacity of the applicable
16 class MW target. Once the Company selects a project, it will offer the Applicant a COE.
17 To accept the offer, the Applicant must then pay the required performance guarantee
18 deposit within five days, as required by the RE Growth Statute. Once the enrollment is
19 concluded and all acceptances are known, the Company will file with the PUC a list of
20 selected projects with the corresponding pricing information. The PUC then has 60 days
21 to issue an order awarding COEs to the DG Projects.

1 **Q. Why is a Ceiling Price relevant to the solicitation process?**

2 A. For Competitively-Bid Projects, the Ceiling Price is the bidding price cap applicable to an
3 enrollment for a given Renewable Energy Class. Just as the DG Board recommends a
4 Standard PBI for small-scale and medium-scale solar as discussed above, it also
5 recommends Ceiling Prices for each Renewable Energy Class such that the price would
6 allow a private owner to invest in a given project at a reasonable rate of return, based on
7 recently reported and forecast information on the cost of capital and the cost of
8 generation equipment.

9
10 **Q. Will medium-scale solar projects be required to submit competitive bids?**

11 A. In the first program year, medium-scale solar projects are not required to submit
12 competitive bids and will be selected on a first-come, first-served basis until the
13 medium-scale solar target is met. If, after the first program year, the applications for
14 medium-scale solar projects are significantly over-subscribed, the DG Board and the
15 Company, in consultation with the OER, may propose a bidding process for medium-
16 scale solar projects, subject to PUC approval.

17
18 **VIII. Solicitation and Enrollment Process Rules for Small-Scale Solar Projects**

19 **Q. Please provide a brief summary of the RE Growth Program enrollment for small-
20 scale solar projects.**

21 A. The RE Growth Statute allows the DG Board to recommend the method of enrollment for

1 small-scale solar projects, subject to the PUC’s approval.¹⁵ The Company has suggested
2 to the DG Board that the small-scale solar enrollment be a continuously open enrollment
3 because it would be “user-friendly,” and reduce administrative costs and delays for
4 residential customers seeking to participate in the RE Growth Program. Accordingly, the
5 Company proposes the same enrollment process for small-scale solar that it provided to
6 the DG Board.

7
8 The Company’s proposed enrollment process for small-scale solar projects is similar to
9 how customers enroll in the Company’s net metering program. Eligible small-scale solar
10 projects would simply elect to participate in the RE Growth Program by checking a box
11 on their interconnection applications. The Company is proposing that the enrollment
12 period for small-scale solar projects remain open during the applicable Program Year,
13 and eligible projects would be selected on a “first-come, first-served” basis until the
14 annual MW target for the small-scale solar class is met. Along with the list of
15 medium-scale solar projects, to which the Company would award COEs, the Company
16 would provide a list of all small-scale solar projects awarded and/or receiving COEs.

¹⁵ R.I. Gen. Laws § 39-26.6-15(a) states that, “. . . small and medium scale projects shall be selected on a first come, first served basis, or by means of a commission-approved lottery system, or such other method as may be recommended by the board and approved by the commission.” Because the RE Growth Statute allows for flexibility regarding the method of enrollment, National Grid has proposed to the DG Board and is proposing here that the method of enrollment for small-scale solar projects and medium-scale solar projects be open and continuous, until the target is met.

1 **Q. Please describe Schedules NG-6 and NG-7.**

2 A. Schedule NG-6 is a draft copy of the Certificate of Eligibility that an Applicant will
3 receive upon being selected for participation in the RE Growth Program. Schedule NG-7
4 is a copy of the Enrollment Application that an Applicant must submit during an open
5 enrollment period. Both documents are included for informational purposes.
6

7 **IX. Proposed RE Growth Program Tariffs**

8 **Q. Please describe the Company's proposed Tariffs.**

9 A. To implement the RE Growth Program, the Company is proposing two tariffs: the
10 Residential Tariff and the Non-Residential Tariff. The Residential Tariff is available to
11 Applicants who install small-scale solar facilities at the premises of a customer receiving
12 retail delivery service on Rate A-16, Basic Residential Service, or Rate A-60, Low
13 Income Residential Service (Residential Customer). The Non-Residential Tariff is
14 available to all other Applicants.
15

16 The Tariffs provide terms and conditions under which an Applicant may participate in the
17 RE Growth Program, and receive PBI Payments. The Tariffs are applicable to all RE
18 Growth Program Applicants, regardless of the Program Year or enrollment. The Tariffs
19 will provide assurance to Applicants, who are awarded a COE, that payment for
20 generation output will be available throughout the term specified in the tariff supplement
21 and listed on the Applicant's COE. The Tariffs also include the terms and conditions for

1 participation in the RE Growth Program, as well as a description of how the PBI Payment
2 will be calculated and distributed. Following each RE Growth Program enrollment, the
3 Company will file a tariff supplement that will include information specific to the
4 enrollment, including projects chosen for participation, the applicable PBI, and the term
5 applicable to each eligible renewable energy class.
6

7 **Q. Please describe the terms and conditions that apply to Applicants under the Tariffs.**

8 A. There are several general provisions in the Tariffs that will apply to all Applicants.
9 These include: (1) threshold requirements that must be satisfied prior to receiving PBI
10 Payments; (2) metering requirements necessary to accurately measure usage and output;
11 and (3) termination provisions.
12

13 **Q. What are the threshold requirements that must be met prior to receiving PBI**
14 **Payments?**

15 A. Prior to receiving PBI Payments, each Applicant must ensure that: (1) the DG Project is
16 registered with the PUC as an eligible facility pursuant to the Rules and Regulations
17 Governing the Implementation of a Renewable Energy Standard; (2) the DG Project is
18 registered with ISO New England Inc. (ISO-NE) and New England Power Pool
19 (NEPOOL) to allow the Company to sell the market products associated with the
20 generator output; (3) the electric account associated with the DG Project is in good
21 standing; and (4) the DG Project has received the Company's approval to interconnect.

1 Also, each Applicant of a DG Project, other than those of small-scale or medium-scale
2 solar projects, must ensure that: (1) the performance deposit guarantee has been paid to
3 the Company; and (2) the output certification has been submitted to the Company.

4
5 **Q. What do the Tariffs require to ensure the Company can sell the products associated**
6 **with the generation output into the market?**

7 A. The Tariffs require all DG Projects to register with the ISO-NE and the NEPOOL
8 Generation Information System. Additionally, all DG Projects are required to qualify
9 their RECs in Rhode Island with the PUC. Projects must complete these registrations
10 prior to being paid under the Tariff.

11
12 The Company also requires that DG Projects seek registration in Massachusetts and other
13 jurisdictions, upon request. This provides the Company with additional means to
14 monetize the RECs under the program.

15
16 **Q. What is the purpose of the “output certification”?**

17 A. The RE Growth Statute requires projects to reach operation by certain deadlines. To
18 comply with these statutory requirements and also take into account the intermittent
19 nature of the DG Projects eligible under the RE Growth Program, the Company is
20 proposing to require that Applicants provide the Company with an “Output Certification”
21 from an independent engineer (licensed professional engineer) stating that construction of

1 both the DG Project and the interconnection facilities is complete in all material respects,
2 that the metering has been installed and tested, that the nameplate capacity is as stated on
3 the COE, and that the DG Project is capable of producing at least 90 percent of the
4 maximum hourly output specified on the COE.

5
6 If a DG Project does not provide the Output Certification on or before the applicable
7 deadline, the project's COE will be voided and its performance guarantee deposit will be
8 forfeited. The RE Growth Statute requires that forfeited performance guarantee deposits
9 be credited to all distribution customers through rates and not retained by the Company.

10
11 **Q. What are the timelines required for DG Projects to become operational?**

12 A. The RE Growth Statute requires that all anaerobic digestion projects reach 90 percent
13 output within 36 months and that hydroelectric projects reach 90 percent output within 48
14 months. All other projects are required to reach 90 percent output within 24 months.

15
16 Although small-scale and medium-scale solar projects are not required to provide an
17 Output Certification, they are required to meet the requirements under the Tariffs within
18 24 months.

19
20 **Q. How does the Output Certification differ from the Output Demonstration Test**
21 **previously required under the DG Standard Contracts Act?**

1 A. Under the DG Standard Contracts Program, an Output Demonstration Test is required.
2 The Output Demonstration Test requires the project to achieve an hourly generation rate
3 equivalent to at least 90% of the proposed hourly output for at least four non-consecutive
4 hours, which could be adjusted to account for lack of motive energy (wind speed or
5 insolation) and other factors. The Company proposes to require an Output Certification
6 by a licensed professional engineer in lieu of the Output Demonstration Test as a means
7 of streamlining the process and achieving the same result, which is to assure the
8 Company that the DG Project is built as designed and capable of the generation proposed.
9 The Company believes that this is reasonable considering the intermittent nature of the
10 technologies under the RE Growth Program.

11
12 **Q. Do the Tariffs include an option to extend the deadline by which a DG Project must**
13 **become operational to remain in the RE Growth Program?**

14 A. Yes. The Company has learned from the DG Standard Contracts Program that the
15 timelines required under the law are sometimes inadequate for certain projects. Like any
16 construction project, there can be unforeseen delays for a variety of reasons. Therefore,
17 the Company proposes to provide for one six-month extension period in the
18 Non-Residential Tariff to account for unforeseen delays in achieving the Output
19 Certification. This extension would not require any additional performance guarantee
20 deposit.

1 Additionally, the Company proposes to provide for an additional six-month extension
2 (for a total of 12 months) with the posting of an additional performance guarantee deposit
3 equal to one-half the original performance guarantee deposit. The additional deposit will
4 be refunded during the first year of the DG Project's operation, paid quarterly. In no
5 event may the Applicant extend the deadline by more than one year in total. If the DG
6 Project does not achieve Output Certification by the extended deadline, the additional
7 deposit will be forfeited and treated in the same manner as the initial performance
8 guarantee deposit. Once the Output Certification has been provided to the Company, the
9 project has 90 days to meet the remaining requirements under the Non-Residential Tariff
10 in order to receive PBI Payments.

11
12 **Q. Please describe the metering requirements.**

13 A. The Company proposes to require that a Company-owned meter be installed on each DG
14 Project in order to accurately measure and report its output. In addition, where on-site
15 load is present, the Company proposes that the DG Project meter be wired in parallel with
16 the customer's service meter and be adjacent to the service meter. These requirements
17 will enable the Company to accurately measure both the output of the DG Project and the
18 on-site use of the customer.

19
20 The Company will provide the metering for small-scale solar facilities and will recover
21 the cost of the meters, as provided in the RE Growth Statute, through the proposed cost

1 recovery mechanism discussed later in this testimony. For all other DG Projects, the
2 Customer and/or the Applicant will be responsible for the cost of the meter.
3

4 **Q. Can the Applicant terminate the DG Project's participation in the RE Growth**
5 **Program?**

6 A. The Company is proposing that once the DG Project has been awarded a COE, the
7 provisions of the Tariffs become effective, and the DG Project's participation may not be
8 terminated unless agreed to by the Company.
9

10 **Q. Under what circumstances would the Company consent to termination of a DG**
11 **Project from the RE Growth Program?**

12 A. It is possible that an Applicant may not be able to fulfill the obligations of the RE Growth
13 Program because of an event or circumstance that is beyond the Applicant's reasonable
14 control, and for which the Applicant could not prevent or provide against by using
15 commercially reasonable efforts. For example, an extreme weather event could destroy a
16 DG Project, and the Applicant is not able or may choose not to rebuild it. Under this
17 situation, the Company very likely would consent to termination of the Applicant's
18 participation in the program. The Company will not unreasonably delay or withhold its
19 consent to termination by the Applicant.

1 However, the Company proposes to reserve its right to refuse the consent to an
2 Applicant's termination. The Company seeks to protect its customers from DG Projects
3 that hope to terminate in order to get better pricing elsewhere or because of other
4 circumstances that would not reasonably justify termination by the Applicant.

