

February 9, 2015

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4536-A - Tariff Advice Filing for Renewable Energy Growth Program and Solicitation and Enrollment Process Rules
National Grid's Joint Rebuttal Testimony

Dear Ms. Massaro:

I have enclosed ten (10) copies of National Grid's¹ joint rebuttal testimony in the above-referenced docket. I have also enclosed courtesy copies of the Company's presentation, which the Company will use at the technical session on February 10, 2015.

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: Docket 4536-A Service List
Steve Scialabba, Division
Leo Wold, Esq., Division
Karen Lyons, Esq., Division

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

Service List

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

Copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

February 9, 2015

Date

Docket No. 4536-A National Grid Tariff Advice Filing for Renewable Energy Growth Program (RE Growth Program) and Solicitation & Enrollment Process Rules for 2015

Docket No. 4536-B RI Distributed Generation Board (DG Board) Report and Recommendation Regarding 2015 Renewable Energy Growth Classes, Ceiling Prices and Targets

Service List updated 1/9/15

| Parties' Name/Address | E-mail | Phone |
|--|--|--------------|
| Celia B. O'Brien, Esq. Raquel J. Webster, Esq. National Grid 280 Melrose Street Providence, RI 02907 | Celia.obrien@nationalgrid.com | 781-907-2153 |
| | Raquel.webster@nationalgrid.com | 781-907-2121 |
| | Joanne.scanlon@nationalgrid.com | |
| | Amy.tabor@nationalgrid.com | |
| | Jeanne.lloyd@nationalgrid.com | |
| | Corinne.didomenico@nationalgrid.com | |
| Daniel W. Majcher, Esq. (for DB Board) Dept. of Administration Division of Legal Services One Capitol Hill, 4 th Floor Providence, RI 02908 | Daniel.majcher@doa.ri.gov | 401-222-8880 |
| | Marion.Gold@energy.ri.gov | |
| | Christopher.Kearns@energy.ri.gov | |
| | Nicholas.ucci@energy.ri.gov | |
| Jon Hagopian, Sr. Counsel Division of Public Utilities and Carriers 89 Jefferson Blvd. Warwick, RI 02888 | Jhagopian@dpuc.ri.gov | 401-784-4775 |
| | Sscialabba@dpuc.ri.gov | |
| | Acontente@dpuc.ri.gov | |
| | Jshilling@dpuc.ri.gov | |
| Richard Hahn Lacapra Associates 1 Washington Mall, 9th floor Boston, MA 02108 | rhahn@lacapra.com | |
| | apereira@lacapra.com | |
| Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903 | Klyons@riag.ri.gov | 401-222-2424 |
| | dmacrae@riag.ri.gov | |
| | jmunoz@riag.ri.gov | |
| Seth H. Handy, Esq. (Wind Energy Dev.) Handy Law, LLC 42 Weybosset St. Providence, RI 02903 | seth@handylawllc.com | 401-626-4839 |

| | | |
|---|--|---------------------------|
| Mark Depasquale, Wind Energy Development | md@wedenergy.com | |
| Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903 | jelmer@clf.org | 401-351-1102 Ext. 2012 |
| File an original & 9 copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888 | Luly.massaro@puc.ri.gov | 401-780-2107 |
| | Alan.nault@puc.ri.gov | |
| | Todd.bianco@puc.ri.gov | |
| | Amy.Dalessandro@puc.ri.gov | |

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4536-A
RE GROWTH PROGRAM
JOINT REBUTTAL TESTIMONY OF CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD**

JOINT REBUTTAL TESTIMONY

OF

CORINNE M. DIDOMENICO

AND

JEANNE A. LLOYD

THE NARRAGANSETT ELECTRIC COMPANY
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I. Purpose of Rebuttal Testimony

Q. What is the purpose of the Company's¹ rebuttal testimony?

A. In this rebuttal testimony, the Company responds to various issues raised by the Rhode Island Division of Public Utilities and Carriers (Division) and Mr. Mark Depasquale in their comments and testimony submitted in this proceeding.

In addition, in this rebuttal testimony, the Company describes revisions to the proposed Tariffs and Solicitation and Enrollment Process Rules as a result of changes identified during discovery in this docket. The revised exhibits are included as follows:

| | |
|-------------------------|--|
| Schedule NG-1 (Revised) | Solicitation and Enrollment Process Rules for Small-Scale Solar Projects - clean and marked to show changes; |
| Schedule NG-2 (Revised) | Solicitation and Enrollment Process Rules for Solar (Greater Than 25kW), Wind, Hydro and Anaerobic Digester Projects - clean and marked to show changes; |
| Schedule NG-3 (Revised) | RIPUC No. 2151, Renewable Energy Growth Program for Residential Customers (Residential Tariff) - clean and marked to show changes; and |
| Schedule NG-4 (Revised) | RIPUC No. 2152, Renewable Energy Growth Program for Non-Residential Customers (Non-Residential Tariff) - clean and marked to show changes. |

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

1 **II. Response to Mr. Depasquale's Testimony**

2 **Q. Does the numerical example of the Performance Based Incentive (PBI) payment**
3 **calculation demonstrated on pages 7 and 8 of Mr. Depasquale's testimony**
4 **accurately portray the calculation included in Section 6 of the Residential Tariff and**
5 **Section 8 of the Non-Residential Tariff?**

6 **A.** No, it does not. Pursuant to the Company's proposed Tariffs and the RE Growth Statute²,
7 the value of the PBI payment is the same regardless of whether a customer chooses to be
8 paid under Option 1 (direct payment) or Option 2 (combination of direct payment and bill
9 credit for on-site use). Under the formula proposed in the Company's Residential and
10 Non-Residential Tariffs, if a RE Growth Program customer produces 2 kWh of energy
11 and the PBI is \$0.20 per kWh, then the PBI payment is \$0.40 under both Option 1 and
12 Option 2 (\$0.20 per kWh times 2 kWh). If the customer elects Option 1, the Company
13 will issue a check to the customer in the amount of \$0.40. If the customer has elected
14 Option 2, the customer will receive a bill credit up to the value of his on-site
15 consumption, plus a check in the amount of any residual PBI value. The bill credit value
16 is based upon the retail delivery and commodity charges applicable to the customer's rate
17 class. Using Mr. Depasquale's example of \$0.10 per kWh as the bill credit value and
18 assuming that the customer uses 1 kWh on-site, then the customer would receive a bill
19 credit in the amount of \$0.10 (\$0.10 per kWh times 1 kWh), and the PBI payment

² R.I. Gen. Laws § 39-26.6-1, *et seq.*

1 recipient would receive a check in the amount of \$0.30 (\$0.40 total PBI less the \$0.10 bill
2 credit), not \$0.20 as Mr. Depasquale indicates in his example.

3
4 **Q. On page 8, line 12, through page 9, line 10 of his testimony, Mr. Depasquale**
5 **expresses concern about tariff deadlines, including the output certification deadline.**
6 **Please explain why the Company believes the timeframe requirements included in**
7 **Section 3, Performance Guarantee Deposit (PGD), of the Non-Residential Tariff are**
8 **reasonable.**

9 A. Section 3.f of the Non-Residential Tariff allows a project to extend the deadline for
10 operation for up to one year for any reason without forfeiting the PGD. In addition, the
11 Company is requiring a completed Impact Study for Renewable Distributed Generation
12 (ISRDG) prior to applying to the RE Growth Program. This impact study provides more
13 certainty for the customer or developer, who will be the Interconnecting Customer. The
14 impact study would also inform the customer of interconnection requirements, electrical
15 power system (EPS) modifications and associated costs, and the timeline to construct
16 EPS modifications prior to the customer's application to the RE Growth Program. The
17 Company believes that given the one-year extension option and the ISRDG requirement,
18 the timeframe requirements included in the Non-Residential Tariff are reasonable.

1 **Q. On page 9, lines 11 through 13 of his testimony, Mr. Depasquale states that the**
2 **requirement that a customer be in good standing with his or her electric service**
3 **accounts should be removed from the Tariffs. Do you agree?**

4 A. No. Customers whose accounts are in arrears due to non-payment impose a burden on
5 the Company and, ultimately, on other customers. The RE Growth Program is being
6 funded entirely by other electric service customers. Therefore, the requirement that a RE
7 Growth Program customer remain current with their electric service accounts is fair and
8 reasonable.

9
10 **Q. On page 9, line 20, through page 10, line 3 of his testimony, Mr. Depasquale**
11 **expresses concern about avenues for recourse in the event of a breach of the Tariff**
12 **provisions, including damages. How has the Company addressed recourse available**
13 **to the Company and its customers in the event of an alleged breach?**

14 A. The Company has purposely removed references to damages in its RE Growth Program
15 Tariffs in an effort to encourage parties to work out disputes through the dispute
16 resolution process included in Section 8 of the Residential Tariff and Section 10 of the
17 Non-Residential Tariff. These sections allow for any dispute between the Company and
18 the customer or applicant to be brought to the Rhode Island Public Utility Commission
19 (PUC) for resolution. This provision is consistent with R.I. Gen. Laws § 39-26.6-5(e),
20 which requires PUC oversight of all aspects of the RE Growth Program. In addition to
21 overseeing the program, the PUC has discretion to determine whether damages or other

1 means of recourse are appropriate based on the facts of any disputes parties may submit
2 to the PUC for resolution.

3
4 **Q. On page 10, line 4 through line 11 of his testimony, Mr. Depasquale expresses**
5 **concern about registration for renewable energy credits (RECs) in other**
6 **jurisdictions. Why is the Company requiring registration in other jurisdictions?**

7 A. The Company is requiring RE Growth Program participants to register for RECs in other
8 jurisdictions to ensure that the Company's customers receive the full value of the RE
9 Growth Program RECs, which are a component of the market products of unit
10 generation. Under the RE Growth Statute, the Company is required to sell the RECs
11 procured in the RE Growth Program, thereby monetizing the RECs and providing that
12 value back to all customers who are supporting the program. Currently, the Company
13 provides approximately 70% of its retail electricity deliveries through Standard Offer
14 Service (SOS), making the Company the largest buyer of RECs in the state and limiting
15 opportunities to sell these RECs. Also, RECs qualified in other jurisdictions may
16 command a premium to Rhode Island-only RECs. Therefore, the Company is requiring
17 RE Growth Program customers to qualify the RECs in other jurisdictions to ensure that
18 the Company has a large-enough market, in which it can optimally monetize the RE
19 Growth RECs, to offset the cost of the program. The Company notes that there is no cost
20 for the participant to register for RECs in Massachusetts.

1 **Q. On page 10, line 12 through line 16 of his testimony, Mr. Depasquale indicates that**
2 **he believes zonal incentives should be included in the tariff. Do you agree?**

3 **A.** No. The Company has determined that zonal incentives are not appropriate at this time.
4 As discussed in the Company's response to Data Request Commission 1-6, at this time,
5 the Company has identified only one area (part of Tiverton and all of Little Compton)
6 that may be a candidate for zonal incentives. This area is currently included in the
7 geographical areas of the Company's System Reliability Procurement (SRP) Pilot
8 program and the Office of Energy Resources' (OER) Solar Pilot, respectively. The
9 OER's Solar Pilot will provide incentives to residents and businesses to invest in solar
10 photovoltaics (PV) and provide additional load relief in the SRP Pilot footprint with a
11 goal of 250 kW of peak load reduction. Following the outcome of this initial Solar Pilot,
12 the Company will assess any reports on the success of the pilot and the status of the
13 potential upgrade deferral. The Company will use this information to determine whether
14 additional incentives in that area for load relief from solar PV installations would be cost-
15 effective. If so, in the future, the Company may propose to offer zonal incentives in that
16 area for that purpose. If other areas in Rhode Island are also found as candidates for load
17 relief, then these areas may also be considered for zonal incentives at that time.

1 **Q. On page 10, line 17 through line 21, Mr. Depasquale requests that the sentence “All**
2 **interconnection costs must be paid by the Applicant of the distributed generation**
3 **(DG) project” be deleted from the enrollment application. Why is it appropriate to**
4 **include this sentence in the enrollment application?**

5 A. The Company assumes that Mr. Depasquale intended to refer to the Solicitation and
6 Enrollment Process Rules, rather than the enrollment application. R.I. Gen. Laws § 39-
7 26.6-5(a) requires the Tariffs to include the non-price conditions set forth in R.I. Gen.
8 Laws § 39-26.2-7(2)(i) – (vii) – (vii) (Distributed Generation Standard Contracts - Form
9 and Provisions). Section 39-26.2-7(2)(i), which applies to the RE Growth Program
10 pursuant to the RE Growth Statute, provides that the standard contract shall “[h]old the
11 distributed generation facility owner liable for the cost of interconnection from the
12 distributed generation facility to the interconnect point with the distribution system, and
13 for any upgrades to the existing distributed generation system that may be required by the
14 electric distribution company” Customers who disagree with interconnection costs
15 may appeal to the PUC. *See* R.I. Gen. Laws § 39-26.2-7(2)(i).

16
17 The Company included this information in both the Solicitation and Enrollment Process
18 Rules and Tariffs, because it is critical for project owners to understand this requirement
19 when developing their bid prices.

