

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

THE NARRAGANSETT ELECTRIC COMPANY’S	:	
d/b/a NATIONAL GRID 2017 RENEWABLE	:	
ENERGY GROWTH PROGRAM MID-YEAR	:	DOCKET NO. 4672
MODIFICATIONS TO TARIFFS, RULES, AND	:	
SOLARWISE PROGRAM	:	

ORDER

I. Introduction

Established in Chapter 39-26.6 of the Rhode Island General Laws, the Renewable Energy Growth (RE Growth) Act created a tariff-based financing program for renewable distributed energy generation systems. The program is expressly subject to review and supervision by the Public Utilities Commission (PUC or Commission). The purpose of the program is to facilitate and encourage the installation and development of 160 megawatts of renewable distributed generation systems in Rhode Island, reduce environmental impacts and carbon emissions, diversify generation sources, stimulate economic development, improve distribution system resilience and reliability, and reduce distribution system costs.¹ In June 2017, the General Assembly expanded the RE Growth Program with an additional 400 megawatts of renewable energy over 10 years.²

No later than November 15 prior to the beginning of the applicable program year, the Narragansett Electric Company d/b/a National Grid (National Grid or Company) is required to file for review and approval by the PUC tariffs and rules governing the solicitation and enrollment process (rules) designed to provide performance-based incentives to eligible, renewable distributed

¹ R.I. Gen. Laws § 39-26.6-1.

² R.I. Gen. Laws § 39-26-12.6-12(c)(5); *see also* 2017-Senate Bill 0112A, 2017-House Bill 5274A; <http://webserver.rilin.state.ri.us/BillText/BillText17/SenateText17/S0112A.pdf>.

generation projects for a term of years.³ The law also allows National Grid to propose modifications to the tariffs and rules at any time during the course of the program year.⁴

On September 10, 2017, the Company filed with the PUC proposed mid-year modifications to the 2017 Renewable Energy Growth Program Tariffs, Rules, and SolarWise Program (Mid-Year Filing). The modifications discontinue the current SolarWise Program and create a re-branded RE Growth Solar Marketplace and enhanced marketing campaign.⁵ In addition, the Company proposed several clarifying tariff changes related to the Community Remote Distributed Generation Program.

At an Open Meeting held on October 13, 2017, the PUC approved, with modification, National Grid's Mid-Year Filing. At an Open Meeting on November 9, 2017, and after further considering its October 13, 2017 deliberations regarding the RE Growth Program budget, the PUC ordered National Grid to file, on or before December 15, 2017, a proposed budget for the 2018 RE Growth Program.

II. National Grid's Filing

National Grid filed testimony of Ian Springsteel, Director of U.S. Retail Regulatory Strategy, in support of its proposal to discontinue the SolarWise Program as of October 15, 2017.⁶ Mr. Springsteel testified that the SolarWise Program, launched in July 2016, provided for in-person discussions of solar energy incentives with customers as part of home energy efficiency assessments. Qualifying customers were offered various bonus levels of payment for their solar

³ R.I. Gen. Laws §§ 39-26.6-5 and 10.

⁴ R.I. Gen. Laws § 39-26.6-10(d).

⁵ National Grid's 2017 Renewable Energy Growth Program Mid-Year Modifications to Tariffs, Rules, and SolarWise Program (Sept. 10, 2017) (Mid-Year Filing); [http://www.ripuc.org/eventsactions/docket/4672-NGrid-REG-MidYear-Modification\(9-8-17\).pdf](http://www.ripuc.org/eventsactions/docket/4672-NGrid-REG-MidYear-Modification(9-8-17).pdf). All filings in this docket are available at the PUC offices, located at 89 Jefferson Boulevard, Warwick, R.I. or at <http://www.ripuc.org/eventsactions/docket/4550page.html>.

⁶ Mid-Year Filing at 7-14.

output if they achieved target levels of energy efficiency savings.⁷ Mr. Springsteel explained the Company's proposal to discontinue the in-person solar discussions and bonus incentives and create an improved online Solar Marketplace and redesigned, strategic marketing campaign.⁸ The Company would continue to operate the Solar Marketplace through the RE Growth Program in partnership with its vendor, EnergySage, and market the RE Growth Program and energy efficiency assessments through various outlets, including the internet, social media, and email targeting residential customers.⁹ In support of the proposal, Mr. Springsteel offered a recent National Renewable Energy Laboratory study indicating that installation contracts secured through the EnergySage website cost 10-20% less than solar contracts secured through other means.¹⁰

Mr. Springsteel testified that the proposed changes were prompted by an assessment of the SolarWise Program conducted in April and May 2017. The assessment found that 24% of National Grid customers who registered with the online SolarWise Marketplace went on to install solar. This installation rate falls at the high end of the 10-25% range for EnergySage co-sponsored programs nationally.¹¹ In contrast, only 1% of customers who participated in solar installation discussions during energy efficiency assessments proceeded to the SolarWise Marketplace and, of those, fewer still pursued a SolarWise Bonus application.¹² Accordingly, the Company concluded that the SolarWise Bonus was not effective in encouraging customers who pursue energy efficiency opportunities to also install solar.¹³

In discovery filed with the Commission, the Company proposed a budget of \$92,300 for the new, rebranded Solar Marketplace and enhanced marketing activities for the RE Growth

⁷ *Id.* at 6.