5
6 **Q. Assuming that a DG Project seeks to terminate participation in the RE Growth**
7 **Program prior to becoming operational and the Company consents to such**
8 **termination, what would happen to that Applicant's performance guarantee**
9 **deposit?**

10 **A.** If a DG Project seeks to terminate participation prior to becoming operational, and the
11 Company consents, the Company would consider the performance guarantee deposit
12 forfeited, and would treat it in the same manner as all other forfeited deposits, which is to
13 credit it to all of its customers through the RE Growth Program Cost Recovery Provision
14 described later in the testimony. However, the Company would allow the Applicant to
15 terminate and reapply with a new DG Project in the same location, if desired by the
16 Applicant.

17
18 **Q. Under what circumstances would the Company terminate an Applicant's**
19 **participation in the RE Growth Program?**

20 **A.** The Company will terminate a DG Project's participation in the RE Growth Program if
21 its nameplate capacity has been expanded beyond what is stated on the DG Project's

1 COE. The DG Board recommends Ceiling Prices and Performance Based Incentives
2 under the RE Growth Program for DG Projects based on a nameplate capacity basis due
3 to economies of scale for larger projects, and also allocates a specific amount of capacity
4 to each class. The Company seeks to prevent Applicants from expanding their projects
5 after the effective date of the applicable tariff supplements which apply to a DG Project
6 where the increased size would earn higher rates available to smaller systems, and to
7 preserve the allocation intentions of the DG Board.

8
9 **Q. Why is the Company proposing separate tariff provisions for Residential and**
10 **Non-Residential Customers?**

11 A. As described earlier in this testimony, the Company is proposing a separate enrollment
12 process for small-scale solar projects that will simplify the enrollment and reduce
13 administrative costs for Applicants of these projects. Similarly, the Residential Tariff is a
14 simpler more streamlined version of the Non-Residential Tariff, containing only those
15 provisions of the RE Growth Statute that apply to residential small-scale solar projects.
16 Most significantly, as required by the RE Growth Statute, Residential Customers will not
17 sell energy and capacity to the Company through the RE Growth Program, and, therefore,
18 they have only one compensation option, which will be described in more detail below.

1 **Q. Must the customer and the Applicant associated with a DG Project be the same**
2 **person?**

3 A. No, they can be different people or entities, but can also be the same person or entity.
4

5 **X. PBI Payments**

6 **Q. What is a PBI Payment?**

7 A. The PBI Payment is the compensation for the output generated by eligible DG Projects.
8 Depending upon the DG Project's Renewable Energy Class, the PBI will be either:
9 (1) the per kWh price that was bid by the Applicant during a scheduled enrollment; or
10 (2) the Standard PBI.
11

12 **Q. Who is eligible to receive PBI Payments under the Tariffs?**

13 A. If an Applicant has enrolled and been awarded a COE for a DG Project in the RE Growth
14 Program, and has satisfied all of the applicable requirements of the Tariffs, then the
15 Applicant is eligible to receive PBI Payments, pursuant to the provisions of the Tariffs.
16

17 **Q. Can the PBI change once a project has qualified under the Tariffs?**

18 A. The RE Growth Statute expressly provides that, once a project has "qualified to receive a
19 tariff," the PBI paid to the developer or owner of that project will not be reduced during
20 the term of the applicable Tariff.

1 **Q. May a DG Project within the RE Growth Program supply a customer's on-site**
2 **load? In other words, will the RE Growth Program allow net metering?**

3 A. Generally, yes. Where a DG Project can be configured for net metering,¹⁶ a customer
4 may use the output from a DG Project that is enrolled in the RE Growth Program to serve
5 the customer's on-site load. The Company will provide a bill credit to the Customer
6 based upon the Customer's on-site usage, up to the amount of the DG Project's monthly
7 generation. If the PBI Payment exceeds the amount of the bill credit, the remainder of
8 the PBI Payment will be provided to the Applicant or its designee in the form of a check
9 or by other reasonable means as will be described in more detail below.

10
11 **XI. Residential PBI Payments**

12 **Q. How will the Company calculate the Residential PBI Payment?**

13 A. The Company will calculate a PBI Payment by multiplying the Standard PBI applicable
14 to the DG Project by its monthly net output.

15
16 **Q. How will a Residential Customer and/or Applicant receive PBI Payments?**

17 A. As indicated above, residential participants with small-scale solar projects cannot sell
18 energy and capacity to the Company through the RE Growth Program, and, therefore, all
19 energy produced by the DG Project shall be deemed consumed on-site by the Residential
20 Customer. The Company's proposal provides that a Residential Customer in the RE

¹⁶ R.I. Gen. Laws § 39-26.6-20(e) *et seq.*

1 Growth Program receive credit for the energy produced by the DG Project and used by
2 the customer through a monthly bill credit based on the value of the Residential
3 Customer's on-site usage. This bill credit represents the value of the electricity that the
4 customer is using from the DG Project output and therefore not provided by the
5 Company. The remaining value of the total PBI Payment will be paid to the Applicant or
6 its designee for the RECs and other attributes of the DG Project's output.
7

8 **Q. How will the Company calculate the bill credit?**

9 A. The Company will calculate the bill credit by multiplying the lesser of the customer's on-
10 site kWh usage or the generator kWh output by the customer's retail delivery and
11 Standard Offer Service charges. If the customer is receiving its electric supply from a
12 non-regulated power producer, the Customer's billed charges will reflect the charges
13 applicable to the non-regulated power producer; however, the bill credit will be
14 calculated using the applicable Standard Offer Service charge.
15

16 **Q. How will the Company calculate the residual PBI Payment?**

17 A. The residual PBI Payment will be the total PBI Payment attributable to the DG Project
18 less the amount of the bill credit.

1 **Q. How will the PBI Payment appear on the Customer's electric service bill?**

2 A. Schedule NG-8 includes an illustrative electric bill showing how the PBI Payment, bill
3 credit, and residual PBI Payment will appear.

4
5 The customer's bill will reflect charges for delivery and supply service that are based
6 upon the customer's usage of electricity, whether delivered by the Company or by the
7 DG Project, as if the customer did not have on-site DG. As described earlier in this
8 testimony, the Company will install metering on the customer's premise that will be
9 capable of measuring the customer's usage of electricity in total. This part of the
10 customer's bill will be identical to a bill for a customer without on-site DG.

11
12 Next, a new section on the bill will show the calculation of the total PBI Payment, the bill
13 credit, and the residual PBI Payment. The bill credit will be used to offset the charges for
14 the customer's usage, and will reflect the value of the usage supplied by the DG Project.

15 The customer will owe the Company for any charges on each monthly bill that are not
16 completely offset by the bill credit. If the DG Project provides all of a customer's
17 monthly electricity needs, the monthly bill owed by the customer will consist only of the
18 customer charge plus applicable taxes. Any residual PBI Payment will be issued to the
19 Applicant or its designee monthly in the form of a check or other form of payment. In
20 the event that the calculated bill credit exceeds the PBI Payment, the Customer will

1 receive the full value of the bill credit, but the Applicant or designee will not receive a
2 PBI Payment for that month.
3

4 **XII. Non-Residential PBI Payments**

5 **Q. How will the Company provide PBI Payments to Non-Residential Customers and/or**
6 **Applicants?**

7 A. Non-Residential Customers and/or Applicants will have two options for how to receive
8 PBI Payments. However, as provided under the RE Growth Statute, the PBI value will
9 be equivalent.
10

11 Under Option 1, the Company will pay the entire PBI Payment directly to the Applicant
12 or its designee monthly. This option is available to all Non-Residential Customers and/or
13 Applicants.
14

15 Under Option 2, the Company will pay the PBI Payment as a combination of a monthly
16 bill credit to an eligible customer as indicated by the Applicant, and a check payment to
17 the Applicant or its designee, which is identical to the payment process described above
18 for Residential Customers. To be eligible for Option 2, the DG Project must be able to be
19 configured for net metering and must be sized to meet the limitations of the Net Metering
20 Provision for the customer to receive the bill credits.

1 Schedule NG-9 is an illustrative example of a monthly bill under Option 1.

2
3 **Q. Is the Company proposing to add zonal, or other, incentives to the PBIs during the**
4 **initial Program Year?**

5 A. No, it is not. The Company, in consultation with the DG Board and the OER, has
6 determined that zonal or other incentives will not be offered during the initial Program
7 Year. However, the Company will seek to identify certain geographical areas within the
8 Company's service territory where there may exist an identifiable system benefit,
9 reliability benefit, or cost savings to the distribution system from locating DG Projects in
10 those areas. If such areas are identified, the Company may propose zonal incentives to be
11 added to the winning PBIs during subsequent Program Years. In addition, the Company
12 may propose other incentive adders designed to achieve other technical or public policy
13 objectives if such incentives will provide identifiable benefits to other customers. As
14 required by the RE Growth Statute, the Company will consult with the DG Board and the
15 OER prior to proposing zonal or other incentives, and incentives proposed by the
16 Company during subsequent Program Years will be subject to the approval of the PUC.

17
18 **Q. Please describe Section 39-26.6-19 of the RE Growth Statute.**

19 A. Section 39-26.6-19 of the RE Growth Statute provides that, in consultation with the OER,
20 the Company may request that up to one-half of the MW targets for the small-scale and
21 medium-scale solar project enrollments be allocated by the PUC for selection through a

1 process coordinated with the Company's energy efficiency program in order that
2 specified solar incentives may be tied to energy efficiency program incentives in order to
3 allow the Company to implement a coordinated energy efficiency and solar program
4 offering.

5
6 **Q. Has the Company incorporated the provisions of that section of the law into its**
7 **proposed Tariffs or into its proposed 2015 Energy Efficiency Procurement Plan**
8 **filed in Docket No. 4527 and currently pending approval by the PUC?**

9 A. Not at this time. Once the Company has implemented the RE Growth Program and
10 gained experience with administering the program during the initial Program Year, the
11 Company will investigate the possibility of incorporating the provisions of
12 Section 39-26.6-19 into its Energy Efficiency Procurement Plan filing during the
13 subsequent year.

14
15 **XIII. Overview of the Company's Cost Recovery Proposal**

16 **Q. Please describe the Company's proposal for recovering the costs associated with the**
17 **RE Growth Program.**

18 A. The Company is proposing to establish a cost recovery mechanism to recover the
19 incremental costs associated with the RE Growth Program from all retail delivery service
20 customers through a fixed monthly charge per customer, as authorized pursuant to the RE
21 Growth Statute. Pursuant to the RE Growth Statute, the Company is required to purchase

1 the output generated by DG Projects that have been awarded COEs through the RE
2 Growth Program enrollment process and to compensate Applicants in the form of PBI
3 Payments. In turn, Applicants will assign to the Company title to all energy, capacity,
4 and RECs (collectively, Market Products) generated by the DG Projects.¹⁷ The Company
5 will sell the energy and the RECs as required by the RE Growth Statute. The net
6 proceeds from the sale of the Market Products will be used to offset the cost of the RE
7 Growth Program.

8
9 In addition, the RE Growth Statute authorizes the Company to recover 1.75 percent of the
10 total PBI Payments as remuneration. Finally, certain administrative and other costs
11 authorized through various sections of the statutes will be tracked and recovered
12 annually. These costs are associated with billing system changes, metering small-scale
13 solar projects, the consultants hired by the OER or the Company to perform Ceiling Price
14 studies and other reports or studies as approved by the PUC, and certain other types of
15 costs that will be described in more detail later in this testimony.

16
17 **Q. Please describe the Renewable Energy Growth Program Cost Recovery Provision**
18 **(Cost Recovery Provision).**

19 A. Schedule NG-7 contains the proposed Cost Recovery Provision, which is intended to
20 ensure that the Company recovers all costs incurred under the RE Growth Program.

¹⁷ The Company will purchase only RECs from Residential RE Growth Program Customers.