1 **III. Response to Division's Memorandum**

2 **Q. What is the Company's overall reaction to the Division's conclusions in its**
3 **February 3, 2015 Memorandum?**

4 A. The Company appreciates the Division's overall conclusion that the Company's proposed
5 Solicitation and Enrollment Process Rules and Tariffs for the program are reasonable and
6 responsive to the RE Growth Statute's requirements. Moreover, the Company agrees
7 with the Division's conclusion that the RE Growth Statute is quite prescriptive in terms
8 of what needs to be (and can be) included in the Tariffs and other filed materials, thereby
9 limiting the Company's latitude in interpreting many of the requirements. The Division
10 did offer recommendations for revising the Tariffs with respect to three issues, each of
11 which the Company addresses below.

12
13 **Q. What is your response to the Division's recommendation that project developers be**
14 **allowed to purchase, install, and own their own meter, assuming of course, that the**
15 **meters meet the required accuracy, nameplate capacity, and other required**
16 **standards?**

17 A. The Company's Residential Tariff states in Section 4 that the Company shall install a
18 Company-owned meter on all Projects for the purpose of measuring the output of the
19 Project. The Company's Non-Residential Tariff states in Section 6 that: (1) a Company-
20 owned interval meter must be installed on all DG Projects that are enrolled in the RE
21 Growth Program for the purpose of measuring and reporting the output of the DG

1 Project; and (2) for Medium-Scale Solar Projects, Commercial-Scale Solar Projects,
2 Large-Scale Solar Projects, and DG Projects of other eligible technologies, an Applicant
3 may elect to supply the meter and associated equipment provided that it conforms to the
4 Company's metering standards and the Division's Rules for Prescribing Standards for
5 Electric Utilities, as may be amended from time to time.

6
7 The Division is correct that the RE Growth Statute requires projects to provide, at their
8 own cost, a revenue-quality meter without mention of Company ownership³.

9 Accordingly, the Company's proposed Tariff language requiring Company ownership of
10 meters used in the program is consistent with the RE Growth Statute. Until such time as
11 there is a specific process in place to properly test potential customer-owned meters for
12 accuracy as the Company currently does with Company-supplied meters, the Company
13 should maintain ownership of any meters needed for the program. Testing customer-
14 owned meters for accuracy would involve a detailed and lengthy process. Specifically,
15 the testing process would have to include such actions as initial and future on-going
16 calibration to determine compliance with American National Standards Institute (ANSI)
17 metering standards and ISO-NE Operating Procedure 18 metering requirements. The
18 Company would also have to confirm the following regarding customer-owned meters:
19 the software and communications requirements necessary to ensure that the Company can

³ See R.I. Gen. Laws § 39-26.6-18.

1 read and bill from a customer-owned meter; the cost for the Company to conduct such
2 testing; and the meter specifications a customer-owned meter would have to meet.
3 Additionally, there would need to be some form of securing or sealing the program in a
4 customer-owned meter to prevent possible alteration of measurement accuracy or
5 programmable constants that put the information obtained from the metering and the
6 revenue streams of all parties in jeopardy. In order to start the program as rapidly as
7 possible, the Company proposes to own the meters because conducting the above-
8 described testing and review will very likely delay implementation of the program. If the
9 Company receives specific requests from customers to own their meters, it will work
10 toward developing such a testing program and allocate program testing costs to such
11 customers.

12
13 **Q. The Division addresses the Company's proposal to refuse termination of a DG**
14 **project, unless events beyond the reasonable control of an Applicant occur.**
15 **Although the Division agrees that the Company should not allow termination of a**
16 **DG project once the term of the customer's PBI has commenced, it questions the**
17 **Company's contention that customers may be harmed if a DG project seeks to**
18 **withdraw its application during the construction phase of the project. What is your**
19 **response to the Division's comments?**

20 **A.** As noted in the Company's response to Data Request Division 1-6, if a developer is
21 allowed to withdraw an application during the project's construction phase, whether in

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1 response to higher ceiling or standard PBI prices offered to projects in a subsequent RE
2 Growth Program enrollment or in response to an independent opportunity, the
3 Company's customers would be harmed.

4
5 The Division questions the Company's conclusion based on the fact that a developer
6 would have paid performance guarantee deposits to the Company pursuant to the
7 Company's Non-Residential Tariff, which will provide the developer with a disincentive
8 to withdraw the project from the program. The Division also suggests that this issue
9 could be revisited during the review of the Company's next filing if there is evidence that
10 deposit amounts are not providing enough incentive for projects to meet their
11 construction or completion targets and developers are seeking termination to pursue
12 higher prices for their output.

13
14 It is the Company's opinion that a PGD will not always provide a sufficient disincentive
15 to a developer to withdraw from an enrollment, especially if the alternative is to re-enroll
16 at a higher ceiling price for twenty years of payments or to pursue another long-term
17 opportunity, and both actions would harm the Company's customers. First, if a project
18 terminates and then re-enrolls in RE Growth at a higher price, all customers will pay
19 more for the project's output than they would have if the project had completed
20 construction and provided its output at its original ceiling price. Second, if a market
21 opportunity presents a developer with more favorable terms such that the developer is

1 motivated to withdraw from the program, customers will have lost the opportunity to
2 receive the output of that project, and have to pursue additional capacity in a future
3 enrollment, which could also involve a higher ceiling price. In addition, small and
4 medium-scale solar projects will not pay PGDs, and therefore, will not have any
5 disincentive to terminate in favor of a higher price opportunity. The Company shares the
6 Division's outlook that the PUC should revisit this issue based on actual experience, but
7 requests that its proposed termination provisions be implemented for at least the first
8 enrollment of the program as a means to protect its customers from higher program costs.

9
10 **Q. Noting the Company's cost recovery proposal to include the use of net proceeds**
11 **from the sale of the products assigned to the Company to offset the costs of the RE**
12 **Growth Program, the Division seeks an explanation of why capacity produced by**
13 **DG projects cannot be sold and credited to customers. What is your response?**

14 A. As explained in the Company's response to Data Request Division 1-8, with the
15 exception of small-scale solar projects, the RE Growth Statute⁴ allows the Company to
16 choose to acquire the capacity of the DG projects under the proposed Tariffs. Section 7.b
17 of the proposed Non-Residential Tariff states that, "[f]or the term specified in the
18 applicable Tariff supplement, the Company shall have their revocable rights and title to
19 the following products produced by the DG Project: (1) RECs; (2) energy and capacity

⁴ See R.I. Gen. Laws § 39-26.6-21(a)(3)

....” Therefore, the Company has elected to take title to the capacity of projects under the Non-Residential Tariff. Because of evolving Forward Capacity Market (FCM) rules regarding the bidding, commitments, incentives, penalties, and other issues affecting renewable DG projects, as described in the Company’s response to Data Request Division 1-8, the Company is still analyzing the options for capacity in order to ensure the greatest benefit to its customers.

IV. Tariff Revisions Addressed in Discovery Responses

Q. Please describe the revisions to the Tariffs and Solicitation and Enrollment Process Rules that the Company identified in its responses to various discovery requests.

A. In response to discovery requests in this docket, the Company identified several changes it agreed to make to the Tariffs and Solicitation and Enrollment Process Rules:

Residential Tariff Changes

(1) The proposed ceiling prices and term lengths have been added to the Tariff Supplement, as indicated in the Company’s response to Data Request Commission 1-2.

Non-Residential Tariff Changes

(1) The proposed ceiling prices and term lengths have been added to the Tariff Supplement, as indicated in the Company’s response to Data Request Commission 1-2.

1 (2) A statement indicating that the Performance Guarantee Deposit will be forfeited if
2 the output certification is not provided within the specified timeframe has been
3 added to Sheet 4, Section 3.d, as indicated in the Company’s response to Data
4 Request Commission 1-5.

5
6 (3) The words “achieve operation at expected availability and capacity and” have
7 been removed from Sheet 4, Section 3.e, as indicated in the Company’s response
8 to Data Request Commission 1-6.

9
10 Solicitation and Enrollment Process Rules Changes

11 (1) As indicated in the Company’s response to Data Request Division 1-1, the
12 Company has amended Section 1.2.2.3.1 of the Solicitation and Enrollment
13 Process Rules for Small Solar Projects and Section 1.2.2.3.2 of the Solicitation
14 and Enrollment Process Rules for Solar (Greater than 25 kW), Wind, Hydro and
15 Anaerobic Digester Projects to indicate that generation units installed on
16 contiguous parcels with different customers of record will not be considered in
17 violation of the project segmentation requirement. Please note that, in the
18 Solicitation and Enrollment Process Rules filed on November 14, 2014, this
19 language was included in a footnote.

1 **Q. Is the Company proposing any other revisions to the Tariffs?**

2 A. Yes. The Company has made other clarifying changes to the Tariffs. The more
3 substantive revisions are described below.

4
5 Language has been added to Section 1 of the Residential Tariff and Section 6.b of the
6 Non-Residential Tariff to require that for DG Projects that serve on-site consumption, the
7 DG Project must be reasonably designed and sized to produce electricity at an annual
8 level equal to or less than the customer's On-Site Use as measured over the previous
9 three (3) years at the electric service account located at the customer's service location, or
10 the annualized On-Site Use over the period of service to the Customer's service location
11 if such service has been provided for less than three years, or a reasonable estimate of
12 annual On-Site Use if the DG Project is located at a new service location. This provision
13 is consistent with the requirements of the Company's Net Metering Provision and R.I.
14 Gen. Laws § 39-26.6-20(g).

15
16 Section 5 of the Residential Tariff and Section 7.b of the Non-Residential Tariff have
17 been revised to indicate that the Company may request that the customer designate
18 another party to serve as the Applicant's Responsible Party under the NEPOOL-GIS
19 rules. The revisions also provide that the Company may request that the customer
20 provide consent to participate in an aggregation or other method of registration and
21 reporting as directed by the Company.

1 A sentence has been added at the end of Section 6.c of the Residential Tariff and Section
2 8.c of the Non-Residential Tariff to indicate that for all Residential Customers and all
3 Non-Residential Customers who choose Billing Option 2 (i.e., compensation through a
4 combination of bill credits and direct payments), only one service account will be eligible
5 to receive the bill credit.

6
7 Section 7 of the Residential Tariff and Section 9 of the Non-Residential Tariff have been
8 revised to make it clear that to be eligible to receive credits pursuant to the Company's
9 Net Metering Provision following the termination of the Customer's participation in the
10 RE Growth Program, a customer must meet all of the requirements of the Net Metering
11 Provision.

12
13 **Q. Do any of the other revisions identified above represent changes to the RE Growth**
14 **Program Tariff provisions as originally filed on November 14, 2014?**

15 A. No. The revisions identified above and reflected in the Residential and Non-Residential
16 Tariffs included in Schedule NG-3 (Revised) and Schedule NG-4 (Revised) are not
17 intended to be new provisions, but rather clarifications of the original provisions.

18
19 **V. Conclusion**

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

21 A. Yes.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4536-A
RE GROWTH PROGRAM
JOINT REBUTTAL TESTIMONY OF CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
SCHEDULES**

Schedule NG-1 (Revised)

Solicitation and Enrollment Process Rules for Small-Scale Solar Projects

(Clean and Marked to Show Changes)



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 meet the sizing requirements as defined in the Residential RE Growth Tariff.

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 to receive bill credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff, but are not required to do so. These projects will receive electric service pursuant to the appropriate general service retail delivery service 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. In

addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers.

1.2.2.3.2 Compliance with Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have on-site load may receive a credit on their electric bill based upon the value of the on-site use, provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive bill credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. Note that the on-site load is defined as the average of the previous three (3) year annual consumption of energy at the electric service account located at the Customer's service location.

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 Renewable Energy Certificates (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.

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 meet all other requirements pursuant to Section 6.a. of the Tariff 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

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 electricity 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 project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

Non-Residential

The Company shall have the rights and receive title to:

- (1) 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 electricity market products or services that are created or produced by the project.

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 energy 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>

In addition, the Company may require Applicants to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

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 PBIs. 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 kW) | Annual Enrollment Target (Nameplate MW) | Ceiling Price/Standard PBI (cents/kWh) [20-yr Tariff Terms except *] |
|---|--|--|
| Small-Scale Solar – Host Owned (1-10 kW DC) | 3.0 | 41.35 (*15-yr Tariff) |
| Small-Scale Solar – Host Owned (1-10 kW DC) | | 37.75 (*20-yr Tariff) |
| Small-Scale Solar – 3rd Party Owner (1-10 kW DC) | | 32.95 |
| Small-Scale Solar (11-25 kW DC) | | 29.80 |

Notes:

- Schedule 1 will be updated as required for each enrollment year.
- The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.



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 meet the sizing requirements as defined in the Residential RE Growth Tariff~~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 to receive bill credits under this program if they are sized as defined in Section 8.c. of the Non-Residential RE Growth Tariff, for net metering but are not required to do so. These projects will receive retail delivery electric service pursuant to the Company's Small-C&I Rate C-06 tariff or General C&I Rate G-02 tariff~~appropriate general service retail delivery service 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.[‡] In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers.

1.2.2.3.2 Compliance with ~~Net Metering Provision~~ Sizing Limitations to Receive Bill Credits

In accordance with the Tariffs, Non-Residential Applicants for Small-Scale Solar Projects that have ~~can be configured for net metering and are sized to not exceed their average on-site load,~~ may 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 provided that the DG Project meets the sizing requirements as defined in the Non-Residential RE Growth Tariff. All Residential customers will receive bill credits and must meet the sizing limitations defined in the Residential RE Growth Tariff. Note that the on-site load is defined as the average of the previous three (3) year annual consumption of energy at the electric service account located at the Customer's service location.