1 These costs include PBI Payments, less the proceeds of the sale of Market Products,
2 certain administrative and other costs, and the remuneration. The proposed Cost
3 Recovery Provision establishes a RE Growth Factor (Factor), which is based upon an
4 estimate of annual expenses, and provides for an annual reconciliation of the costs in
5 order to “true-up” estimated revenue and expense to actual costs and actual billed
6 revenue.

7
8 As required by the RE Growth Statute, the proposed Factor is a fixed monthly charge per
9 customer that will vary by rate class. The Factor will appear as a separate line item on all
10 electric customers’ bills.

11
12 **Q. Please describe the proposed timing of the Factor filings.**

13 A. As required by the RE Growth Statute, the Company will submit the initial Factor filing
14 by January 1, 2015, with a proposed Factor for effect on April 1, 2015. The proposed
15 Factor will recover the estimated costs for the first program year, which is the period
16 April 1, 2015 through March 31, 2016. This Factor will remain in effect until the
17 Company’s first reconciliation filing, which will occur within three months of the end of
18 the first program year, or no later than July 1, 2016. Thereafter, the Company will submit
19 annual filings prior to July 1 to re-set the Factor. The annual reconciliation filings will
20 include a report along with a forecast of payments and costs for the upcoming Program

1 Year, net of forecasted revenues for the sale of energy, RECs and any other Market
2 Products from the DG Projects participating in the RE Growth Program, and a
3 reconciliation of actual payments and costs and revenue for the prior Program Year.
4

5 **Q. Please demonstrate the calculation of the Factor.**

6 A. Schedule NG-10, page 1, provides an illustrative calculation of the Factor for a sample
7 pricing period as described above.
8

9 Once the Company determines the estimated expense for each year, the expected costs
10 will be allocated to each rate class based on a rate base allocator, as described further
11 below. The allocated amounts for each rate class will be divided by the forecasted
12 number of annual bills to determine the monthly charge for each rate class. For the
13 outdoor lighting classes, Rates S-05, S-06, S-10 and S-14, the allocated amount will be
14 divided by the estimated number of individual lights to determine the monthly charge
15 applicable to these rate classes.
16

17 In addition, the Company will perform a reconciliation of actual revenue and costs to
18 determine a past period reconciliation balance. The Company will calculate a RE Growth
19 Reconciliation Factor (Reconciliation Factor) that reconciles revenue billed to customers
20 through the Factor for the Program Year to the actual expenses incurred during the

1 Program Year. The excess or deficiency, including interest, will be refunded to, or
2 recovered from, customers through the Reconciliation Factor. For billing purposes, the
3 Reconciliation Factor will be included with the Factor as a single line item on customers'
4 bills.

5
6 **Q. Why is the Company proposing to allocate the estimated expense to each rate class?**

7 A. Allocating estimated expense to each rate class will more equitably distribute the cost of
8 the RE Growth Program to the customer classes based upon an allocation factor that
9 reflects the underlying cost causation. The Company is proposing to use a rate base
10 allocator for this purpose.

11
12 **Q. Please explain the relationship between the cost of the RE Growth Program and**
13 **rate base.**

14 A. As noted in R.I. Gen. Laws § 39-26.6-1, one of the goals of the RE Growth Statute is to
15 reduce distribution system costs and improve system reliability. Therefore, achievement
16 of these goals would result in a lower fixed distribution system investment in future years
17 that could, in turn, reduce the Company's rate base calculated as part of a cost of service
18 filing during a general rate case.

1 **Q. How will the rate base allocator be determined?**

2 A. The Company will utilize the rate base allocator from the class cost of service study
3 approved in the Company's most recent general rate case.
4

5 **Q. How will the estimated PBI Payments be determined?**

6 A. Prior to the implementation of each Factor, the Company will estimate the total PBI
7 Payments it expects it will pay during the upcoming pricing period. The total estimated
8 annual PBI Payments shown on Schedule NG-10, page 1, line (1) is calculated by
9 multiplying each individual DG Project's price by the estimated annual output of the unit.
10 The units included in the calculation will be both the units that are participating in the RE
11 Growth Program at the time of the Factor filing, as well as the units expected to be
12 enrolled in the program during the upcoming Program Year. From this estimate of total
13 PBI expenses, the Company will deduct the estimated value of the Market Products.
14

15 **Q. How will the estimated value of the Market Products, as shown on Section 1, Line**
16 **(2) of Schedule NG-10, page 1, be determined?**

17 A. The estimated value of the Market Products is the sum of the estimated market value of
18 the energy and the RECs. The estimated market value of the energy will be based upon
19 the spot market price estimates included in the Standard Offer Service (SOS) rates for the
20 Commercial SOS group, as adjusted for estimates of capacity and ancillary services. The
21 market value of the RECs will be estimated using the same market price estimate of new

1 RECs that is used to develop the Renewable Energy Standard charge, which is filed for
2 PUC approval each year in February.¹⁸
3

4 **Q. Please describe the calculation of the estimated remuneration.**

5 A. The remuneration will be calculated as the total estimated PBI Payments multiplied by
6 1.75 percent. An illustrative example of this calculation is shown in Schedule NG-10,
7 page 1, line (4).
8

9 **Q. Please describe the administrative costs and other costs to be recovered through the**
10 **Factor.**

11 A. The Provision provides for the recovery of the following incremental costs authorized for
12 recovery pursuant to the RE Growth Statute:

13 (1) the capital costs incurred by the Company to install metering on small-scale solar
14 facilities (R.I. Gen. Laws § 39-26.6-18);

15 (2) the incremental expense incurred by the Company to meet program objectives or
16 make billing system improvements (R.I. Gen. Laws § 39-26.6-13);

17 (3) The costs incurred for consultants hired by OER or the Company and approved by the
18 PUC to perform ceiling price studies and other reports or studies as approved by the PUC
19 (R.I. Gen. Laws § 39-26.6-4); and

¹⁸ The Company uses this same methodology to value the products purchased through long-term contracts to determine the Long-Term Contracting for Renewable Energy Recovery Factor.

1 (4) forfeited Performance Guarantee Deposits, which will be an offset to expense (R.I.
2 Gen. Laws § 39-26.2-7(2)(iv)) as incorporated by R.I. Gen. Laws § 39-26.6-5).

3
4 **XIV. Conclusion**

5 **Q. Does this conclude your testimony?**

6 **A.** Yes.

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**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
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Schedule NG-1

Solicitation and Enrollment Process Rules for Small-Scale Solar Projects



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Small-Scale Solar
Projects**

Month dd, yyyy

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I. Introduction and Overview

National Grid would like to welcome you to the Rhode Island Renewable Energy Growth Program (RE Growth Program). The RE Growth Program seeks to make it easy and attractive to install solar photovoltaic (PV) systems at the homes and businesses of National Grid's customers. An applicant (Applicant) to the RE Growth Program may be a solar developer or a National Grid customer.

Residential customers or their developers may apply for the RE Growth Program on a first-come, first-served basis. These solar systems will earn "bill credits" for the customer from the energy produced, and an incentive payment for any excess production.

These solar systems will have the option to receive the entire incentive payment directly or a combination of a direct payment and a bill credit for the customer, as specified in the Non-Residential Tariff.

This document provides information on the Solicitation and Enrollment Rules necessary to participate and enroll in the RE Growth Program.

1.1 Purpose of the Solicitation and Enrollment

The RE Growth Program was developed pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development of and compensation paid to distributed generation (DG) projects in Rhode Island. These Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (Rules) provide the means by which a project can qualify for and enroll in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Company's RE Growth Program Tariff for Residential Customers and the RE Growth Program Tariff for Non-Residential Customers (together, the Tariffs). Any term not defined in the Rules is defined in the Tariffs.

A Small-Scale Solar Project is a solar project with a nameplate generating capacity up to and including twenty-five kilowatts (25 kW). A Small-Scale Solar DG Project's nameplate capacity is the total rated power output of all solar panels measured in direct current (DC).

Under the RE Growth Program, National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The RE Growth Program is subject to the approval of the Rhode Island Public Utilities Commission (Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts (MW) to be enrolled for the year (annual MW target), which will be based on the projects' aggregate nameplate capacity. The nameplate capacity of a solar project is the total rated power output of all solar panels measured in DC. A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval.

A total of at least 3 MW of capacity shall be carved out exclusively for Small-Scale Solar Projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW class target for Small-Scale Solar Projects. Please see Schedule 1 for the currently approved annual MW target for Small-Scale Solar Projects.

For each program year, the Board will recommend the Standard Performance-Based Incentive (PBI) for each renewable energy class, subject to Commission approval. Small-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1. See Schedule 1 for the approved Standard PBIs for the current program year.

1.2.1 Applications

During each program year, Applicants can enroll at any time until the annual MW target for the Small-Scale Solar Project class has been met, including the possible availability of additional capacity under the annual MW target. Applicants may elect to participate in the RE Growth Program within their application for interconnection, pursuant to the Company's Standards for Connecting Distributed Generation tariff. There is no separate enrollment application for Small-Scale Solar Projects.

Applicants will be selected for the RE Growth Program in accordance with the provisions below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Small-Scale Solar Project must meet certain requirements, and National Grid will review the interconnection application to determine whether the project meets these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible as a Small-Scale Solar Project, a project must: (1) be a Small-Scale Solar renewable energy resource; (2) have a nameplate capacity equal to or less than 25 kW; and (3) interconnect with the Company's electric power system. A Small-Scale Solar Project's nameplate capacity is the total rated power output of all solar panels measured in DC.

Before applying to the RE Growth Program, a project must not be: (1) already operating; or (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost.

Residential

To be eligible as a Residential Small-Scale Solar Project, a project must be located at a National Grid customer's residence where the residential customer receives electric service under either Basic Residential Rate A-16 or Low Income Rate A-60. The project must be eligible for net metering.

Non-Residential

Any Small-Scale Solar Project that is not eligible to enroll as a Residential Small-Scale Solar Project will be enrolled as a Non-Residential Small-Scale Solar Project. Note that these projects may also be configured for net metering but are not required to do so. These projects will receive retail delivery service pursuant to the Company's Small C&I Rate C-06 tariff or General C&I Rate G-02 tariff.

1.2.2.3.1 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is divided or segregated into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications.

Under the RE Growth Program, project segmentation is not allowed. However, a project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A distributed generation project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the distributed generation project and the

start of construction of new distributed generation unit(s) on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resources.¹

1.2.2.3.2 Compliance with Net Metering Provision

In accordance with the Tariffs, Applicants for Small-Scale Solar Projects that can be configured for net metering and are sized to not exceed their average on-site load, will receive a credit on their electric bill based upon the value of the on-site use and must comply with the eligibility requirements of the Company's Net Metering Provision.

The Net Metering Provision can be found at:

http://www.nationalgridus.com/non_html/RI_DG_Net_Metering_Tariff.pdf

II. Interconnection Application, Selection, and Enrollment Process

2.1 Performance-Based Incentive (PBI) Payments for Small-Scale Solar Projects

Applicants may elect to enroll in the RE Growth Program within their interconnection applications.

Residential

The PBI is a price per kilowatt-hour for all of the RECs and any other environmental attributes or market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

Non-Residential

The PBI is a price per kilowatt-hour that will be paid for all of the energy, capacity, RECs, and other environmental attributes and market products that are created or produced by the facility for as long as the facility is enrolled in the RE Growth Program.

2.2 Interconnection Application Prior to Enrollment

To apply, a prospective participant must submit an application for interconnection and elect to participate in the RE Growth Program. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project.

¹ Applications by a single applicant on separate contiguous properties associated with separate customers, and which each are eligible for and will use net metering bill credits under their respective RE Growth tariff, will not be considered segmented projects.

For information regarding the interconnection process and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

2.2.1 Site Control

The Applicant must show actual control of the site where the Small-Scale Solar Project is to be located, or show it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site (or residence in the case of a Residential Small-Scale Solar Project) on which the project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.3 Issuance of Certificates of Eligibility

National Grid shall award Certificates of Eligibility to the selected Small-Scale Solar Projects. National Grid is not required to obtain Commission confirmation or approval in awarding Certificates of Eligibility to Small-Scale Solar Projects. Certificates of Eligibility given to Small-Scale Solar Projects are subject to the review and consent of the OER. National Grid files a list of all awarded certificates with the Commission. Certificates of Eligibility will be awarded to eligible Small-Scale Solar Projects on a “first come, first served” basis until the annual MW target for the Small-Scale Solar class is fully subscribed.

The Certificate of Eligibility will contain applicable project information, including renewable technology and class, project capacity and energy output, term length, price, certificate issuance, and certificate effective dates.

2.4 Project Schedule

All Small-Scale Solar Projects have twenty-four (24) months to achieve operation at expected availability and capacity and must meet all other requirements pursuant to the Tariffs in order to receive compensation under the RE Growth Program. A project’s proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not become operational on or before the twenty-four (24) month deadline, the project’s Certificate of Eligibility will be voided.

2.5 Ownership of Products for Small-Scale Solar

Non-Residential

The Company shall have the rights and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the project during the applicable term of the supplements to the Tariff supplement;
- (2) All energy produced by the Project;
- (3) All capacity available from the Project; and
- (4) Rights to any other environmental attributes or market products that are created or produced by the Project.

Residential

The Company shall have the rights to and receive title to:

- (1) RECs generated by the project during the applicable term of the supplements to the Tariff supplement; and
- (2) Rights to any other environmental attributes or market services or products that are created or produced by the project.

For Residential Small-Scale Solar Projects, the customer shall retain title to all energy and capacity produced by the facility. All energy and capacity are deemed to have been used on-site during the term of the RE Growth Program. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

2.5.1 Delivery of RECs and Registration in NEPOOL GIS

The Applicant must take all steps to both enable creation of RECs and the assignment of RECs to the Company through the New England Power Pool Generator Information System (NEPOOL GIS) in accordance with the Tariffs. RECs must be delivered to National Grid in the NEPOOL GIS.

2.5.2 Delivery of Energy into ISO-NE Market (Non-Residential Projects Only)

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone.

2.5.3 Qualification of RECs

Applicants to the RE Growth Program must obtain qualification for their Small-Scale Solar Projects as a renewable resource pursuant to the Rhode Island Renewable Energy Standard (RES). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at:

<http://www.ripuc.org/utilityinfo/res.html>

III. Contact Information and Other Provisions

3.1 Contact Information

All questions and communications regarding these Rules should be directed via electronic mail to the National Grid contact person at the following address:

Rhode Island RE Growth Program Manager

[Email address TBD]

3.2 Official Website for the Enrollment

The Solicitation and Enrollment Process Rules and Appendices are posted on the National Grid Rhode Island RE Growth Program website:

[Website address TBD]

Interconnection Applications must be submitted to distributed.generation@nationalgrid.com. Information about the interconnection process can be found on the Interconnection Process website:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp

3.3 Confidentiality

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of information and data related to the RE Growth Program, including application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded Performance-Based Incentives. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.3 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel an enrollment; alter, extend, or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1

Approved Small-Scale Solar Annual MW Target and Standard PBI Applicable to Current Enrollment Year

Renewable Energy Class (Nameplate MW)	Enrollment MW Target (Nameplate MW)	Standard PBI (cents/kWh)
Small-Scale Solar (Up to 25 kW DC)	3.0	

Note: Schedule 1 will be updated as required for each enrollment year.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
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Schedule NG-2

**Solicitation and Enrollment Process Rules for Solar (Greater Than 25kW)
Wind, Hydro and Anaerobic Digester Projects**



The Narragansett Electric Company d/b/a National Grid

**Rhode Island Renewable Energy Growth Program
Solicitation and Enrollment Process Rules for Solar (Greater
than 25kW), Wind, Hydro and Anaerobic Digester Projects**

Month dd, yyyy

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I. Introduction and Overview

1.1 Purpose of the Solicitation and Enrollment

National Grid developed the Renewable Energy Growth Program (RE Growth Program) pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws to facilitate the development and compensation of distributed generation projects in Rhode Island. These Solicitation and Enrollment Process Rules for Non-Residential Projects (Rules) provide the means by which an applicant (Applicant) can qualify and enroll a project (Project) in the RE Growth Program. The Rules are only part of the RE Growth Program documents and should be read along with the Non-Residential RE Growth Program Tariff (Tariff). As described below, a Project enrolled in the RE Growth Program must supply National Grid with energy, capacity, RECs, and other environmental attributes and market products. Any term not defined in the Rules is defined in the Tariff.

These Rules will apply to all Projects that are not Small-Scale Solar Projects, subject to the eligibility provisions below. A Small-Scale Solar Project is a solar project having a nameplate capacity of up to and including twenty-five kilowatts (25 kW), and is subject to the rules for Small-Scale Solar Projects.

These Rules, along with the Tariff, will govern the eligibility and procedures for Projects in the RE Growth Program. National Grid will not execute contracts with Applicants.

1.2 Enrollment Framework

National Grid is operating the RE Growth Program, as guided by the Distributed Generation Board (Board) in consultation with the Rhode Island Office of Energy Resources (OER). The Program is subject to the approval of the Rhode Island Public Utilities Commission (Commission). National Grid may also consult with the Rhode Island Division of Public Utilities and Carriers (Division).

For each program year, there will be a target amount of megawatts to be enrolled for the year (annual MW target), and a target amount of megawatts for each enrollment event (enrollment MW target), both of which will be based on nameplate capacity. The nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (DC). The enrollment MW target will be a specific portion of the annual MW target.

For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (class MW target), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval. If there is an over-subscription in one class and an under-subscription in an enrollment MW target, then National Grid, the OER, and the Board may

mutually agree to allocate megawatts from one class to another without Commission approval as long as the re-allocated targets would not exceed the annual MW Target.

Annual MW targets are as follows, with at least three megawatts (3 MW) of capacity to be carved out exclusively for small-scale solar projects in each of the first four (4) program years. The Board may recommend and/or the Commission may adopt a new annual MW target. Nameplate capacity associated with projects from the DG Standard Contracts Program that do not achieve commercial operation will also be added to the last program year.

	2015	2016	2017	2018	2019
Annual Target	25 MW	40 MW	40 MW	40 MW	160 MW + Actual remaining DG Standard Contract Capacity ¹ - (Actual 2015 + Actual 2016 + Actual 2017 + Actual 2018)

A "program year" means a year beginning April 1 and ending March 31, except that the first program year may begin after April 1, 2015, subject to Commission approval. Except for the first program year (2015), National Grid is required, in consultation with the Board and the OER, to conduct at least three (3) tariff enrollments for each distributed generation class each program year. For the first program year, the Board may recommend that either two (2) or three (3) enrollments be conducted. The classes and targets for each program year are listed in Schedule 2 of this application, which will be updated periodically.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives (PBI) for each renewable energy class, subject to Commission approval. For Competitive Bid projects, the Ceiling Price is the bidding price cap, further described in Section 2.1.5. Small-scale solar and medium-scale solar projects will receive a Standard PBI under the tariff, further described in Section 2.1.4. See Schedule 2 for the approved Ceiling Prices and Standard PBIs for the current program year.

1.2.1 Applications

Each enrollment will be open for a two (2) week period. During the enrollment period, National Grid will accept standard short-form applications, as provided in Appendix A to these Rules. The standard application shall require the Applicant to provide the following information about the project: (1) the project ownership; (2) the location of the proposed project; (3) the nameplate

¹ Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (R.I.G.L § 39-26.6-12(e)), any shortfall in the 2014 Distributed Generation Standard Contracts Program shall be added to the 160 MW target for the fifth program year.

capacity; and (4) the renewable energy class. The application allows Applicants to provide additional information relative to the permitting, financial feasibility, ability to build, and timing for achieving commercial operation of the proposed projects. The Applicant must certify in the application that the project will not violate the prohibition on project segmentation, as set forth in the Tariff.

Applicants will be selected for the RE Growth Program in accordance with the rules below.

1.2.2 Eligibility Requirements

1.2.2.1 Introduction

To be eligible, a Project must meet certain requirements, and National Grid will review all applications to determine whether they meet these requirements. Projects that do not meet eligibility requirements will be disqualified from the RE Growth Program.

1.2.2.2 Eligible Applicant

An Applicant must be in good standing with regard to obligations to National Grid. Such obligations include but are not limited to obligations under an interconnection service agreement, and being current with amounts due on the electric service account(s) or fulfilling the requirements of an approved payment plan.

1.2.2.3 Eligible Facilities

To be eligible for an enrollment, a Project must: (1) be an eligible renewable energy resource under the RE Growth Program, as determined by the Board and approved by the Commission; (2) have a nameplate capacity equal to or less than five megawatts (5 MW); (3) interconnect with the distribution system of The Narragansett Electric Company; and (4) be located in the The Narragansett Electric Company ISO-NE load zone.

Nameplate capacity is the maximum rated output or gross output of a generator; for solar technology it is the total rated power output of all panels measured in direct current ("DC").

To apply, a distributed generation project must not be: (1) already operating; (2) under construction, except for preparatory site work that is less than twenty-five percent (25%) of the estimated total project cost; or (3) fully financed for construction, except to the extent that financing agreements are conditioned upon the selection of the project in this program. A pre-existing hydroelectric generating facility that is already operating may be eligible for the RE Growth Program if it can demonstrate with reasonable evidence its need for a material investment to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements, in addition to meeting the other criteria of the RE Growth Program.

1.2.2.3.1 Renewable Energy Classes

For each program year, the Board shall determine the renewable energy classes, which are defined by specific technology, nameplate size, and other requirements as may be applicable as determined by the Board, subject to Commission approval. The Board may make recommendations to the Commission to add, eliminate, or adjust renewable energy classes for each program year. See Schedule 2 for the approved renewable energy classes for the applicable program year. To be eligible for an enrollment, a distributed generation project must qualify within one of the approved renewable energy classes for the applicable program year as indicated in Schedule 2.

1.2.2.3.2 Prohibition on Project Segmentation

Project segmentation occurs when one distributed generation project is split into multiple projects on a single parcel or on contiguous parcels in order to qualify under smaller size project classifications.

Under the RE Growth Program, project segmentation is not allowed. However, a Project developer may designate an additional distributed generation unit or portion of a unit on the same parcel or on a contiguous parcel for net metering or for other means of participating in electricity markets, as long as any such unit or portion of such unit: (1) is not receiving Performance-Based Incentives through the RE Growth Program; (2) is segregated electrically; and (3) is separately metered.

A Project is not considered segmented if: (1) at least twenty-four (24) months elapse between the operating start-date of the Project and the start of construction of new distributed generation unit(s) of the same resource technology on the same parcel or a contiguous parcel; or (2) the distributed generation projects use different renewable resource technologies (e.g., a wind turbine and a solar array could both be eligible within the 24 month window).²

1.2.2.3.3 Small Distributed Generation Projects

A small distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Small Wind	Small-Scale Solar	Medium-Scale Solar	Other Technology
50 kW - 1,500 kW	Up to and including 25 kW	Greater than 25 kW, up to and including 250 kW	TBD by the Board, up to 1 MW.

² Applications from a single applicant for projects on contiguous properties associated with separate customers at those locations, and that will select net metering credits (Option 2) under the RE Growth tariff will not be considered segmented projects.

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment. Note that there is a separate solicitation and enrollment process rules for Small-Scale Solar projects.

1.2.2.3.4 Large Distributed Generation Projects

A large distributed generation project means a Project with a nameplate capacity within the following statutory limits:

Commercial-Scale Solar	Large-Scale Solar	Large Wind	Other Technology
Greater than 250 kW, but less than 1 MW	1 MW, up to and including 5 MW	Greater than 1.5 MW, up to and including 5 MW	Greater than small DG, up to and including 5 MW

See Schedule 2 for approved renewable energy classes that are eligible for the current enrollment.