~~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 Renewable Energy Certificates (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.

[‡] ~~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.~~

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.

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 Section 6.a. of 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

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 electricity 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 project. All energy and capacity are deemed to have been used by the customer on-site during the term of the applicable supplements to the Tariff. The Company is not buying or taking title to energy or capacity under the RE Growth Program.

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 ~~p~~Project;
- (3) All capacity available from the ~~p~~Project; and
- (4) Rights to any other environmental attributes or electricity market products or services that are created or produced by the ~~p~~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 energy 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>

In addition, the Company may require Applicants to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

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 ~~PBIs~~ ~~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 M kW) | <u>Annual</u> Enrollment MW Target (Nameplate MW) | <u>Ceiling Price/Standard PBI</u> (cents/kWh) <u>[20-yr Tariff Terms except *]</u> |
|--|---|--|
| <u>Small-Scale Solar – Host Owned</u> <u>(1 Up to 1025 kW DC)</u> | 3.0 | <u>41.35</u> <u>(*15-yr Tariff)</u> |
| <u>Small-Scale Solar – Host Owned</u> <u>(1-10 kW DC)</u> | | <u>37.75</u> <u>(*20-yr Tariff)</u> |
| <u>Small-Scale Solar – 3rd Party Owner</u> <u>(1-10 kW DC)</u> | | <u>32.95</u> |
| <u>Small-Scale Solar</u> <u>(11-25 kW DC)</u> | | <u>29.80</u> |

Notes:

- Schedule 1 will be updated as required for each enrollment year.
- The Standard PBI is equivalent to the Ceiling Price that is recommended by the Board and approved by the Commission.

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4536-A
RE GROWTH PROGRAM
JOINT REBUTTAL TESTIMONY OF CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
SCHEDULES**

Schedule NG-2 (Revised)

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

(Clean and Marked to Show Changes)



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, Renewable Energy Certificates (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), as applicable, 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 capacity; and (4) the renewable energy class. The application allows Applicants to provide

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.

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). In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive bill credits under Option 2 as described in Section 8.c. of the Tariff.

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. |

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 ISR DG 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 (PGD) to National Grid, which must be made by wire transfer. The PGD is determined, in part, on the quantity of RECs 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 PGD is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The PGD 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 its PGD when submitting applications into any enrollment. If payment of the required PGD 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 PGD 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 PGD will be forfeited. Forfeited PGDs shall be credited to all distribution customers through rates and not retained by National Grid. National Grid will not refund the PGD to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. of the Tariff (note: deadline may be extended by 6 months with no additional PGD and an additional 6 months beyond that by posting one-half original PGD for the second extension).

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 DG Project has provided the Output Certification to National Grid, the Project then has 90 days to meet all other requirements pursuant to Section 8.a. of the Tariff in order to receive payment.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a PGD. However, after receiving a Certificate of Eligibility, a small-scale or medium-scale solar project has twenty-four (24) months to 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 energy 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>

In addition, the Company may require Applicants to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

2.4 Ownership of Products

The Company shall have the rights and receive title to:

- (1) 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 electricity market products or services 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 PBIs. 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, Annual Enrollment Targets, Standard PBIs and Ceiling Prices Applicable to Current Enrollment Period

| Renewable Energy Class (Nameplate kW) | Enrollment Target (Nameplate kW) | Standard PBI <i>applicable to Medium Solar only</i> (cents/kWh) | Ceiling Price w/ITC (cents/kWh) | Ceiling Price w/ PTC (cents/kWh) | Ceiling Price w/o ITC/PTC (cents/kWh) |
|--|-------------------------------------|---|------------------------------------|-------------------------------------|--|
| Medium-Scale Solar (26-250 kW DC) | 4,000 | 24.40 | 24.40 | N/A | N/A |
| Commercial-Scale Solar (251-999 kW DC) | 5,500 | N/A | 20.95 | N/A | N/A |
| Large-Scale Solar (1,000-5,000 kW DC) | 6,000 | N/A | 16.70 | N/A | N/A |
| Wind (1,500-5,000 kW) | 5,000 | | | | |
| 1,500-2,999 kW | | N/A | 18.40 | 19.85 | 22.75 |
| 3,000-5,000 kW | | N/A | 18.20 | 19.45 | 22.35 |
| Anaerobic Digestion (up to 1,000 kW) | 1,500 | | | | |
| 150-1,000 kW | | N/A | N/A | 20.20 | 20.60 |
| Small-Scale Hydropower (up to 1,000 kW) | | | | | |
| 10-250 kW | | N/A | N/A | 19.80 | 21.35 |
| 251-1,000 kW | | N/A | N/A | 18.55 | 20.10 |

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



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**

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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 capacity; and (4) the renewable energy class. The application allows Applicants to provide

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.

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 In addition, DG projects installed on contiguous parcels will not be considered segmented if they serve different customers and both customers opt to receive bill credits under Option 2 as described in Section 8.c. of the Tariff.

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:

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.~~

| 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. |

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~~ PGD to National Grid, which must be made by wire transfer. The ~~performance guarantee deposit~~ PGD is determined, in part, on the quantity of ~~RECs~~ 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 PGD is at least five hundred dollars (\$500) and not more than seventy-five thousand dollars (\$75,000).

The PGD 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 its PGD when submitting applications into any enrollment. If payment of the required ~~performance guarantee deposit~~ PGD 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~~ PGD 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~~ PGD will be forfeited. Forfeited ~~performance guarantee deposits~~ PGDs shall be credited to all distribution customers through rates and not retained by National Grid. National Grid will not refund the ~~Performance~~

~~Guarantee Deposit~~ PGD to any project that does not provide an Output Certification within the applicable deadlines, including any extensions available to the Applicant as described in Section 3.f. of the Tariff (note: deadline may be extended by 6 months with no additional PGD and an additional 6 months beyond that by posting one-half original PGD for the second extension).

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 DG 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 pursuant to Section 8.a. of the Tariff in order to receive payment pursuant to the Tariff.

Small-scale and medium-scale solar projects are not required to provide the Output Certification or pay a PGD. 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 energy 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>

In addition, the Company may require Applicants to register and qualify RECs in other jurisdictions in order to monetize the value of these market products to offset the cost of the RE Growth Program.

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 electricity market products or services 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 PBIs~~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, Annual Enrollment Targets, Standard PBIs and Ceiling Prices Applicable to Current Enrollment Period

| Renewable Energy Class (Nameplate M <u>k</u> W) | Enrollment MW Target (Nameplate M <u>k</u> W) | Standard PBI <i>applicable to Medium Solar only</i> (cents/kWh) | <u>Ceiling Price</u> <u>w/ITC</u> (cents/kWh) | <u>Ceiling Price</u> <u>w/ PTC</u> (cents/kWh) | <u>Ceiling Price</u> <u>w/o ITC/PTC</u> (cents/kWh) |
|--|--|---|---|--|---|
| <u>Medium-Scale Solar</u> <u>(26-250 kW DC)</u> | <u>4,000</u> | <u>24.40</u> | <u>24.40</u> | <u>N/A</u> | <u>N/A</u> |
| <u>Commercial-Scale</u> <u>Solar</u> <u>(251-999 kW DC)</u> | <u>5,500</u> | <u>N/A</u> | <u>20.95</u> | <u>N/A</u> | <u>N/A</u> |
| <u>Large-Scale Solar</u> <u>(1,000-5,000 kW DC)</u> | <u>6,000</u> | <u>N/A</u> | <u>16.70</u> | <u>N/A</u> | <u>N/A</u> |
| <u>Wind</u> <u>(1,500-5,000 kW)</u> | <u>5,000</u> | | | | |
| <u>1,500-2,999 kW</u> | | <u>N/A</u> | <u>18.40</u> | <u>19.85</u> | <u>22.75</u> |
| <u>3,000-5,000 kW</u> | | <u>N/A</u> | <u>18.20</u> | <u>19.45</u> | <u>22.35</u> |
| <u>Anaerobic Digestion</u> <u>(up to 1,000 kW)</u> | <u>1,500</u> | | | | |
| <u>150-1,000 kW</u> | | <u>N/A</u> | <u>N/A</u> | <u>20.20</u> | <u>20.60</u> |
| <u>Small-Scale</u> <u>Hydropower</u> <u>(up to 1,000 kW)</u> | | | | | |
| <u>10-250 kW</u> | | <u>N/A</u> | <u>N/A</u> | <u>19.80</u> | <u>21.35</u> |
| <u>251-1,000 kW</u> | | <u>N/A</u> | <u>N/A</u> | <u>18.55</u> | <u>20.10</u> |

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

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4536-A
RE GROWTH PROGRAM
JOINT REBUTTAL TESTIMONY OF CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
SCHEDULES**

Schedule NG-3 (Revised)

RIPUC No. 2151, Renewable Energy Growth Program for Residential Customers

(Clean and Marked to Show Changes)

**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 service location. 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 Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer’s On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer’s service location; 2) the annualized On-Site Use over the period of service to the Residential Customer’s service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. 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.

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

- b. Application: the RE Growth Program 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.
- 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 service location.
- 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 service location 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.

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

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

- 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.
- iii. Projects on contiguous parcels will not be considered as segmented if they serve different Residential 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

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

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 or another party as directed by 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. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate Applicants participation in asset aggregation or other model of asset registration and reporting.

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

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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.

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

Where:

BC = Bill Credit

OSU = 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 = 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 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.

Only one billing account will be eligible to receive Bill Credits from each Project pursuant to this provision.

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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. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- 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

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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

Program Year: April 1, 2015 through March 31, 2016

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 | System Size | Ceiling Price/Standard Performance-Based Incentive (per kWh) | Term of Service |
|--|-------------|--|-----------------|
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 41.35¢ | 15 years |
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 37.75¢ | 20 years |
| Small-Scale Solar I, Third-Party Owned | 1 to 10 kW | 32.95¢ | 20 years |
| Small-Scale Solar II | 11 to 25 kW | 29.80¢ | 20 years |

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 service location~~premises~~. 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 Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer’s On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer’s service location; 2) the annualized On-Site Use over the period of service to the Residential Customer’s service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. 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.

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- b. Application: the RE Growth Program 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.
- 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-service location.
- 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-service location 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.

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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 Eligibility for only one of the Projects. In making its determination, the Company will look for one of the following exception~~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.
- ~~ii.~~iii. Projects on contiguous parcels will not be considered as segmented if they serve different Residential 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

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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, or another party as directed by 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. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate Applicants participation in asset aggregation or other model of asset registration and reporting.

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

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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.

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

Where:

BC = Bill Credit

OSU = 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 = 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 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.

Only one billing account will be eligible to receive Bill Credits from each Project pursuant to this provision.

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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. To be eligible to receive Renewable Net Metering Credits and Excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the REe Growth Program, tThe Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- 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

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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

Program Year~~Enrollment Date~~: April ~~1~~~~X~~, 2015 through March 31, 2016

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 | <u>System Size</u> | <u>Ceiling Price/Standard Performance-Based Incentive (per kWh)</u> | Term of Service |
|---|--------------------|---|-----------------|
| Residential <u>Small-Scale Solar I, Host Owned</u> | <u>1 to 10 kW</u> | <u>41.35¢</u> | <u>15 years</u> |
| <u>Small-Scale Solar I, Host Owned</u> | <u>1 to 10 kW</u> | <u>37.75¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar I, Third-Party Owned</u> | <u>1 to 10 kW</u> | <u>32.95¢</u> | <u>20 years</u> |
| <u>Small-Scale Solar II</u> | <u>11 to 25 kW</u> | <u>29.80¢</u> | <u>20 years</u> |

Effective Date: April 1, 2015
February 9, 2015

_____ Issue Date:

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. 4536-A
RE GROWTH PROGRAM
JOINT REBUTTAL TESTIMONY OF CORINNE M. DIDOMENICO
AND JEANNE A. LLOYD
SCHEDULES**

Schedule NG-4 (Revised)

RIPUC No. 2152, Renewable Energy Growth Program for Non-Residential
Customers (Non-Residential Tariff)

(Clean and Marked to Show Changes)

**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 service location 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 Program Enrollment short form application submitted by the Applicant.

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- 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.
- 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 Federal Energy Regulatory Commission 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).

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- 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.
- p. Office: the Rhode Island Office of Energy Resources.
- q. On-Site Use: the amount of energy used at a Customer's service location 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 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 specified in § 39-26-2(6).
- 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.

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- 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

- 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 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. If the Output Certification is not received within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.
- e. Once a DG Project has provided the Output Certification to National Grid, the project then has 90 days to meet all other requirements specified in Section 8(a) 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.

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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.
- 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 exceptions:

- 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.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.

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 the DG Project shall be wired in parallel with, and be adjacent to, the existing

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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 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 8 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, or another party as directed by 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. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate Applicants participation in asset aggregation or other model of asset registration and reporting.
- 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

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market or business method that are attributable, now or in the future, to the output produced by the DG 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.

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 or agreements, 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 Projects 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 Projects 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

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select Option 2 only if the DG Project can be configured to serve on-site load and the DG Project is reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Customer's service location; 2) the annualized On-Site Use over the period of service to the Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. 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
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.