II. Application Evaluation and Selection Criteria and Process

2.1 Overview of Application Evaluation and Selection Process

Applications will be subject to a consistent, defined review and selection process. Except for small-scale and medium-scale solar, Projects in an enrollment period will be evaluated against other Projects in the same renewable energy class. The first stage of review determines whether a Project satisfies specified eligibility and minimum threshold requirements. National Grid will conduct any additional evaluation as required, consistent with the requirements set forth above, and select eligible Applicants to move onto the next stage in the selection process. Subsequent to this selection, National Grid will evaluate Projects based on certain threshold criteria, described below in sections 2.1.1-2.1.3, and then award selected projects Certificates of Eligibility as described in sections 2.1.4 and 2.1.5.

2.1.1 Interconnection Progress Prior to Enrollment

A Project must have made sufficient progress in the interconnection process prior to enrollment to ensure that interconnection costs have been estimated and the Project is likely to meet the statutory deadlines above. Project owners must have already submitted an application for interconnection and, if necessary, must have received a completed Impact Study for Renewable DG ("ISR DG") from the Company. A copy of the interconnection application and a completed ISR DG, or valid Interconnection Service Agreement, must be enclosed along with an application for enrollment under this program. All interconnection costs must be paid by the Applicant of the distributed generation (DG) project.

For information regarding ISRDG and the standards for the interconnection of generators in Rhode Island, please see:

https://www.nationalgridus.com/narragansett/business/energyeff/4_standard_interconnection.asp

2.1.2 Site Control

The Applicant must show actual control of the site where the Project is to be located, or show that it has exercised its right to acquire control of the site. To meet this requirement, the Applicant must represent that it owns or leases (or has an executed, exclusive, unconditional option to own or lease) the site on which the proposed project will be located, and that it has any additional rights required to develop and operate the project at the site.

2.1.3 Application Completeness and Timeliness

Applicants must endeavor to complete the entire application and provide all reasonably available information in each section of the application. Applicants will not be allowed to modify their applications after they are submitted to the Company. The Application forms are included in this document in MS Word format as Appendix A.

Applications must be timely submitted in accordance with the enrollment dates set forth in Schedule 1. Applications received after the deadline will not be accepted.

Following the submission of applications, National Grid may request additional information from Applicants at any time during the process. Applicants that do not respond to requests for information may be disqualified from an enrollment.

2.1.4 Standard Performance-Based Incentive (PBI) Payments for Small-Scale and Medium-Scale Solar Projects

Small-scale and medium-scale solar projects enrolled in the RE Growth Program will receive a Standard PBI for the period of years shown in the applicable Tariff supplement. See Schedule 2 for the approved Standard PBIs for the current program year. The Standard Performance-Based Incentive is recommended by the Board and approved by the Commission. The Standard Performance-Based Incentive is a price per kilowatt-hour to be paid for the entire output of the facility for as long as the facility is enrolled in the Program. These projects shall be selected on a "first come, first served" basis. Small-scale solar projects must apply to the RE Growth Program pursuant to the Small-Scale Solar Solicitation and Enrollment Rules.

If, after the first program year, the applications for the medium-scale solar projects are significantly over-subscribed, then the Board and National Grid, in consultation with the OER, may propose to the Commission a bidding process for medium-scale solar projects or a subset of the medium-scale solar projects as described in section 2.1.5 below.

2.1.5 Competitive Bidding for Distributed Generation Projects

Large-scale and commercial-scale solar projects and distributed generation projects for other eligible technologies are subject to a bidding process to determine which Projects are selected for the RE Growth Program. Each Project is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Following eligibility and threshold evaluations, the price evaluation of the bids for that applicable Tariff supplement will be applied on a consistent basis such that the same approved term lengths for competing bids are used to determine the winning bids. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 2 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

If the Projects that bid the same price exceed the capacity specified for a renewable energy class target, National Grid will consult with the Board and the OER in selecting first those projects that appear to be the furthest along in development and that are most likely to be deployed. Those Projects that are likely to achieve commercial operations at the earliest time shall be selected first. The Company may also consult with the Board, the OER, and/or the Division during this further assessment.

2.2 Issuance of Certificates of Eligibility

For small-scale and medium-scale solar projects, National Grid shall provide Certificates of Eligibility to the selected projects without obtaining Commission confirmation or approval, but subject to the review and consent of the OER. National Grid will file with the Commission a list of all small-scale and medium-scale solar Projects that are awarded Certificates of Eligibility. National Grid will award Certificates of Eligibility to eligible small-scale solar projects in accordance with the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects. National Grid will award Certificates of Eligibility to eligible medium-scale solar projects on a "first come, first served" basis until the enrollment MW target for that renewable energy class is fully subscribed.

For commercial-scale and large-scale solar, and all other distributed generation projects, National Grid shall file with the Commission a list of the distributed generation projects selected together with the corresponding pricing information. The Commission shall issue an order listing those projects to which Certificates of Eligibility are awarded within sixty (60) days of receipt of the list.

The Certificate of Eligibility will contain applicable DG Facility information, including renewable technology and class, facility size and energy output, term length, price, certificate issuance and certificate effective dates.

2.3 Requirements to Initiate Payment for Output

If awarded a Certificate of Eligibility, a Project is required to meet specific requirements to maintain its status in the RE Growth Program prior to and during construction, and to initiate the start of the payments for its output. These requirements are set forth below.

2.3.1 Performance Guarantee Deposit

Except for small-scale solar and medium-scale solar projects, Applicants are required to pay a performance guarantee deposit to National Grid, which must be made by wire transfer. The performance guarantee deposit is determined, in part, on the quantity of renewable energy certificate estimated to be generated per year under the Program. The deposit is fifteen dollars (\$15.00) for each REC estimated to be generated per year by a Small Distributed Generation project and twenty-five dollars (\$25.00) for each REC estimated to be generated per year by a Large Distributed Generation project. A performance guarantee deposit is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The deposit must be received and confirmed by National Grid within five (5) business days after a project is offered a Certificate of Eligibility. There are no exceptions to this requirement.

Applicants should be prepared to make a deposit when submitting applications into any enrollment. If payment of the required performance guarantee deposit is not received by the date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment.

The Company will refund the performance guarantee deposit over the course of the first year of the project's operation, paid quarterly.

2.3.2 Project Schedule and Output Certification

A project must certify that it is capable of producing at least ninety percent (90%) of the output that was proposed in its enrollment application before its deadline. All projects will have a twenty-four (24) month deadline to meet this requirement, but anaerobic digestion projects will have thirty six (36) months, and small-scale hydro will have forty-eight (48) months). A project's proposed construction schedule must allow it to meet the applicable deadline after it has received a Certificate of Eligibility.

If a project does not certify that it is capable of generating the output proposed in its enrollment application on or before the applicable deadline, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. Forfeited performance guarantee deposits shall be credited to all distribution customers through rates and not retained by National Grid. National Grid will not refund the Performance Guarantee Deposit to any project that does not provide an Output Certification within the applicable deadlines.

A DG Facility must provide an independent third-party (licensed PE) engineer's "Output Certification" stating:

1. that the DG Facility or project has been completed in all material respects;
 - a. including completion of construction of facility and all interconnection facilities necessary for operation;
 - b. applicable meters have been installed and tested (commissioned).
2. that the DG Facility or project is capable of producing at least 90% of the maximum hourly output proposed in the project application and specified on the *Certificate of Eligibility*;
3. the actual nameplate capacity of the DG Facility or project as built and specified on the *Certificate of Eligibility*; and
4. the maximum hourly output in kWh/hour in Alternating Current ("AC") of the facility as built and specified on the *Certificate of Eligibility*.

Once a Project has provided the Output Certification to National Grid, the Project then has 90 days to achieve operation at the expected availability and capacity and meet all other requirements to receive payment pursuant to the Tariff.

Small-scale and medium-scale solar projects are not required to provide the Output Certification. However, after receiving a Certificate of Eligibility, a small-scale or medium-scale solar project has twenty-four (24) months to achieve operation at expected availability and capacity and meet all other requirements pursuant to the Tariff in order to receive compensation under the RE Growth Program. If a Project does not meet this deadline, the Certificate of Eligibility will be voided.

2.3.3 Qualification as a Eligible Renewable Energy Resource under the RES

An Applicant to the RE Growth Program must obtain qualification for a Project as a renewable resource pursuant to the Rhode Island Renewable Energy Standard ("RES"). Applicants must complete a Renewable Energy Resources Eligibility Form and obtain Commission approval in order to be qualified under the RES. The form can be found at:

<http://www.ripuc.org/utilityinfo/res.html>

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) Renewable Energy Certificates (RECs) generated by the Project during the applicable term of the Tariff supplement;
- (2) All energy produced by the Project;
- (3) All capacity available from the Project; and

- (4) Rights to any other environmental attributes or market products that are created or produced by the Project.

2.4.1 Delivery of Energy into ISO-NE Market

Energy must be delivered to National Grid in the ISO-NE Rhode Island load zone at the delivery node associated with the Project.

2.4.2 Delivery of RECs and Registration in NEPOOL GIS

Applicants must cooperate with and provide information to the Company to enable RECs to be created by the Project at the NEPOOL Generation Information System, and for such RECs to be transferred or assigned to the Company's appropriate NEPOOL GIS account, as governed by the Tariff.

2.4.3 Participation in ISO-NE Forward Capacity Market (FCM)

National Grid will assume the rights to the capacity of a Project, pursuant to the Tariff.

National Grid reserves the right to be the "Project Sponsor" for all Projects within the RE Growth Program, after consultation with the Division and the Board. If and when National Grid participates as Project Sponsor on behalf of any Project, the Applicant must support National Grid, as required, to qualify the Project as an Existing Capacity Resource in the FCM. Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

III. Contact Information and Other Provisions

3.1 Official Contact

All questions and communications regarding these Rules should be directed via electronic mail to the National Grid contact person at the following address:

Rhode Island Renewable Energy Growth Program Manager

[E-mail address TBD]

3.2 Submittal of Enrollment Applications

The Rules and Appendices are posted on the National Grid Rhode Island Renewable Energy Growth Program website:

[Website address TBD]

Completed applications should be submitted electronically to [E-mail address TBD], on the due date set forth in Schedule 1. Applications received after the deadline cannot be accepted for that particular open enrollment but can be submitted in a future open enrollment solicitation.

3.3 Confidentiality

Each application shall contain the full name and business address of the Applicant, and a contact person, and shall be signed by an authorized person.

The Board, the OER, and National Grid shall enter into an agreement regarding the sharing of the information and data related to the RE Growth Program, including such information as application information, details regarding project ownership, and pricing. At the request of the Board, the OER, National Grid, or the Division, the Commission shall have the authority to protect from public disclosure individual information for any projects that have not been awarded Performance-Based Incentives. Information regarding project size, location, owner, and price will be made public for projects awarded a Certificate of Eligibility.

3.4 Modification or Cancellation of an Enrollment

Pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws, any dispute involving the performance-based incentive payments, terms, conditions, rights, enforcement, and implementation of the Tariffs and these Rules, is subject to the exclusive jurisdiction of the Commission. National Grid may, at any time up to the issuance of Certificates of Eligibility (Section 2.2 above) and without any liability on the part of National Grid, postpone, withdraw and/or cancel this enrollment; alter, extend or cancel any due date; and/or, alter, amend, withdraw and/or cancel any requirement, term or condition of this enrollment.

Schedule 1

Anticipated Timeline

Event	Anticipated Dates
Enrollment begins	[Day T] – 9am EPT
Due Date for Submission of Applications	[T + 9 business days] – 5pm EPT
Award Certificates of Eligibility	[T + 35]

Note: Schedule 1 will be updated as required for each enrollment period.