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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.

Only one billing account will be eligible to receive Bill Credits from each DG Project pursuant to this provision.

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. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, 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.

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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.

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

Program Year: April 1, 2015 through March 31, 2016

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 | System Size | Ceiling Price/Standard Performance –Based Incentive (per kWh) | Term of Service |
|---------------------------------------|--------------|---|-----------------|
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 41.35¢ | 15 years |
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 37.75¢ | 20 years |
| Small-Scale Solar I Third-Party Owned | 1 to 10 kW | 32.95¢ | 20 years |
| Small-Scale Solar II | 11 to 25 kW | 29.80¢ | 20 years |
| Medium-Scale Solar | 26 to 250 kW | 24.40¢ | 20 years |

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Tariff Supplement

Program Year: April 1, 2015 through March 31, 2016

| Renewable Energy Class | Ceiling Price | Enrollment Date | Applicant Name | DG Facility Address | Nameplate Capacity (MW) | Performance Incentive (per kWh) | Term of Service |
|---|---------------|-----------------|----------------|---------------------|-------------------------|---------------------------------|-----------------|
| Commercial-Scale Solar | 20.95¢ | | | | | | 20 years |
| Large-Scale Solar | 16.70¢ | | | | | | 20 years |
| Wind I (1.5MW to 2.99MW) with Investment Tax Credit | 18.40¢ | | | | | | 20 years |
| Wind I (1.5MW to 2.99MW) with Production Tax Credit | 19.85¢ | | | | | | 20 years |
| Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives | 22.75¢ | | | | | | 20 years |
| Wind II (3.0MW to 5.0MW) with Investment Tax Credit | 18.20¢ | | | | | | 20 years |
| Wind II (3.0MW to 5.0MW) with Production Tax Credit | 19.45¢ | | | | | | 20 years |
| Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives | 22.35¢ | | | | | | 20 years |
| Anaerobic Digestion (150kW to 1,000kW) with Production Tax Credit | 20.20¢ | | | | | | 20 years |

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| | | | | | | | |
|---|--------|--|--|--|--|--|----------|
| Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives | 20.60¢ | | | | | | 20 years |
| Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit | 19.80¢ | | | | | | 20 years |
| Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives | 21.35¢ | | | | | | 20 years |
| Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit | 18.55¢ | | | | | | 20 years |
| Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives | 20.10¢ | | | | | | 20 years |

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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 service location~~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 Program Enrollment short form application submitted by the Applicant.

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- 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.
- 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 Federal Energy Regulatory Commission 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).

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- 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.
- p. Office: the Rhode Island Office of Energy Resources.
- q. On-Site Use: the amount of energy used at a Customer's service location~~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 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 specified in § 39-26-2(6).
- 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.

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- 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

- 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. If the Output Certification is not received within the specified timeframe, the Certificate of Eligibility will be voided and the Performance Guarantee Deposit will be forfeited.
- 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 specified in Section 8(a) 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

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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.
- 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~~ exceptions:

- 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.
- iii. DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.

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

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meter for ~~a~~ the 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 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 ~~89~~ 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, or another party as directed by 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. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate Applicants participation in asset aggregation or other model of asset registration and reporting.
- 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

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

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 DG 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.

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 or agreements, 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 Projects ~~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 Projects ~~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.

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

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 to serve on-site load for net metering and the DG Project is reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use as measured over the previous three (3) years at the electric service account located at the Customer's service location; 2) the annualized On-Site Use over the period of service to the Customer's service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. ~~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
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.

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RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS**

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.

Only one billing account will be eligible to receive Bill Credits from each DG Project pursuant to this provision.

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. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the ReE Growth Program, 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 NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR NON-RESIDENTIAL CUSTOMERS

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.

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

Program Year: April 1, 2015 through March 31, 2016 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 | System Size | Ceiling Price/Standard Performance –Based Incentive (per kWh) | Term of Service |
|---|--------------|---|-----------------|
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 41.35¢ | 15 years |
| Small-Scale Solar I, Host Owned | 1 to 10 kW | 37.75¢ | 20 years |
| Small-Scale Solar I, Small Business Third-Party Owned | 1 to 10 kW | 32.95¢ | 20 years |
| Small-Scale Solar II | 11 to 25 kW | 29.80¢ | 20 years |
| Medium-Scale Solar | 26 to 250 kW | 24.40¢ | 20 years |

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

Program Year: April 1, 2015 through March 31, 2016

| Renewable Energy Class | Ceiling Price | Enrollment Date | Applicant Name | DG Facility Address | Nameplate Capacity (MW) | Performance Incentive (per kWh) | Term of Service |
|---|---------------|-----------------|----------------|---------------------|-------------------------|---------------------------------|-----------------|
| Commercial-Scale Solar | <u>20.95¢</u> | | | | | | <u>20 years</u> |
| Large-Scale Solar | <u>16.70¢</u> | | | | | | <u>20 years</u> |
| Wind I (1.5MW to 2.99MW) with Investment Tax Credit | <u>18.40¢</u> | | | | | | <u>20 years</u> |
| Wind I (1.5MW to 2.99MW) with Production Tax Credit | <u>19.85¢</u> | | | | | | <u>20 years</u> |
| Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives | <u>22.75¢</u> | | | | | | <u>20 years</u> |
| Wind II (3.0MW to 5.0MW) with Investment Tax Credit | <u>18.20¢</u> | | | | | | <u>20 years</u> |
| Wind II (3.0MW to 5.0MW) with Production Tax Credit | <u>19.45¢</u> | | | | | | <u>20 years</u> |
| Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives | <u>22.35¢</u> | | | | | | <u>20 years</u> |
| Anaerobic Digestion (150kW to 1,000kW) with | <u>20.20¢</u> | | | | | | <u>20 years</u> |

Effective Date: April 1, 2015
February 9, 2015

Issue Date:

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

| | | | | | | | |
|--|---------------|--|--|--|--|--|-----------------|
| <u>Production Tax Credit</u> | | | | | | | |
| <u>Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives</u> | <u>20.60¢</u> | | | | | | <u>20 years</u> |
| <u>Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit</u> | <u>19.80¢</u> | | | | | | <u>20 years</u> |
| <u>Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives</u> | <u>21.35¢</u> | | | | | | <u>20 years</u> |
| <u>Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit</u> | <u>18.55¢</u> | | | | | | <u>20 years</u> |
| <u>Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives</u> | <u>20.10¢</u> | | | | | | <u>20 years</u> |



Renewable Energy Growth Program

Docket No. 4536-A

Presentation at Rhode Island Public Utilities Commission Technical Session

February 10, 2015

Renewable Energy (RE) Growth Program Highlights



The RE Growth section of the Clean Energy Jobs Act of 2014 (RI General Law §39-26.6) was enacted to:

- Facilitate and promote installation of renewable distributed generation (DG)
- Reduce environmental impacts from electricity
- Stimulate economic development
- Integrate bill credit option for customers and allow for locational and other incentives
- Quadruple capacity available, compared with DG Standard Contract Program, to 160 MW over five years

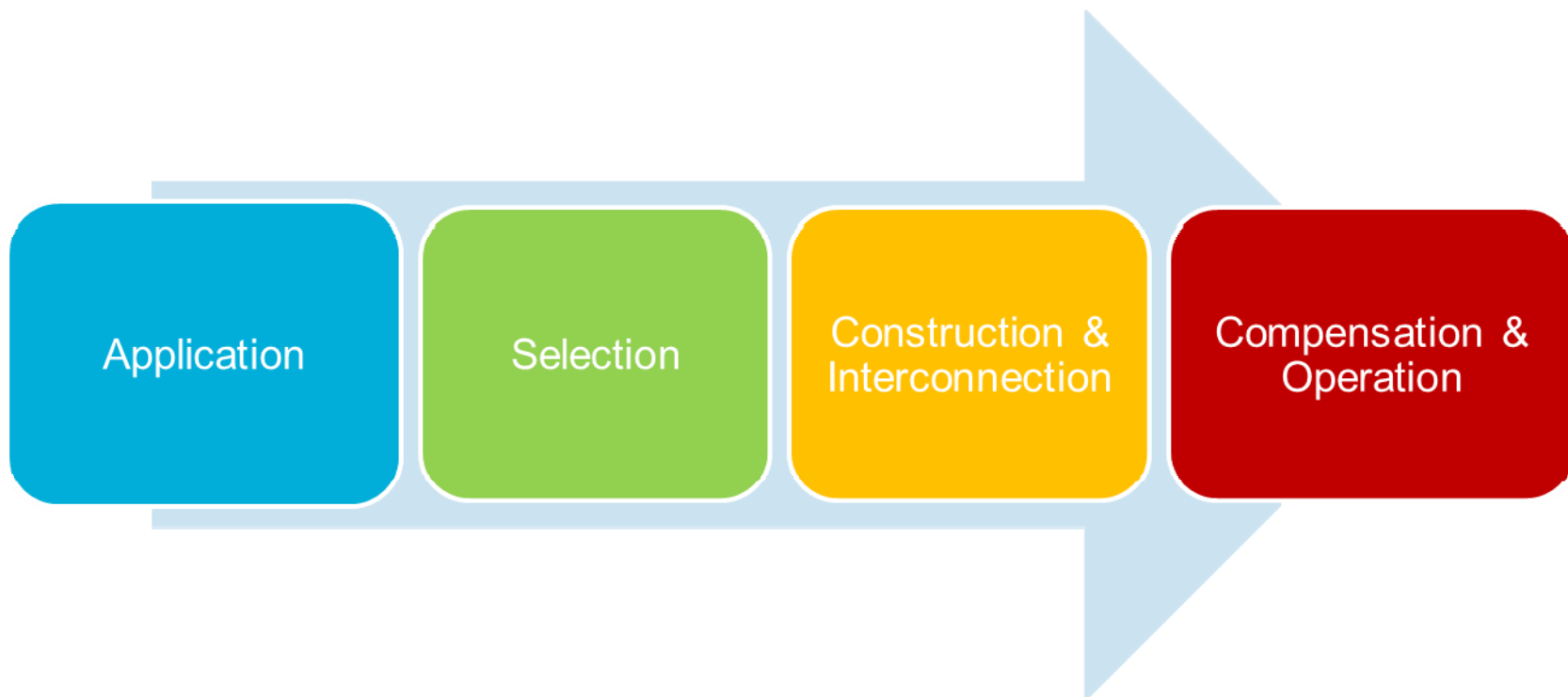
National Grid seeks to:

- Streamline open enrollment for Small-Scale Solar customers
- Simplify application process for non-residential customers and “stand-alone” systems

RE Growth Program Process

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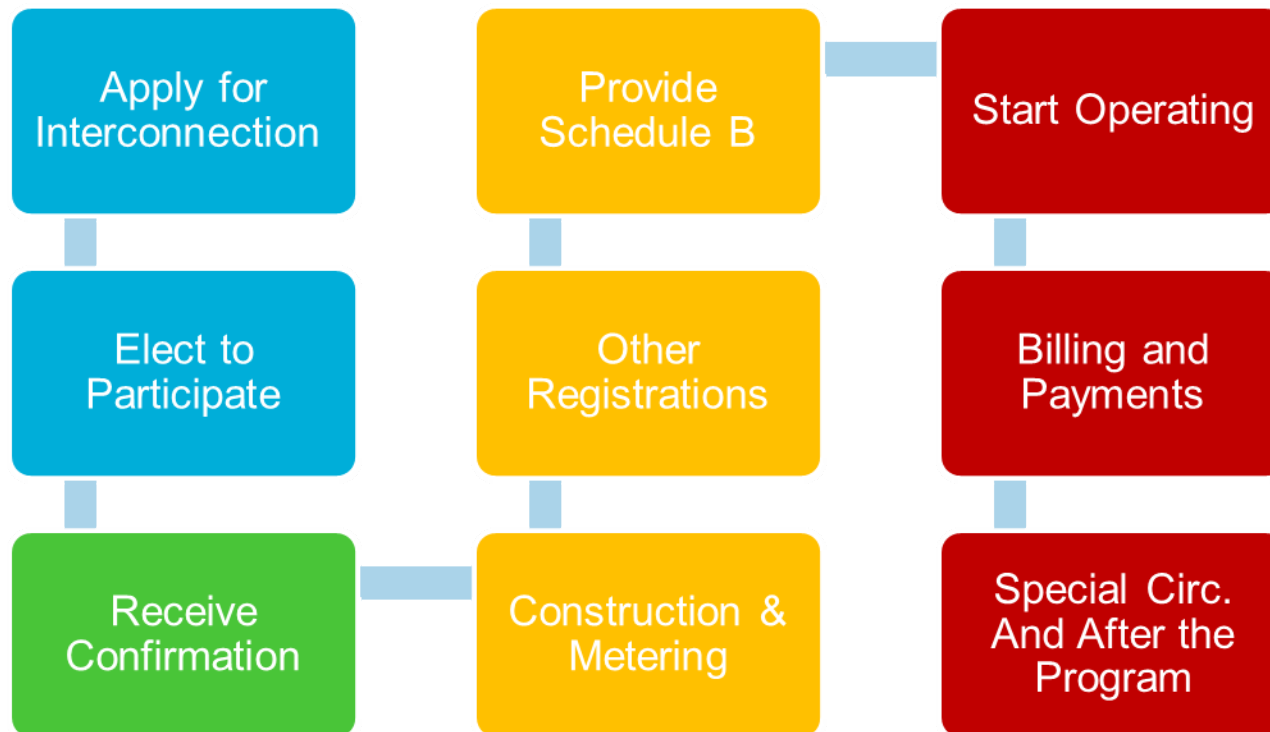


The purpose of this slide presentation is to provide an overview of the Company's Renewable Energy Growth Program. These slides should not be relied upon for Program eligibility or other requirements. Please refer to the Program tariffs and solicitation and enrollment process rules for Program eligibility and other requirements.