Schedule 2

**Approved Renewable Energy Classes, Enrollment Targets, Standard PBIs and Ceiling Prices
Applicable to Current Enrollment Period**

Renewable Energy Class (Nameplate MW)	Enrollment MW Target (Nameplate MW)	Standard PBI <i>applicable to Medium Solar only</i> (cents/kWh)	Ceiling Price (cents/kWh)

Note: Schedule 2 will be updated as required for each enrollment period.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
INDEX OF SCHEDULES**

Schedule NG-3

Renewable Energy Growth Program for Residential Customers

RIPUC No. 2151

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Residential Customer’s premise. For this purpose, a Residential Customer (“Customer”) is defined as an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.
- b. Application: the RE Growth Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- d. Certificate of Eligibility: written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- e. Commission: the Rhode Island Public Utilities Commission.
- f. Company: The Narragansett Electric Company d/b/a National Grid.
- g. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential premise.
- h. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- i. On-Site Use: the amount of energy used at a Customer's premise during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- j. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Solicitation and Enrollment Process Rules.
- k. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- l. Renewable Energy Certificate ("REC"): an electronic record produced by the NEPOOL Generation Information System ("NE-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.
- m. Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

3. Project Segmentation

There is a prohibition on project segmentation within the RE Growth Program. If the Company determines that an Applicant has segmented Project into two or more Projects for the purpose of being eligible under the Rules and this Tariff, the Company will award the Applicant a Certificate of

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

Eligibility for only one of the Projects. In making its determination, the Company will look for one of the following conditions:

- i. The Projects use different renewable energy resources; or
- ii. The Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one Project and the commencement of construction of any additional Project. Projects on contiguous parcels will not be considered as segmented if they serve different customers.

If the Company determines that a DG project is ineligible to enroll in the RE Growth Program due to project segmentation, it may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. If an Applicant is awarded a Certificate of Eligibility for a Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

4. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).

5. Renewable Energy Certificates and Other Environmental Attributes

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred. The Applicant shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs, designate the Company as the Applicant's Responsible Party under the NEPOOL-GIS rules, and direct all RECs from the Project to the Company's appropriate NEPOOL-GIS account.

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

Environmental attributes shall include any and all generation attributes or energy services as established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

6. Performance-Based Incentive Payment

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard; (3) upon request of the Company, qualification under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states (in addition to Rhode Island) and/or any federal renewable energy standard; and (4) the Customer's associated electric service account is not in arrears and the Customer is current on any approved payment plan.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Customer as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges, and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which applies to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

**THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS**

$$BC = OSU \times (DCHG + SOS)$$

Where:

$$BC = \text{Bill Credit}$$

$$OSU = \text{On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh for the applicable billing month, or 2) the Project's output measured in kWh for the applicable billing month.}$$

$$DCHG = \text{the sum of all retail delivery service per-kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.}$$

$$SOS = \text{the Residential Standard Offer Service charge per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.}$$

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or by other agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charge, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

7. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with the Company's Standards for Connecting Distributed Generation.
- c. The Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

8. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

9. Termination

The Applicant and the Customer shall comply with the provisions of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

10. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws § 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2015

The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement

Enrollment Date: April X, 2015

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I. Gen. Laws § 39-26.6-20.

Term of Service represents the period of time during which the Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual Project, and the Term of Service for a particular Project will commence upon the first month of operation.

Renewable Energy Class	Standard Performance-Based Incentive (per kWh)	Term of Service
Residential Small-Scale Solar		

Effective Date:

Issue Date:

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
INDEX OF SCHEDULES**

Schedule NG-4

Renewable Energy Growth Program for Non-Residential Customers

RIPUC No. 2152

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for an eligible distributed generation project (“DG Project”) will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws (“Chapter 26.6”), which refers to the Renewable Energy Growth Program (“RE Growth Program”).

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer’s premise or another location that allows for interconnection to the Company’s electric distribution system. For this purpose, a Non-Residential Customer (“Customer”) is defined as a customer receiving retail delivery service on any rate schedule other than the Company’s residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company’s Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. Definitions

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the DG Project in the RE Growth program, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.
- b. Application: the RE Growth Enrollment short form application submitted by the Applicant.
- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- d. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- e. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- f. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- g. Commission: the Rhode Island Public Utilities Commission.
- h. Company: The Narragansett Electric Company d/b/a National Grid.
- i. Customer: a customer receiving retail delivery service pursuant to one of the Company's non-residential retail delivery service rate schedules and listed as the customer-of-record on the billing account associated with the service location.
- j. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.
- k. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable FERC approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- l. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year, but is no greater than five megawatts (5 MW) nameplate capacity.
- m. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).
- n. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- o. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- p. Office: the Rhode Island Office of Energy Resources.
- q. On-Site Use: the amount of energy used at a Customer's premises during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- r. Output Certification: certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- s. Performance-Based Incentive: either a standard or competitively bid price per kilowatt-hour ("kWh") that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- t. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- u. Renewable Energy Classes: categories for different renewable energy technologies using eligible renewable energy resources.
- v. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Generation Information System ("NE-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NE-GIS.
- w. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- x. Small DG Project: either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).
- y. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.
- z. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

3. Performance Guarantee Deposit

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit ("Deposit") as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project's first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project's operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide an Output Certification. After it receives the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic digestion; or (3) 24 months for all other DG Projects.
- e. Once a DG Project has provided the Output Certification to National Grid, the project then has 90 days to achieve operation at expected availability and capacity and meet all other requirements to receive payment pursuant to the Tariff.
- f. An Applicant may elect to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total.
- g. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff

4. Interconnection

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation, and coordinated or delegated by the Applicant.

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RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS**

- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. Project Segmentation

There is a prohibition on project segmentation within the RE Growth Program. If the Company determines that an Applicant has segmented a DG Project into two or more smaller-sized Projects for the purpose of qualifying them for smaller renewable energy class, the Company will award the Applicant a Certificate of Eligibility for only one of the DG Projects. In making its determination, the Company will look for one of the following conditions:

- i. The DG Projects use different renewable energy resources; or
- ii. The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated; (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project. DG Projects installed on contiguous parcels will not be considered segmented if they serve different customers.

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, the DG Project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. If an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the same DG Project during the term specified in the applicable Tariff supplement.

6. Metering

- a. A Company-owned interval meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. In the event that there is an existing service location with an existing meter, the meter for a DG Project shall be wired in parallel with and be adjacent to the existing service meter. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.
- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenue quality interval meter and associated metering equipment, including required remote communication for measuring and reporting the output of the DG Project as well as any existing service meter.. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carrier's Rules for Prescribing Standards for

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Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.

- c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.

7. Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes

- a. Prior to receiving compensation pursuant to Section 9 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. Additionally, the Applicant shall seek, at the Company's request and at the Applicant's cost, qualification under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states (in addition to Rhode Island) and/or any federal renewable energy standard.
- b. The Applicant for a DG Project shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to ISO-NE and the NEPOOL Generation Information System for the creation of RECs, designate the Company as the Applicant's Responsible Party under the NEPOOL-GIS rules, and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account.
- c. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy and capacity; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the Project during the term of service specified on the applicable Tariff supplement.

8. Performance-Based Incentive Payment

- a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

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As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; and 4) except for small-scale and medium-scale solar, the Output Certification. If an Applicant or Customer is no longer in good standing with regard to electric service accounts, payment plans, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar and Medium-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Facilities shall be determined through competitive bidding.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Facilities that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

c. Performance Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any Zonal Incentive where applicable, applied to the measured kilowatt-hours (kWh) produced by the DG Project, net of any Station Service.

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. The Applicant may select Option 2 only if the DG Project can be configured for net metering and meets the eligibility and operational requirements of the Company's Net Metering Provision. The Applicant may change the selection only one time after the DG Project begins to operate provided that the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or

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2. Option 2: A combination of direct payment and a Customer bill credit, in which the value of the bill credit will be based upon the On-Site Use, up to, but not exceeding, the metered generation of the DG Project.

If a DG Project selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Customer's bill will be based upon the On-Site Use, the retail delivery service charges and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = OSU \text{ (kWh)} \times (DCHG + SOS)$$

Where:

BC = Bill Credit

OSU (kWh) = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh per month, or 2) the DG Project output measured in kWh per month.

DCHG = the sum of all retail delivery service per kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.

SOS = the Standard Offer Service charge applicable to the Customer's retail delivery service rate class per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Customer or the recipient identified on the Application.

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9. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company's Standards for Connecting Distributed Generation.
- c. Where applicable in this Tariff, a DG Project and a Customer receiving credits from such a facility must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

10. Dispute Resolution

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. Termination Provisions

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

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RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

12. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws. § 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2015

The Narragansett Electric Company
Renewable Energy Growth Program for Non-Residential Customers
Tariff Supplement

Enrollment Date: April X, 2015

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I.G.L. § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Facility, and the Term of Service for a particular DG Facility will commence upon the first month of operation.

Renewable Energy Class	Standard Performance – Based Incentive (per kWh)	Term of Service
Small-Scale Solar		
Small-Scale Solar – Small Business		
Medium-Scale Solar		
Commercial-Scale Solar		

Renewable Energy Class	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar					
Large-Scale Solar					
Wind					
Anaerobic Digestion					
Small-Scale Hydropower					

Effective Date:

Issue Date:

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AND JEANNE A. LLOYD
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Schedule NG-5

Renewable Energy Growth Program Cost Recovery Provision

RIPUC No. 2153

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM COST RECOVERY PROVISION

1. INTRODUCTION

The Company's rates for Retail Delivery Service are subject to adjustment to reflect the recovery of costs incurred in accordance with the provisions of Rhode Island General Laws Chapter 39-26.6, the Renewable Energy Growth Program ("RE Growth Program"), and its tariffs (collectively, "RE Growth Tariffs").

2. DEFINITIONS

Commission shall mean the Rhode Island Public Utilities Commission.

Company shall mean The Narragansett Electric Company d/b/a National Grid.

Distributed Generation Facility shall mean an electrical generation facility located in the Company's service territory with a nameplate capacity no greater than five megawatts (5 MW), using eligible renewable energy resources as defined by R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels, and connected to an electrical power system owned, controlled, or operated by the Company.

Market Products shall mean the energy, capacity, Renewable Energy Certificates, or other attributes individually or any combination thereof, associated with the output from a Distributed Generation Facility.

Performance-Based Incentive shall mean the price per kilowatt-hour ("kWh") applicable to Distributed Generation Facilities participating in the RE Growth Program pursuant to the RE Growth Tariffs.

Performance-Based Incentive Payment shall mean the compensation paid to eligible Distributed Generation Facilities pursuant to the RE Growth Tariffs.

Performance Guarantee Deposit shall mean a deposit as required pursuant to the Renewable Energy Growth Program for Non-Residential Customers tariff.

Program Year shall mean a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.

Rate Base Allocator shall mean the percentage of total rate base allocated to each rate class taken from the most recent proceeding before the Commission that contained an allocated cost of service study. The Rate Base Allocator shall be as follows by rate class:

<u>Rate Class</u>	<u>Percentage</u>
A-16/A-60	52.78%
C-06	9.71%
G-02	14.68%
B/G-32	13.82%

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B/G-62/X-01	3.79%
Streetlighting	5.21%

Reconciliation Period shall mean the most recent twelve-month period ending March 31.

Remuneration shall mean the annual compensation as authorized by R.I. Gen. Laws § 39-26.6-12(j)(3), which shall be equal to one and three-quarters percent (1.75%) of the annual Performance-Based Incentive Payments provided during the Reconciliation Period.

Renewable Energy Certificate shall mean a New England Generation Information System renewable energy certificate as defined in R.I. Gen. Laws § 39-26-2(15).

Short Term Interest Rate shall mean the interest rate applicable to borrowers from the National Grid USA Money Pool.

3. APPLICABILITY

Costs recovered under this provision are authorized for recovery pursuant to the following provisions of the Rhode Island General Laws:

- i) § 39-26.6-4: Covers the cost of qualified consultants hired to perform reports or studies applicable to the RE Growth Program;
- ii) § 39-26.6-12: Covers annual remuneration;
- iii) § 39-26.6-13: Covers cost reconciliation relating to incremental costs the Company incurs to meet program objectives. This provision also covers the costs the Company incurs to make billing system improvements to achieve the goals of the RE Growth Program;
- iv) § 39-26.6-18: Covers the installation and capital costs the Company incurs to install separate meters for small-scale solar projects; and
- v) § 39-26.6-25: Covers the forecasted rate and reconciliation relating to the total amount of payments the Company is likely to pay out to distributed generation projects in the upcoming program year.

4. RATE

The RE Growth Factor will be based upon the annual costs the Company estimates it will incur during the applicable 12-month period and will include an adjustment for uncollectible amounts at the Company's currently approved uncollectible percentage. The RE Growth Factor shall remain in effect until adjusted as a result of updated estimates of costs to be recovered over a 12-month period as included in the Company's annual reconciliation filing pursuant to Section 5 below. The Company may submit a request to the Commission to adjust the RE

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Growth Factor at any time should significant over or under recovery of costs occur.

The RE Growth Factor shall be applicable to all retail delivery service customers and will be in the form of a monthly fixed charge. The RE Growth Factor will be calculated as follows:

$$\text{RE Growth Factor}_{sx} = \frac{[(\text{PBIP}_x - \text{PRDCTS}_x + \text{ADM}_x) \times \text{RBA}_s] \div \text{FBill}_{sx}}{(1 - \text{UP})}$$

where

x = the Reconciliation Period;

s = designates a separate factor for each rate class;

PBIP_x = the estimated Performance-Based Incentive Payments, consisting of direct payments to recipients and credits on customer bills, that the Company expects to make under the RE Growth Tariffs for period x during which the RE Growth Factor will be in effect;

PRDCTS_x = the expected net proceeds for period x during which the RE Growth Factor will be in effect and which the Company will receive as a result of the sale of the Market Products;

ADM_x = the administrative expense the Company estimates it will incur during period x, including:

- 1) the Remuneration pursuant to Section 3.ii) above;
- 2) the estimated revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities pursuant to Section 3.iv) above;
- 3) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant to Section 3.iii) above; and
- 4) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i) above;

RBA_s = Rate Base Allocator;

FBill_{sx} = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

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5. RECONCILIATION FACTOR

On an annual basis and within three months after the end of a Program Year, the Company shall file a reconciliation of the revenue billed through RE Growth Factor, excluding the adjustment for uncollectible amounts, to the actual expenses incurred during the Reconciliation Period, and the excess or deficiency, including interest at the Company's Short Term Interest Rate, shall be refunded to, or recovered from, all customers through a RE Growth Reconciliation Factor. For billing purposes, the RE Growth Reconciliation Factor will be included with the RE Growth Factor on a single line item on customers' bills.

The RE Growth Reconciliation Factor shall be calculated separately for each rate class as follows:

$$\text{RE Growth Reconciliation Factor}_{sx} = [((\text{PPRA}_{x-1} + I) \times \text{RBA}_s) \div \text{FBill}_{sx}] \div (1 - \text{UP})$$

where

x = the period during which the RE Growth Reconciliation Factor will be in effect;

s = designates a separate factor for each rate class;

PPRA_{x-1} = the past period reconciliation amount to be recovered through the RE Growth Reconciliation Factor during period x, defined as the ending balance of the difference between:

(a) actual costs incurred during the Reconciliation Period, which shall include the sum of:

1) actual Performance-Based Incentive Payments made during the Reconciliation Period pursuant to the RE Growth Tariffs less actual proceeds received by the Company resulting from the sale of the Market Products;

2) the Remuneration pursuant to Section 3.ii);

3) the revenue requirement associated with the incremental investment in meters installed on small scale solar Distributed Generation Facilities per Section 3.iv);

4) all incremental costs necessary to meet program objectives or make billing system improvements to implement RE Growth Program pursuant Section 3.iii);

5) the costs incurred during the Reconciliation Period by the Company pursuant to Section 3.i); and

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6) a credit for any forfeited Performance Guarantee Deposits during the Reconciliation Period which is reflected as an offset to expense;

and

(b) revenue billed through the RE Growth Factor as approved by the Commission for the Reconciliation Period;

RBA_s = Rate Base Allocator;

I = interest calculated as the sum of the beginning period and ending period reconciliation balance divided by 2, multiplied by the Company's Short Term Interest Rate during the Reconciliation Period;

$FBill_{sx}$ = the forecasted number of electric service bills for each rate class for period x; and

UP = the uncollectible percentage approved by the Commission in the Company's most recent rate case.

6. ADJUSTMENTS TO RATES

Adjustments to the RE Growth Factor and RE Growth Reconciliation Factor in accordance with this RE Growth Cost Recovery Provision are subject to review and approval by the Commission. The Company shall file the initial RE Growth Factor on or before January 1, 2015. The Company shall file revisions to the RE Growth Factor and the RE Growth Reconciliation Factor within three months following the end of the Program Year. Modifications to the factors contained in this Renewable Energy Growth Program Cost Recovery Provision shall be in accordance with a notice filed with the Commission pursuant to R.I. Gen. Laws § 39-3-11(a) setting forth the amount(s) of the revised factor(s) and the amount(s) of the increase(s) or decrease(s). The notice shall further specify the effective date of such changes.

Effective Date: April 1, 2015

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Schedule NG-6

Renewable Energy Growth Program Certificates of Eligibility

Certificate of Eligibility for Small-Scale and Medium-Scale Solar Projects

Rhode Island Renewable Energy Growth Program

The Narragansett Electric Company d/b/a National Grid

This Certificate of Eligibility is written confirmation that the Distributed Generation (“DG”) Project referenced below has been selected for participation in the Rhode Island Renewable Energy Growth Program. The Project Applicant is bound by the terms and conditions of the applicable Tariff for the Renewable Energy Growth Program (either the “Non-Residential Tariff” or “Residential Tariff”) that applies as well as Other Company Tariff Requirements described and referenced therein. In addition, the facility is interconnected with the distribution system of the Narragansett Electric Company and is located in the Narragansett Electric Company ISO-NE load zone.

Project Applicant:

Facility Address: Street Address
 City, State Zip

Phone Number:

Email Address:

RI Interconnection Application ID or Ref#:

Renewable Technology:

(Solar PV – rooftop; Solar PV – ground mount)

Renewable Energy Class:

(Small-Scale Solar; Medium-Scale Solar)

Nameplate Capacity (kW):

(The total rated power output of all solar panels measured in DC)

Maximum Hourly Output (kWh AC per hour):

(Maximum amount of energy produced in an hour measured in AC for all technologies)

Expected Annual Energy Output (MWh per year):

(Expected amount of energy produced in a year measured in AC for all technologies)

Standard Performance Based Incentive (cents/kWh):

Certificate Issuance Date:

(This project must become operational and meet all other requirements pursuant to the Tariff by mm/dd/yyyy; which is 24 months from receiving the Certificate of Eligibility. If the project does not meet this 24 month deadline, the project's Certificate of Eligibility will be voided.)

Term of Performance Based Incentive (# years):

(As a condition of receiving payments, the Applicant must provide confirmation of: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) except for Residential small-scale solar projects, registration of the DG Project with the ISO-NE and NEPOOL GIS; and 5) being current with amounts due on the electric service accounts or fulfilling the requirements of an approved payment plan.

Certificate Effective Date:

(This is the date upon which the performance-based incentive is paid for the applicable term of the tariff)

Certificate of Eligibility

Rhode Island Renewable Energy Growth Program

The Narragansett Electric Company d/b/a National Grid

This Certificate of Eligibility is written confirmation that the Distributed Generation (“DG”) Project referenced below has been selected for participation in the Rhode Island Renewable Energy Growth Program. The Project Applicant is bound by the terms and conditions of the Tariff for the Renewable Energy Growth Program (the “Non-Residential Tariff”) as well as Other Company Tariff Requirements described and referenced therein. In addition, the facility is interconnected with the distribution system of the Narragansett Electric Company and is located in the Narragansett Electric Company ISO-NE load zone.

Project Applicant:

Facility Address: Street Address
 City, State Zip

Phone Number:

Email Address:

RI Interconnection Application ID or Ref#: (from System Impact Study)

Renewable Technology:

(Solar PV – rooftop; Solar PV – ground mount; Wind; Anaerobic Digestion; Hydropower)

Renewable Energy Class:

(Commercial Scale Solar; Large Scale Solar; Small Wind; Large Wind; Small DG Project; Large DG Project)

Nameplate Capacity (kW):

(Maximum rated output or gross output of a generator; For Solar, the total rated output of all panels measured in DC.)

Maximum Hourly Output (kWh AC per hour):

(Maximum amount of energy produced in an hour measured in AC for all technologies)

Expected Annual Energy Output (MWh per year):

(Expected amount of energy produced in a year measured in AC for all technologies)

Required Performance Guarantee Deposit Paid (\$):

Performance Based Incentive (cents/kWh):

Certificate Issuance Date:

(Output Certification must be completed by mm/dd/yyyy; which is XX months from receiving Certificate of Eligibility. If this requirement is not met, the project's Certificate of Eligibility will be voided and its performance guarantee deposit will be forfeited. If the project does not reach the deadline, the Performance Guarantee will not be refunded to the Applicant for any reason)

Term of Performance Based Incentive (# years):

(As a condition of receiving payments, the Applicant must provide confirmation of: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; and 4) the Output Certification.; and 5) being current with amounts due on the electric service accounts or fulfilling the requirements of an approved payment plan.

Certificate Effective Date:

(This is the date upon which the performance-based incentive is paid for the applicable term of the tariff)

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Schedule NG-7

Renewable Energy Growth Program Enrollment Application

Rhode Island Renewable Energy Growth Program Enrollment Application for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects

The Narragansett Electric Company d/b/a National Grid

Applicants should carefully review The Narragansett Electric Company Renewable Energy Growth Program Tariffs as well as the Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects, located on the National Grid website (“website link”), before completing the attached Enrollment Application.

Month dd, yyyy

1. Applicant/Authorized Representative's Signature Certification Form

I, the undersigned, affirm that I am duly authorized to file this Application for the Rhode Island Renewable Energy Growth Program on behalf of the Project listed below. I hereby certify that all statements and representations made in this Application are true and accurate to the best of my knowledge, and I affirm that I have a positive duty to ascertain and maintain the accuracy of the statements made in this Application. I personally reviewed the statements set forth below and affirm that they are true and correct. I understand the requirements, terms and conditions of the Rhode Island Renewable Energy Growth Program, and I certify that the project submitted meets both the eligibility and threshold requirements of the program, as referenced in Solicitation and Enrollment Process Rules: (Check all that apply. All items below must remain "true" for the duration of the term, or the project is not eligible to participate in the program)

The Distributed Generation Project -

- _____ Is an eligible renewable energy resource;
- _____ Has a nameplate capacity equal to or less than 5 MW;
- _____ Will interconnect with the distribution system of The Narragansett Electric Company;
- _____ Will be located in The Narragansett Electric Company ISO-NE load zone;
- _____ Is not already operating (possible exception for pre-existing hydro generation);
- _____ Is not under construction, except for preparatory site work that is less than 25% of the estimated total project cost;
- _____ Is not fully financed for construction (except for small scale solar projects);
- _____ Is not a segment of a distributed generation project on the same parcel or contiguous parcels that would create multiple projects in order to qualify under smaller size project classifications.
- _____ Submitted an Interconnection Application and received a completed Impact Study for Renewable Distributed Generation ("ISRDG"), if needed.

Submitted by:

(Exact Legal Entity)

Project Owner: _____
(If different than above)

Signature of Authorized
Representative: _____

Title: _____

Date Signed: _____

2. Instructions for completing an Application

Read these instructions carefully to properly complete this short-form application.

Please provide complete responses to the information requested on this application. It is not acceptable to simply state “See attached...”. If responses are incomplete, National Grid reserves the right to no longer consider the project under the current enrollment.