Small Solar Program Flow

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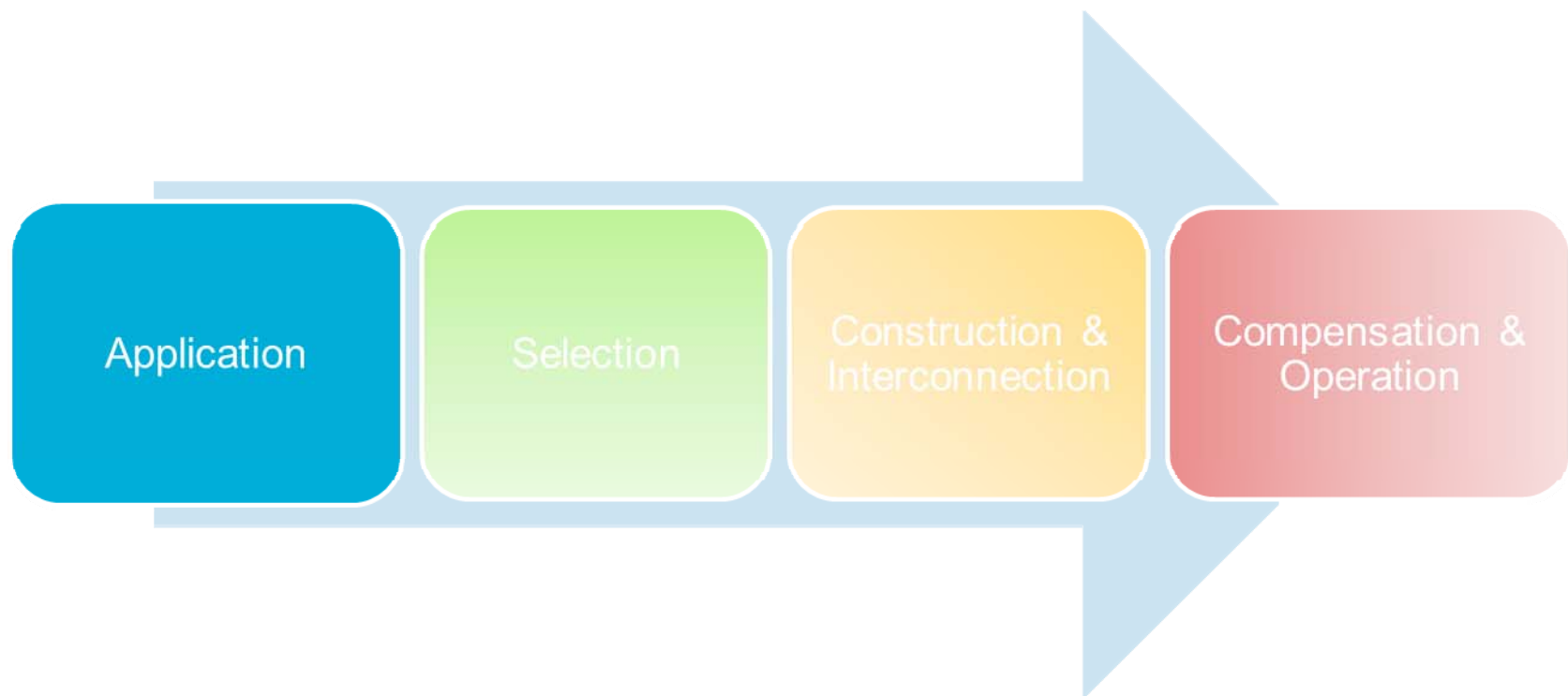
Larger Solar and Other Technologies Program Flow

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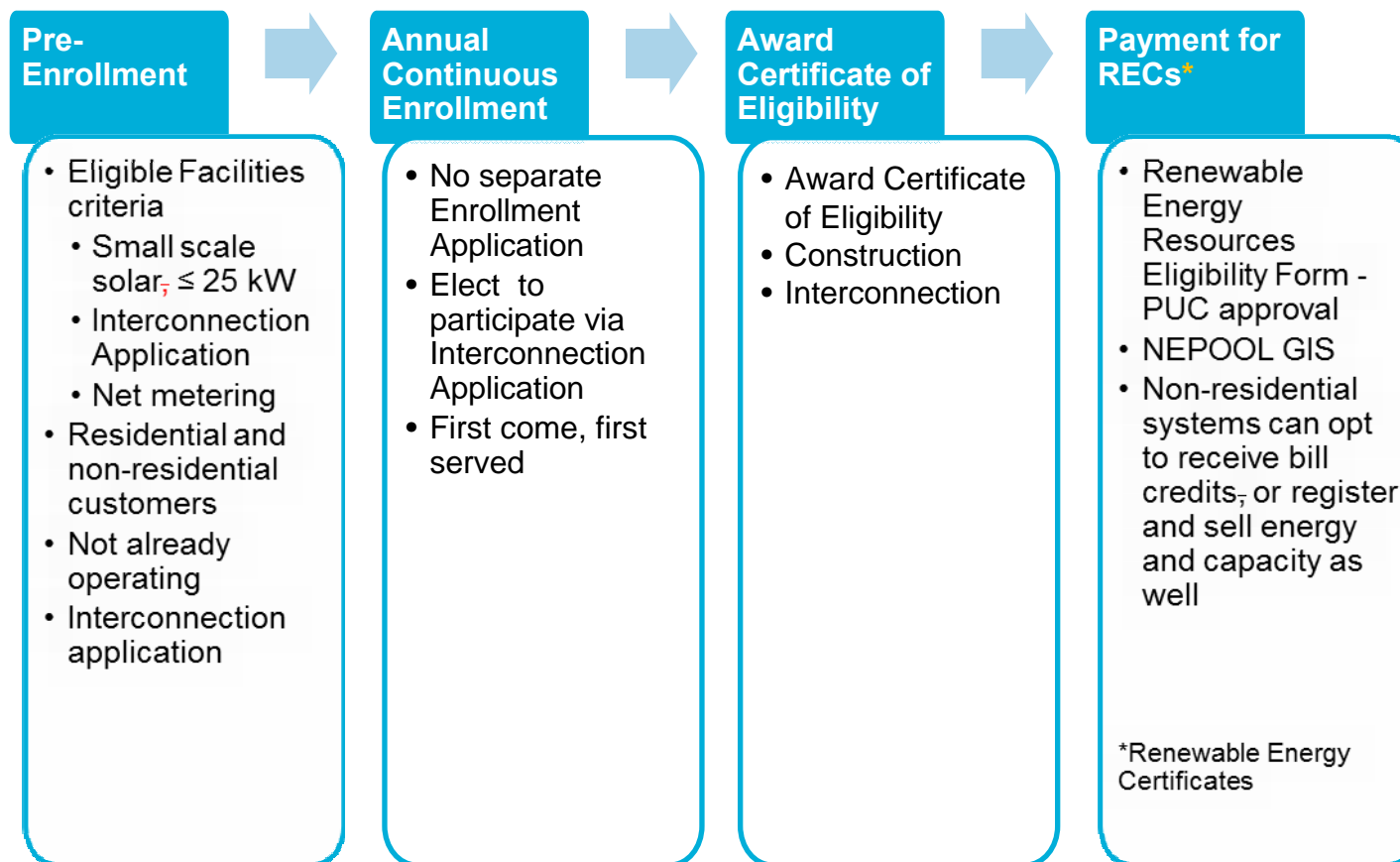
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Residential Application Overview

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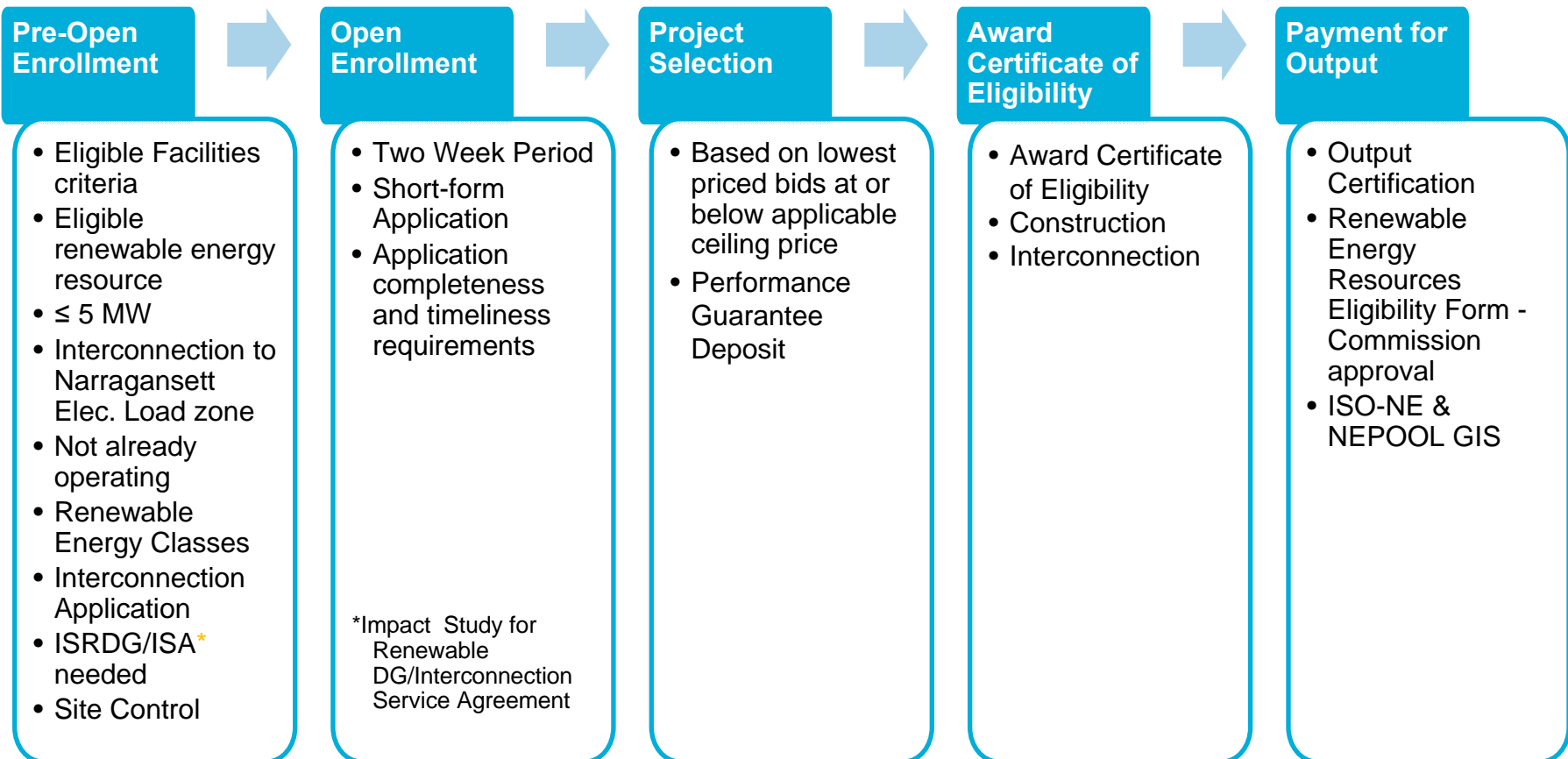


The purpose of this slide presentation is to provide an overview of the Company's Renewable Energy Growth Program. These slides should not be relied upon for Program eligibility or other requirements. Please refer to the Program tariffs and solicitation and enrollment process rules for Program eligibility and other requirements.

Larger Solar and Other Tech. Application Overview

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Program Eligibility Requirements

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- **Eligible Renewable Energy Classes as determined by the Board and approved by PUC**
- **Nameplate Capacity less than or equal to 5 MW**
- **Interconnect to Narragansett Electric Company distribution system and located in ISO-NE load zone**
- **Not Already Operating, excluding pre-existing hydro**
- **Not Under Construction, except for prep work <25% total project cost**
- **Not Fully Financed for construction, excluding small-scale solar projects**
- **Any associated accounts must be in good standing with the Company**
- **Prohibition on Project Segmentation**
- **Submitted Interconnection Application and have a completed Impact Study Renewable DG (ISR DG), if required, or Interconnection Service Agreement**
- **Site Control – Own, Lease, Ownership/Lease Options**

Renewable Energy Classes

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- **Small Distributed Generation Projects**

| 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 DG Board, up to 1 MW. |

- **Large Distributed Generation Projects**

| Commercial Scale Solar | Large Scale Solar | Large Scale 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 |

- **Each year, the DG Board will recommend the eligible renewable energy classes for PUC approval.**

The purpose of this slide presentation is to provide an overview of the Company's Renewable Energy Growth Program. These slides should not be relied upon for Program eligibility or other requirements. Please refer to the Program tariffs and solicitation and enrollment process rules for Program eligibility and other requirements.

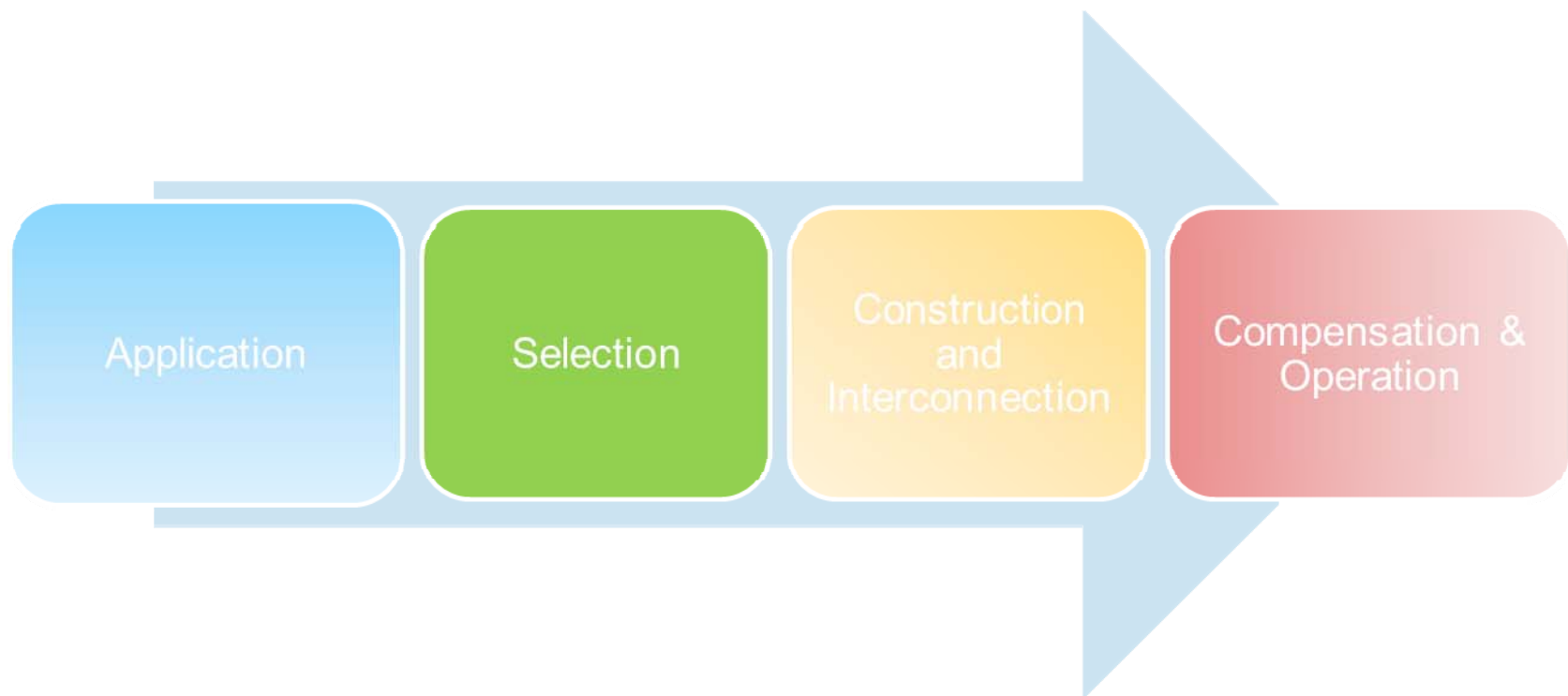
DG Board Proposed 2015 Program MW Targets

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| Renewable Energy Class (Nameplate kW) | Enrollment MW Target (Nameplate kW) |
|--|--|
| Small-Scale Solar (up to 25 kW DC) | 3,000 |
| Medium-Scale Solar (26-250 kW DC) | 4,000 |
| Commercial-Scale Solar (251-999 kW DC) | 5,500 |
| Large-Scale Solar (1,000-5,000 kW DC) | 6,000 |
| Wind (1,500-5,000 kW AC) | 5,000 |
| Anaerobic Digestion (150-1,000 kW AC) | 1,500 |
| Small-Scale Hydropower (10-1,000 kW AC) | |

The purpose of this slide presentation is to provide an overview of the Company's Renewable Energy Growth Program. These slides should not be relied upon for Program eligibility or other requirements. Please refer to the Program tariffs and solicitation and enrollment process rules for Program eligibility and other requirements.



RE Growth Enrollment Process

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- **Typically conduct 3 enrollments each year for all but Small Solar**
 - 2 open enrollments planned in 2015
- **Send Applicants e-mail communication one month prior to each enrollment**
- **Must complete and submit a short-form application during two week period**
- **Application will request information on:**
 - Project ownership/site control
 - Project Technical detail;
 - Bid pricing
 - Interconnection documentation
 - Financing and development costs
- **Award Certificate of Eligibility to selected Applicants approximately 6 weeks after each enrollment ends**

Application Evaluation & Selection Process



- **Large Scale Solar, Commercial Scale Solar and DG projects for Other Eligible Technologies** required to **submit competitive priced bid** (\$/kWh) for output of facility.
- **Selection of projects based on ranking of pricing bids** at or below applicable ceiling price for given technology class.
 - Projects awarded a Certificate of Eligibility (COE) will be paid Performance-Based Incentive (PBI) equal to their respective bid price.
- **Small-Scale and Medium-Scale Solar projects** will not be required to submit competitive priced bids - selected on “**first come, first served**” **basis** and paid applicable Standard PBI.

Award Certificate of Eligibility

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- **Certificate of Eligibility and Performance Guarantee Deposit:**
 - Projects >250 kW in nameplate capacity are required to wire a Performance Guarantee Deposit within 5 business days of being selected and offered a COE.
 - If payment is not received by date required, the Company will withdraw the offer and proceed with the next competitive bid in that enrollment
 - After confirmation of receipt of Performance Guarantee Deposit
 - Company awards COE to small- and medium-scale solar projects
 - Company files with the PUC list of all other selected projects and PUC shall issue an order awarding COEs
 - COE contains information about DG Facility such as – renewable technology and class, facility size, and energy output, term length and price (PBI).

Small Solar Applicants: Open Enrollment Process



■ Eligible Facilities and Criteria:

- Small-scale solar with a nameplate capacity up to and including 25 kW
- All residential and any non-residential customers wishing to receive bill credits must meet sizing requirements of net metering tariff – i.e., sized to annually produce electricity no greater than the customer's 3-year average annual usage

■ Enrollment continuously open until the annual targets for Small-Scale solar class has been met

- Additional capacity may become available under the annual MW target

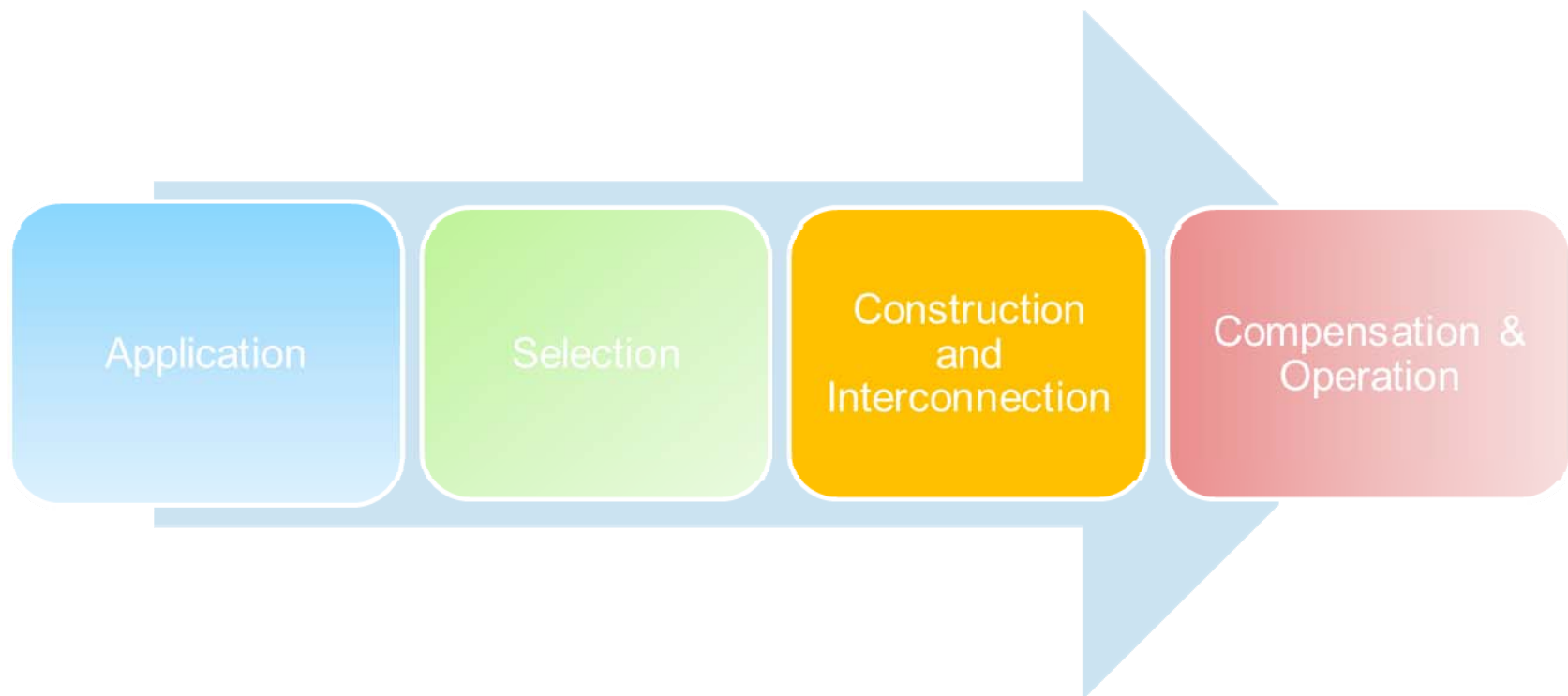
■ Customers or their Project Developer can simply submit an interconnection application and elect to participate in Program

Small Solar Applicants: Award of Certificate of Eligibility



■ Certificate of Eligibility and Project Schedule:

- National Grid selects projects and awards Certificates of Eligibility on a “first come, first served basis” until annual MW target is met.
- Small-Scale Solar Certificates will be issued as applications approved
 - Company will send a list of all recipients to PUC with other results
- Certificate of Eligibility voided if project does not complete construction and become operational per the tariff requirements within 24 months.



Residential and Small C&I Interconnection



- Small Residential and Small C&I (Most Small Scale Solar and those on Residential Tariff)
 - Under 10 kW (single phase) or under 25 kW (three-phase inverter-based PV)
 - Eligible for Simplified process (review and approval in as little as 15 to 20 business days)
 - Enrollment Application will start the interconnection process for these smaller systems

Medium Size Interconnection

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- Larger Residential and Small C&I (Some Small Scale Solar, Medium Scale Solar, Small DG, larger than 10 kW single phase on the Residential Tariff)
 - Larger than 10 kW single phase or larger than 25 kW-three-phase inverter-based PV up to 250 kW
 - Will follow Expedited process (up to 40 business days for application review and study process). Larger projects could require ISRDG under Standard process.
 - Once study process is complete, an Interconnection Service Agreement (ISA) with any upgrade requirements and construction schedule milestones will be provided
 - Enrollment Application requires executed ISA or completed ISRDG