Attach the requested documents and name them appropriately, using the unique customer number assigned on the interconnection application (for example, “Attachment 5 - RI-#####”). Unless supplemental documents are specifically requested by National Grid as attachments, the Company will not review any additional information that is provided beyond the application requirements.

3. Applicant Contact Information

Applicant Name (Entity): _____

If Customer, Customer Billing Account #: _____

RI Interconnection Unique ID#: _____

Project Contact Name: _____

Address: _____

City/Town: _____

State, Zip Code: _____

Phone Number: _____

Facsimile Number: _____

Email Address: _____

Website (if Developer/Corporation): _____

4. Project Summary

Relationship between the Applicant and the Project Site (Check applicable):

_____ Owner/Self

_____ Developer

_____ Lessee (Executed Lease or Intent/Option to Lease)

Note: The Company reserves the right to request documentation that demonstrates that you own or lease (or have an executed, unconditional option to own or lease) the site on which the proposed project will be located, and that you have additional rights required in order to develop and operate the project at the site.

Nature of this site's activity/business (e.g., Manufacturing; Wholesale/Retail Trade; Financial Services; Government/Municipality; Transportation; Residential):

--

Project Location

Street Address: _____

City/Town: _____

State, Zip Code: _____

Renewable Technology: _____ Solar PV - rooftop

_____ Solar PV – ground mount

_____ Wind

_____ Anaerobic Digestion

_____ Hydropower

Renewable Energy Class:
(Nameplate Capacity)

_____ Medium-Scale Solar (> 25 kW up to and including 250 kW DC)

_____ Commercial Scale Solar (> 250 kW but less than 1 MW DC)

_____ Large Scale Solar (1 MW up to and including 5 MW DC)

_____ Small Wind (50 kW up to 1,500 kW)

_____ Large Wind (> 1.5 MW up to and including 5 MW DC)

_____ Small DG Project (up to 1 MW)

_____ Large DG Project (> 1 MW up to 5 MW)

Nameplate Capacity: _____ kW

(Maximum rated output or gross output of a generator. For Solar, the total rated output of all panels measured in DC)

Net Capacity: _____ kW AC

(Net of any station service)

Maximum Hourly Output: _____ kWh AC per hour

(Maximum amount of energy produced in an hour measured in AC for all technologies)

Expected Annual Energy Output: _____ MWh AC per year

(Expected annual energy output net of any station service)

Performance Guarantee Deposit: \$ _____

(See Section 2.3.1 of Solicitation and Enrollment Process Rules)

5. Bid Pricing Information

Small-Scale Solar and Medium-Scale Solar projects are not required to submit a bid price as part of their application.

Large-Scale Solar, Commercial-Scale Solar and Distributed Generation projects for Other Eligible Technologies shall bid a price per kilowatt-hour for the entire output of the facility (net of any station service) for the approved tariff term length, which price shall not exceed the applicable ceiling price.

Price (\$/kWh): _____ (to five decimal places)

6. Interconnection Requirements – Attachment 6

Please check if the applicable items below have been completed and provide documentation as Attachment 6:

_____ Interconnection Application; _____ Impact Study for Renewable DG (ISRDG)

Reference #: _____

Date Completed (mm/dd/yyyy): _____

7. Financing – Attachment 7 (attachment applies to Hydropower only)

Estimated Total Development Costs \$ _____

Please provide a brief summary of all sources of funding that will be applied to the Project, include owner's equity, bank loans, government financing and grants. Include dollar amounts if available. (50 words max):

--

_____ Check here if this is an existing hydro generation project that is already operating. *You must provide reasonable evidence that this project is in need of a material financial investment in order to restore or maintain reliable and efficient operation and meet all regulatory, environmental or operational requirements. Provide this information as Attachment 7.*

8. Permitting & Zoning

Construction Permits

Federal Permits	Regulatory Authority(ies)	Anticipated Date of Receipt
State Permits	Regulatory Authority(ies)	Anticipated Date of Receipt
Local/County Permits	Regulatory Authority(ies)	Anticipated Date of Receipt

Operating Permits

Federal Permits	Regulatory Authority(ies)	Anticipated Date of Receipt
State Permits	Regulatory Authority(ies)	Anticipated Date of Receipt
Local/County Permits	Regulatory Authority(ies)	Anticipated Date of Receipt

9. Project Schedule

For each milestone below, list the projected date of achievement (Month & Year).

- _____ Permitting
- _____ Acquisition of Real Property & Site Control Rights
- _____ Purchase of Equipment
- _____ Commencement of Construction
- _____ Completion of construction of facility and all interconnection facilities
necessary for operation
- _____ Achievement of Output Certification (not applicable for Medium-Scale Solar)
- _____ Registration of the facility with ISO-NE and NEPOOL GIS
- _____ Receipt of Statement of Qualification as an Eligible Renewable Energy
Resource from the Rhode Island Public Utilities Commission
- _____ Achievement of Commercial Operation

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
INDEX OF SCHEDULES

Schedule NG-8

RE Growth Residential Customer Illustrative Bill

Rate A-16 - Renewable Energy Growth Program Customer Illustrative Bill

Summary of Current Charges

	Delivery Service	Supply Service	Other	Total
Electric Service	\$54.91	\$57.76		\$112.67
Re-Growth Program Bill Credit	(\$106.94)			(\$106.94)
Current Charges	(\$52.03)	\$57.76	\$0.00	\$5.73

DETAIL OF CURRENT CHARGES

Delivery Services

Electricity Delivery

Service Period	No. of Days	Current Reading -	Previous Reading =	=	Total Use
Jul 7 - Aug 5	On-site Use	29	46726	46035	691
Jul 7 - Aug 5	Generation	29	700	0	700

Rate Basic Residential Rate A-16

Customer Charge				\$5.00
LIHEAP Enhancement Charge				\$0.73
Distribution Energy Chg	\$0.03821	x	691 kWh	\$26.40
Energy Efficiency Prgms	\$0.00941	x	691 kWh	\$6.50
Renewable Egy Dist Chg	\$0.00039	x	691 kWh	\$0.27
Transmission Adj	\$0.02221	x	691 kWh	\$15.35
Transition Charge	\$0.00096	x	691 kWh	\$0.66
Total Delivery Services				\$54.91

Supply Services

Electricity Supply

Supplier National Grid

Energy Charge	\$0.07879	x	691 kWh	\$54.44
Renewable Energy Chg	\$0.00480	x	691 kWh	\$3.32
Total Supply Services				\$57.76

Payments for Participation in Renewable Energy Growth Program

Performance Based Incentive Payment

Performance-Based Incentive Payment	\$0.20	x	700	=	\$140.00
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Allocation of Performance Based Incentive Payment

Bill Credit

Distribution Energy Chg	\$0.03821	x	-691 kWh	(\$26.40)
Energy Efficiency Prgms	\$0.00941	x	-691 kWh	(\$6.50)
Renewable Egy Dist Chg	\$0.00039	x	-691 kWh	(\$0.27)
Transmission Adj	\$0.02221	x	-691 kWh	(\$15.35)
Transition Charge	\$0.00096	x	-691 kWh	(\$0.66)
Total Delivery				(\$49.18)

Energy Charge	\$0.07879	x	-691 kWh	(\$54.44)
Renewable Energy Chg	\$0.00480	x	-691 kWh	(\$3.32)
Total Supply				(\$57.76)

Total Bill Credit (\$106.94)

Cash Payment

Residual PBI Payment - Cash payment	\$140.00	-	\$106.94	=	\$33.06
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THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
INDEX OF SCHEDULES

Schedule NG-9

RE Growth Non-Residential Customer Illustrative Bill

(Billing Option 1)

Rate C-06 - Renewable Energy Growth Program Customer Illustrative Bill (Billing Option 1)

Summary of Current Charges

	Delivery Service	Supply Service	Other	Total
Electric Service	\$10.73	\$0.00		\$10.73
PBI Payment			(\$140.00)	(\$140.00)
Current Charges	\$10.73	\$0.00	(\$140.00)	(\$129.27)

DETAIL OF CURRENT CHARGES

Delivery Services

Electricity Delivery

Service Period	No. of Days	Current Reading -	Previous Reading =	=	Total Use
Jul 7 - Aug 5	29	-700	0		-700

Rate Small C&I Rate C-06

Customer Charge					\$10.00
LIHEAP Enhancement Charge					\$0.73
Distribution Energy Chg	\$0.03428	x	0 kWh		\$0.00
Energy Efficiency Prgms	\$0.00941	x	0 kWh		\$0.00
Renewable Egy Dist Chg	\$0.00039	x	0 kWh		\$0.00
Transmission Adj	\$0.02003	x	0 kWh		\$0.00
Transition Charge	\$0.00096	x	0 kWh		\$0.00
Total Delivery Services					\$10.73

Supply Services

Electricity Supply

Supplier National Grid

Energy Charge	\$0.08801	x	0 kWh		\$0.00
Renewable Energy Chg	\$0.00480	x	0 kWh		\$0.00
Total Supply Services					\$0.00

Payments for Participation in Renewable Energy Growth Program

Performance Based Incentive Payment

Performance-Based Incentive Payment	\$0.20	x	700	=	\$140.00
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THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
RE GROWTH PROGRAM
WITNESSES: CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
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Schedule NG-10

Illustrative RE Growth Factor Calculation

The Narragansett Electric Company
Illustrative RE Growth Factors

(1) Estimated Performance-Based Incentive Payments	\$2,000,000
(2) less: Value of Market Products	\$1,000,000
(3) plus: Estimated Administrative Expense	\$200,000
(4) <u>plus: Estimated Remuneration</u>	<u>\$35,000</u>
(5) Total Estimated RE Growth Expense	\$1,235,000

Line Descriptions:

- (1) illustrative
- (2) illustrative
- (3) illustrative
- (4) Line (1) x 1.75%
- (5) Line (1) - Line (2) + Line (3) + Line (4)

**The Narragansett Electric Company
Illustrative RE Growth Factors**

Line No.	<u>Total</u> (a)	<u>Residential</u> <u>A16 / A60</u> (b)	<u>Small</u> <u>Commercial &</u> <u>Industrial</u> <u>C-06</u> (c)	<u>General</u> <u>Commercial &</u> <u>Industrial</u> <u>G-02</u> (d)	<u>Large Demand</u> <u>B32 / G32</u> (e)	<u>Optional Large</u> <u>Demand</u> <u>B62 / G62</u> (f)	<u>Street Lighting</u> (g)
(1) Projected Renewable Energy Growth Expense	\$1,235,000						
(2) Total Rate Base (\$000s)	\$561,737	\$296,489	\$54,542	\$82,460	\$77,651	\$21,309	\$29,286
(3) Percentage of Total	100.00%	52.78%	9.71%	14.68%	13.82%	3.79%	5.21%
(4) Allocated Expense	\$1,235,000	\$651,842	\$119,913	\$181,291	\$170,719	\$46,849	\$64,386
(5) Forecasted Number of Bills	7,162,273	5,243,935	616,196	103,064	13,445	189	1,185,444
(6) RE Growth Factor - monthly per bill charge		\$0.12	\$0.19	\$1.75	\$12.69	\$247.87	\$0.05
(7) Uncollectible Percentage	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
(8) Illustrative RE Growth Factor - monthly per bill charge		\$0.12	\$0.19	\$1.77	\$12.85	\$251.00	\$0.05

Line Descriptions:

- (1) Page 1 Line (5)
- (2) per RIPUC 4323, Compliance Attachment 3A, (Schedule HSG-1), page 2, line 10
- (3) Line (2) ÷ Line (2) Total Column
- (4) Line (1) Total Column x Line (3)
- (5) per Company forecast, for Streetlighting represents estimated number of individual lights
- (6) Line (4) ÷ Line (5), truncated to 2 decimal places
- (7) Uncollectible Percentage approved in RIPUC Docket No. 4323
- (8) Line (6) ÷ (1- Line (7)), truncated to 2 decimal places