Larger Size Interconnection

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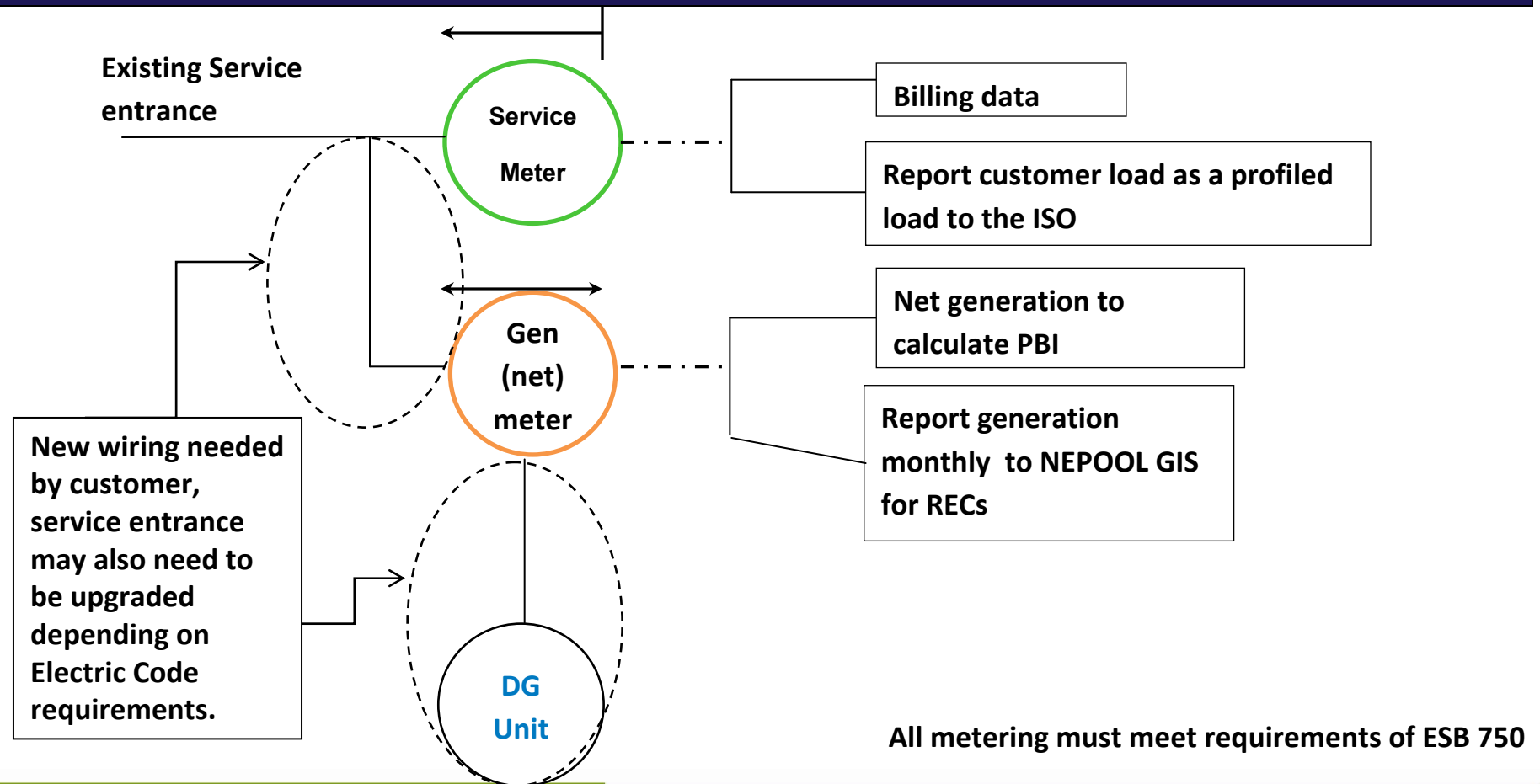
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- Projects larger than 250 kW (Commercial Solar, Large Scale Solar and other Large DG)
 - May be eligible for Expedited process (up to 40 business days for application review and study process).
 - If not eligible for Expedited, Standard process followed
 - ISRDG (study only) can take up to 90 calendar days, whole process of application review and doing all necessary studies can take up to 120 business days
 - Once study process is complete, an Interconnection Service Agreement (ISA) with any upgrade requirements and construction schedule milestones will be provided
 - Following study process, an ISA is offered with any upgrade requirements specified
 - Interconnection application and study process must take place prior to applying to the Program
 - Enrollment Application requires executed ISA or completed ISRDG

Metering for DG < 25 KW for Residential and Small C&I

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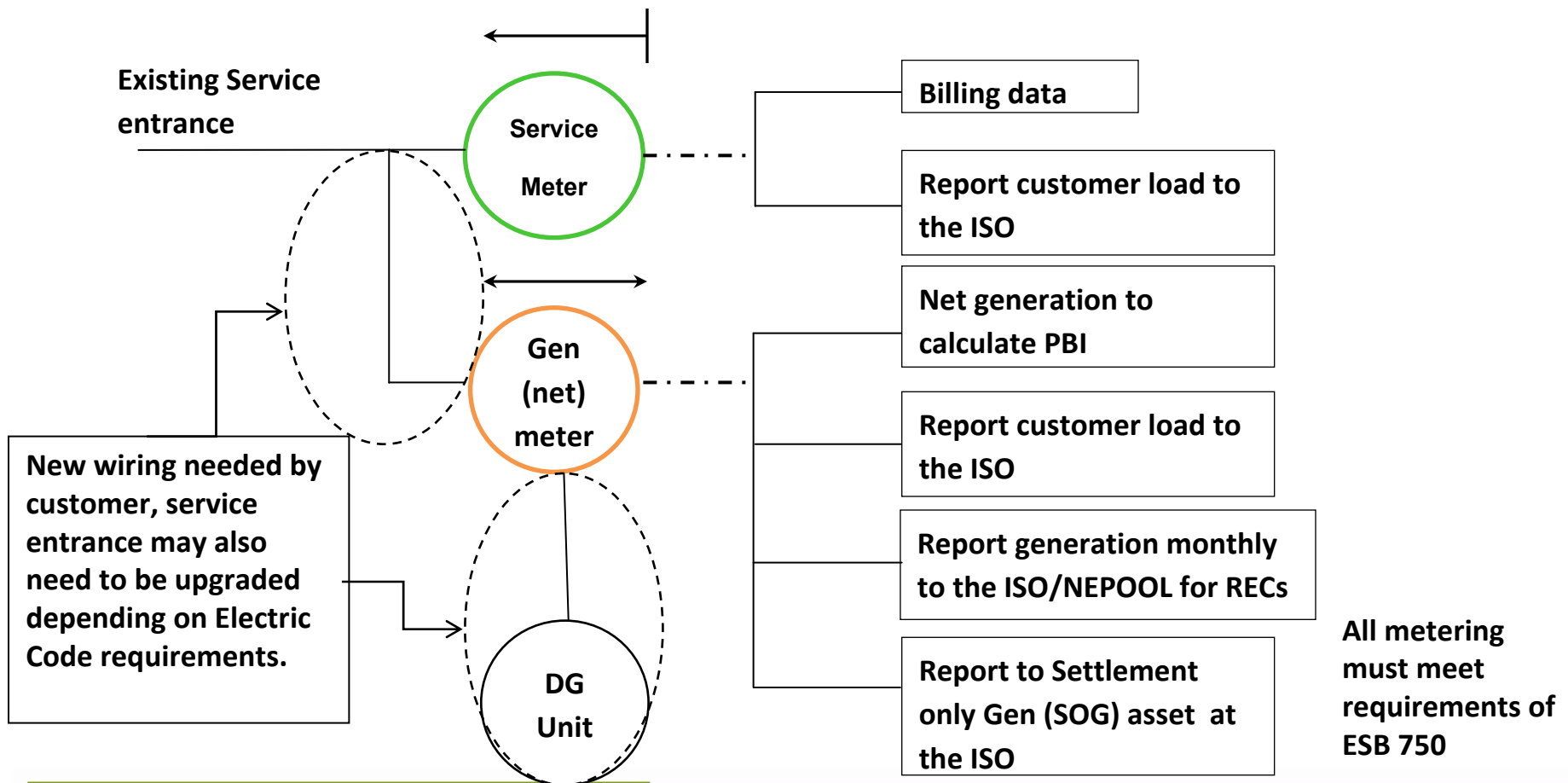
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Metering for All DG > 25 kW, and All Interval Metered Customers

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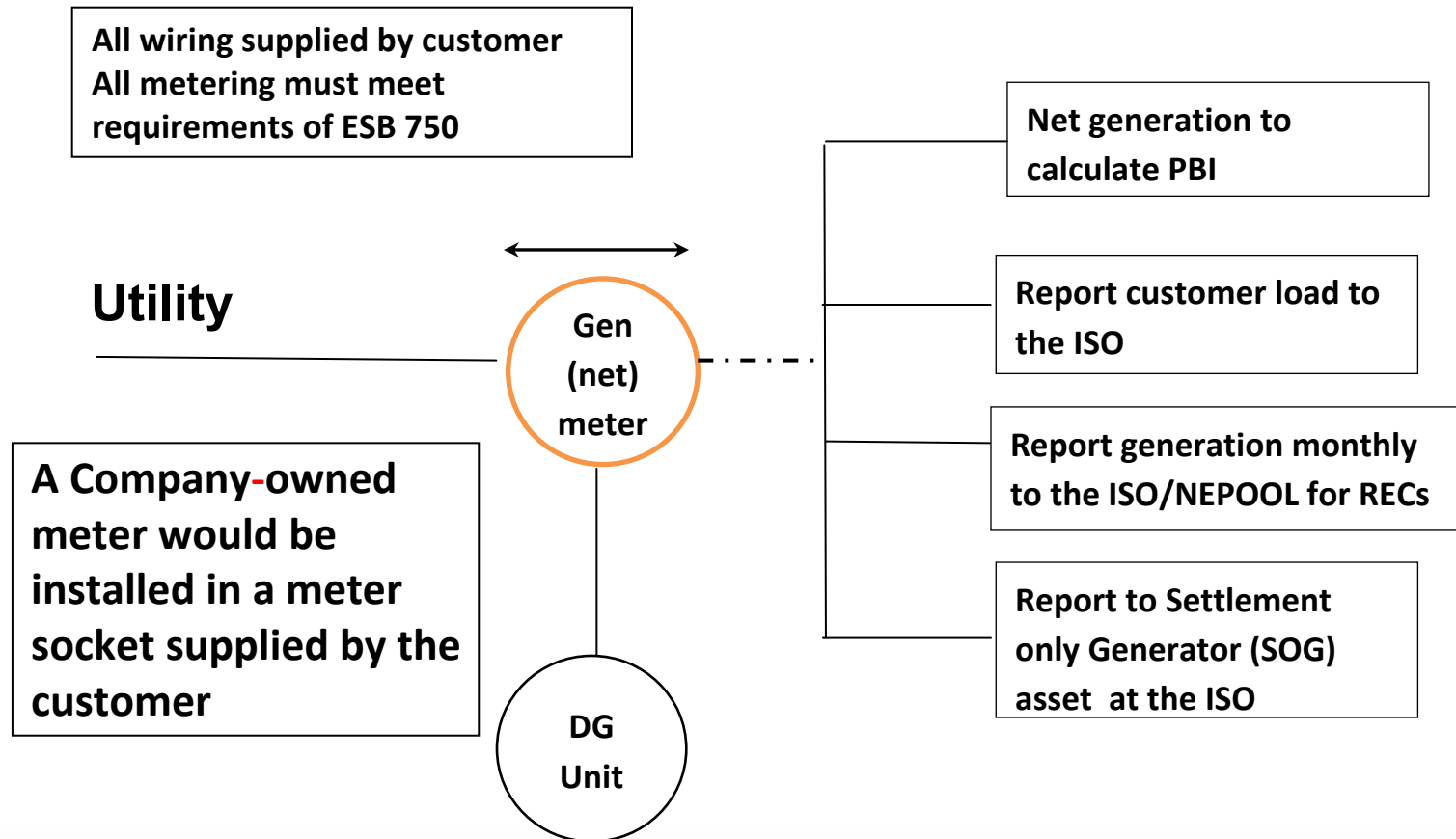


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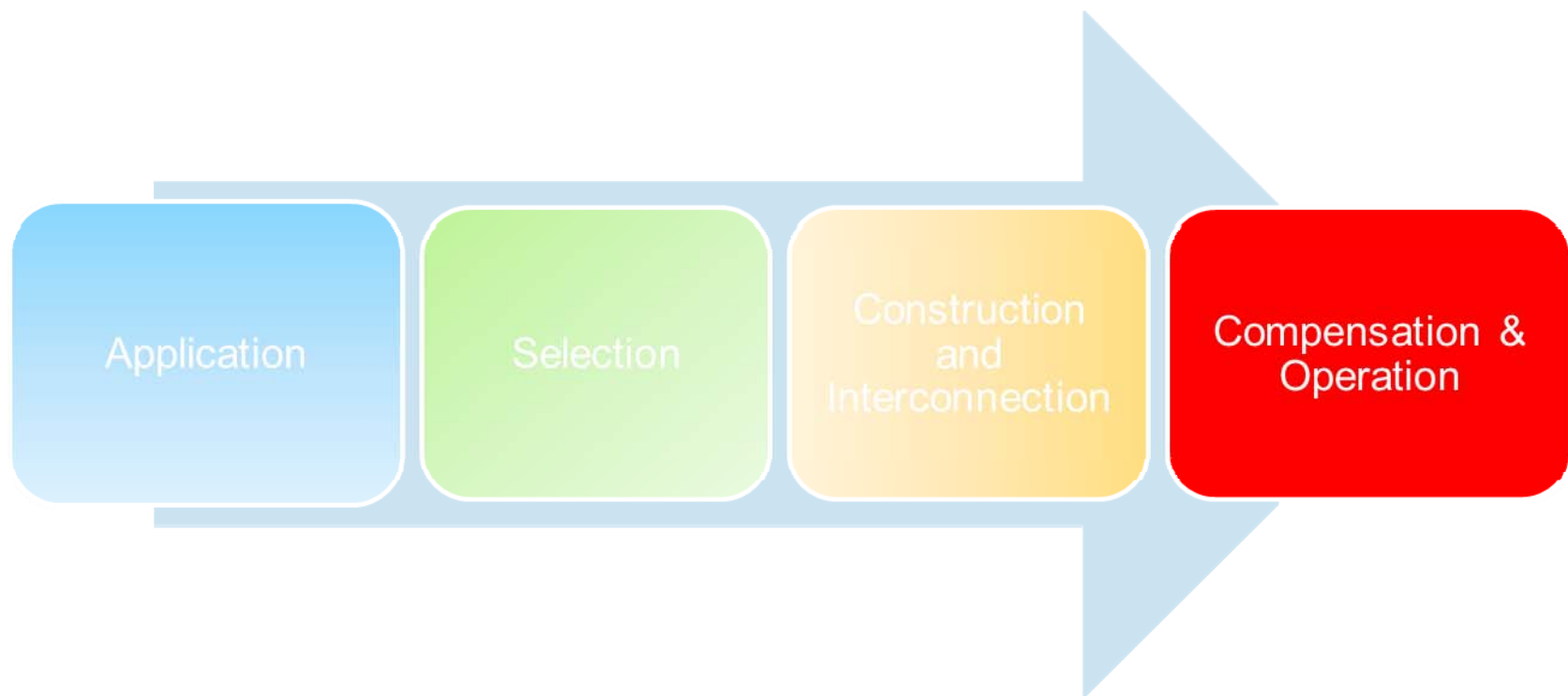
Stand-alone DG Project Metering

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RE Growth Tariffs

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- Tariffs provide guarantee of PBI payments for the term specified in the applicable tariff supplement
- Applicant/customer must abide by the terms of the tariff
- Once awarded a Certificate of Eligibility, applicant may not terminate without Company's consent
- Supplements will be filed following each round of enrollments and will include PBI, term, list of bid projects awarded COE, and other project details
- For non-residential customers, Company will own all output
- Residential customers retain all energy and capacity for self-supply per the statute

Initiating Payment for Output

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Threshold Requirements to initiate PBI payments for output:

- Output Certification by Licensed Professional Engineer (except small and medium solar)
- Registration of Asset in ISO-NE (except residential systems)
- NEPOOL GIS registration
- Qualification as “Renewable Energy Resource” under Renewable Energy Standard with PUC required
- Non-residential customers may need to register as Renewable Portfolio Standard eligible in other states at their cost, if the Company directs them to

Certificate of Eligibility

- Once DG Facility meets all conditions for payment under the Tariff, the COE becomes effective and payments begin

Larger Solar and Other Tech. Program: Output Certification



- **Output Certification by Licensed Professional Engineer for Solar >250 kW and all systems of other technologies:**
 - DG Facility has completed construction, interconnection, meter installation & testing.
 - DG Facility capable of producing at least 90% of energy output stated on Certificate of Eligibility.
 - Actual nameplate capacity and maximum hourly output as stated on Certificate of Eligibility.
- **Certificate of Eligibility voided and performance guarantee deposit is forfeited if output certification not provided within 24 months, except:**
 - 36 months for Anaerobic Digestion
 - 48 months for small-scale Hydropower

Net-Metering Provision vs. RE Growth Program



- RE Growth customers who opt to receive RE Growth bill credits must meet the sizing criteria in the RE Growth tariffs, which are the same as specified in the Net Metering Provision
- Customers can receive RE Growth bill credits OR choose to receive compensation for eligible generation under the Net Metering Provision, as they are different tariffs
 - If compensated in NM Provision, they will not be eligible for participation in RE Growth Program for that system
- At the conclusion of the term specified in the applicable tariff supplement, RE Growth program Customers that are eligible for net metering can receive compensation under the Net Metering Provision

Billing of Performance-Based Incentive Payments



- Prior to receiving PBI Payments:
 - The Applicant must select payment method before the system is operational (Non-Residential only)
 - If a Customer account is to receive bill credits, that Customer must file a Schedule B for net metering
 - Customer must ensure that retail delivery service account is in good standing prior to receiving bill credits
 - Customer/Applicant must pay all outstanding charges, including interconnection fees and costs

Residential Projects: Billing of PBI Payments



- Applicants will receive the Standard PBI for the term specified in the tariff supplement applicable to each enrollment
- PBI will be paid through a combination of bill credit on customer's electric service account and cash payment to designated recipient
- Customer's monthly bill will reflect:
 - Billing of on-site use at applicable retail delivery service and commodity charges
 - Bill credit based upon the lesser of the customer's on-site use or the resource generation
 - Calculation of cash payment to recipient which will be the full PBI payment less the bill credit

Illustrative Electric Bill – Residential Full Requirements Customer



Calculations below are simplified examples and do not include all applicable charges, such as taxes and fixed charges.

■ Delivery Service

| | | |
|-------------------------|------------------------------------|----------|
| ■ Customer Charge | | \$ 5.00 |
| ■ Delivery Service Chgs | $\$0.07131 \times 700 \text{ kWh}$ | \$ 49.92 |

■ Supply Service (National Grid)

| | | |
|------------------|------------------------------------|-----------------|
| ■ Energy Charges | $\$0.08359 \times 700 \text{ kWh}$ | <u>\$ 58.51</u> |
|------------------|------------------------------------|-----------------|

➤ Total Electric Service Charges \$113.43

Illustrative (1) Electric Bill – Residential RE Growth Program

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Calculations below are simplified examples and do not include all applicable charges, such as taxes and fixed charges.

■ Electric Service Bill

■ Delivery Service

| | | |
|--------------------------|------------------------------------|----------|
| Customer Charge | | \$ 5.00 |
| Delivery Service Charges | $\$0.07131 \times 700 \text{ kWh}$ | \$ 49.92 |

■ Supply Service (National Grid)

| | | |
|------------------------|------------------------------------|-----------------|
| Energy Charges | $\$0.08359 \times 700 \text{ kWh}$ | <u>\$ 58.51</u> |
| Current Charges | | \$113.43 |

■ Performance-Based Incentive Payment

| | | |
|---------------|------------------------------------|----------|
| ■ PBI Payment | $\$0.2500 \times 1000 \text{ kWh}$ | \$250.00 |
|---------------|------------------------------------|----------|

■ Bill Credit

| | | |
|--------------------------|------------------------------------|-----------------|
| Delivery Service Charges | $\$0.07131 \times 700 \text{ kWh}$ | \$ 49.92 |
| Energy Charges | $\$0.08359 \times 700 \text{ kWh}$ | <u>\$ 58.51</u> |
| <u>Total Bill Credit</u> | | \$108.43 |

- Electric Service \$113.43
- Bill Credit (\$108.43)

Total due National Grid
\$5.00

- PBI Payment \$250.00
- Bill Credit (\$108.43)

Recipient Cash Payment
\$141.57

Illustrative (2) Electric Bill – Residential RE Growth Program

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Calculations below are simplified examples and do not include all applicable charges, such as taxes and fixed charges.

| | | | |
|---|----------------------------|--|-----------------|
| ■ <u>Electric Service Bill</u> | | | |
| ■ <u>Delivery Service</u> | | | |
| Customer Charge | | | \$ 5.00 |
| Delivery Service Charges | \$0.07131 x 700 kWh | | \$ 49.92 |
| ■ <u>Supply Service (National Grid)</u> | | | |
| Energy Charges | \$0.18000 x 700 kWh | | <u>\$126.00</u> |
| | Current Charges | | \$180.92 |
| ■ <u>Performance-Based Incentive Payment</u> | | | |
| ■ PBI Payment | \$0.2500 x 700 kWh | | \$175.00 |
| ■ <u>Bill Credit</u> | | | |
| Delivery Service Charges | \$0.07131 x 700 kWh | | \$ 49.92 |
| Energy Charges | \$0.18000 x 700 kWh | | <u>\$126.00</u> |
| | <u>Total Bill Credit</u> | | \$175.92 |

- Electric Service \$180.92
- Bill Credit (\$175.92)

Total due National Grid
\$5.00

- PBI Payment \$175.00
- Bill Credit (\$175.92)

Recipient Cash Payment
\$0

Non-Residential Projects: PBI Payments



- Option 1
 - PBI may be paid in the form of a check or in some other form agreeable to the Company and the Applicant
 - If generation unit is “stand-alone”, Company will establish billing account and PBI payment will be based upon the net output
 - If on-site load is present, Customer will receive electric bill based upon on-site use, PBI payment Recipient will receive PBI payment based upon net output of generation
- Option 2
 - Where on-site load is present, PBI payment may be a combination of bill Credit to customer and check to PBI payment Recipient
- Applicant may change billing option once during term of tariff supplement

Illustrative Electric Bill – Non-Residential: Option 1

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Calculations below are simplified examples and do not include all applicable charges, such as taxes and fixed charges.

■ Electric Service Bill

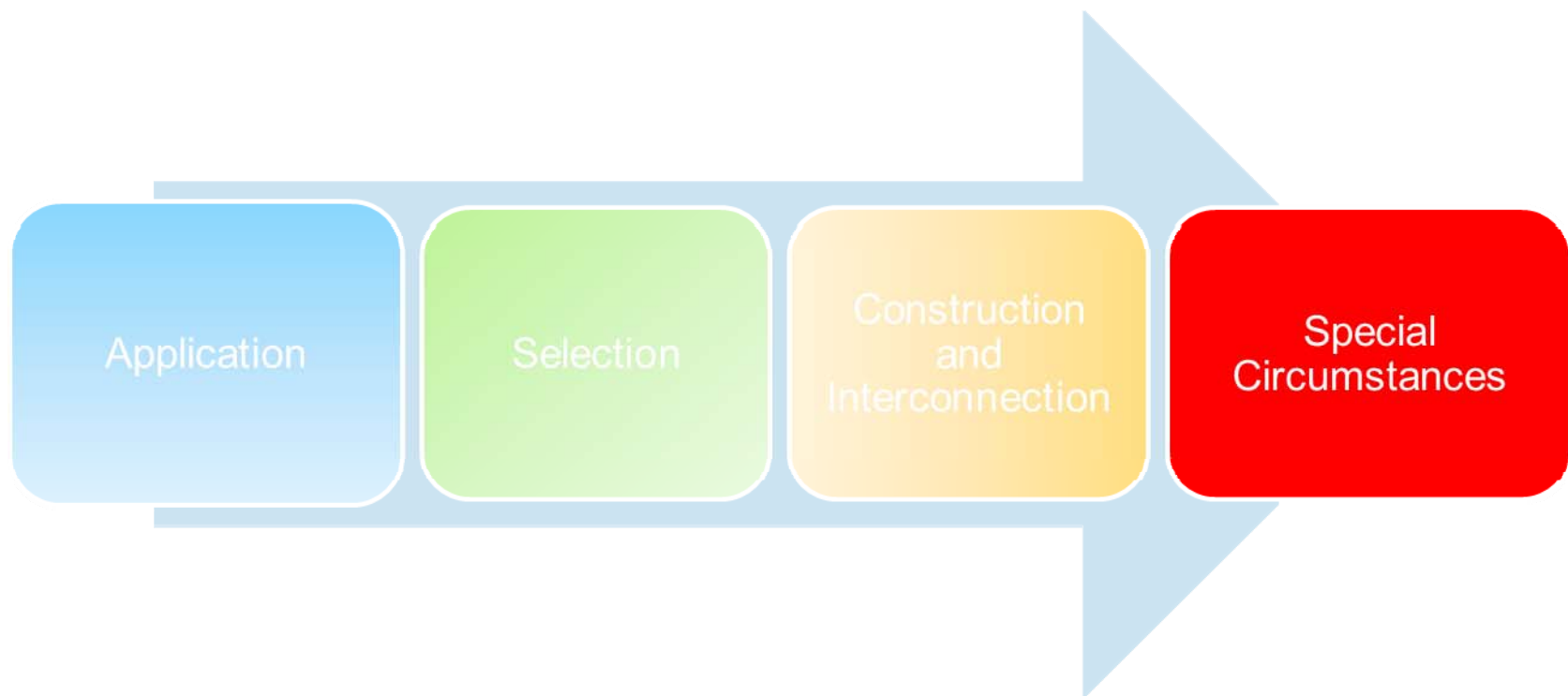
Delivery Service

| | |
|-----------------------------|----------|
| Customer Charge (Small C&I) | \$ 10.00 |
|-----------------------------|----------|

■ Performance-Based Incentive Payment

| | | |
|-------------|------------------------|----------|
| PBI Payment | $\$0.2500 \times 1000$ | \$250.00 |
|-------------|------------------------|----------|

| | |
|--------------------------------|----------|
| ➤ Total Due Customer/Recipient | \$240.00 |
|--------------------------------|----------|



Updates and Transfers

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- Applicants to the program are responsible to update National Grid on any changes in their contact details
- Applicants are responsible for completing the projects, and completing all of the steps, not the Customer receiving bill credits (unless the same person)
- Transfers of ownership of a Certificate of Eligibility are anticipated, e.g. with sales of the systems themselves
- Such transfers must be made in writing, signed by the current Applicant, and provided to National Grid

Segmentation and Expansion

- To protect against abuses of the class and ceiling price definitions, the Program provides certain limitations
- Anti-segmentation Rules on same or contiguous parcels by same applicant apply, except for:
 - Different technology allowed (e.g., wind and solar on same site)
 - New system construction commences after 24 months allowed
 - Net metered only allowed
 - Contiguous parcels with different customers and distinct systems
- Expansion of existing systems is not allowed: Generation consistently greater than certified maximum may result in loss of Certificate of Eligibility and tariff eligibility

Rollout and Communication

- Once PUC issues order and program details are finalized, National Grid will provide communication to customers via web, email and other means to educate them about the Program
- To further help customers participate in the Program, web page guides and FAQs will be developed about Application & Enrollment Processes
- RE Growth specific information will be included in Company's Interconnection Trainings for installers/engineers
- Notification of competitive solicitations will occur approximately four weeks ahead of enrollment period opening via email and other channels