⁸ *Id.* at 7.

⁹ *Id.* at 8.

¹⁰ *Id.* at 8.

¹¹ *Id.* at 9.

¹² *Id.*

¹³ *Id.* at 10.

Program year ending March 2018. The Company averred that a majority of the costs, \$70,000, was for the marketing campaign; \$12,050 was for required modifications to the Solar Marketplace website; and the remaining \$10,250 was to fund the solar assessments.¹⁴ The Company indicated that this budget had been proposed in the Company's RE Growth Cost Recovery and Reconciliation Factor filing, submitted to the Commission on June 30, 2017 in Docket No. 4707.¹⁵ In that filing, the Company proposed the \$92,000 as the estimated cost "for continued implementation of the SolarWise Program" previously approved by the Commission.¹⁶

The Company also indicated in discovery that discontinuation of the SolarWise Program would reduce costs associated with solar assessments for those customers who received a home energy audit and qualified for the SolarWise Bonus incentive through the RE Growth Program. The solar assessment costs had been budgeted at \$30,000 per year. The proposed change to the Solar Marketplace would reduce the budgeted amount to \$10,250. According to the Company, the savings would be offset by an increase in this year's EnergySage costs.¹⁷

Finally, Mr. Springsteel testified that the Company also proposed two technical revisions to the residential and non-residential tariffs. The revisions related to the process for valuing unallocated kilowatt hours for the Community Remote Distributed Generation Program and clarified that bill credit recipients cannot receive credits from more than one RE Growth project.¹⁸

III. Division's Comments

On October 4, 2017, Division consultant Carrie Gilbert, of Daymark Energy Advisors, filed a memorandum indicating that the Company's proposed technical edits to the tariffs were

¹⁴ National Grid's Response to COMM 4-1.

¹⁵ National Grid's Response to COMM 4-1; *see also* Docket No. 4707, National Grid's 2017 Renewable Energy Growth Program Factor and Reconciliation Filing (June 30, 2017) (2017 RE Growth Factor Filing) at Sched. ASC-2, page 4, line 4; [http://www.ripuc.org/eventsactions/docket/4707-NGrid-REGrowth-Factor-2017\(6-30-17\).pdf](http://www.ripuc.org/eventsactions/docket/4707-NGrid-REGrowth-Factor-2017(6-30-17).pdf).

¹⁶ 2017 RE Growth Factor Filing at 14.

¹⁷ National Grid's Response to COMM 4-2.

¹⁸ Mid-Year Filing at 3-5.

reasonable.¹⁹ Ms. Gilbert also recommended that the Company's request to discontinue the SolarWise program be approved, citing the program's low participation rates and the Company's survey that showed the program failed to drive solar installations.²⁰ Ms. Gilbert also recommended that the Company's request to develop an enhanced Solar Marketplace and marketing campaign be approved. Referencing the National Renewable Energy Laboratory study showing that customers received lower quotes from EnergySage, Ms. Gilbert opined that the additional spending on the Solar Marketplace and related marketing could benefit customers. Encouraging customers to use the Solar Marketplace could lower installed costs and, over time, decrease RE Growth ceiling prices.²¹

Ms. Gilbert recommended that the Company provide the Commission with an update on the effectiveness of the Solar Marketplace by October 1, 2018. The update should include the number of customers who obtained quotes from the Solar Marketplace, the number of customers who executed contracts through the Solar Marketplace, the capacity procured through the Solar Marketplace, and, if possible, the estimated impact on installed cost for those customers who used the Marketplace.²²

IV. National Grid's Reply Comments

In written comments submitted on October 12, 2017, the Company proposed it provide an update regarding the effectiveness of the marketing campaign in its annual RE Growth Program Plan filing, which it will submit to the PUC on November 15, 2018, rather than in a separate

¹⁹ Mem. of Carrie Gilbert, Daymark Energy Advisors, (Oct. 4, 2017); [http://www.ripuc.org/eventsactions/docket/4672-DPU-Memo\(10-4-17\).pdf](http://www.ripuc.org/eventsactions/docket/4672-DPU-Memo(10-4-17).pdf).

²⁰ *Id.* at 2.

²¹ *Id.*

²² *Id.*

October 1, 2018 filing, as the Division suggested. The Company represented that the Division found the proposal acceptable.²³

V. Commission Findings

At an Open Meeting on October 13, 2017, the PUC approved the Company's proposed technical changes. The Commission approved, as well, the Company's proposal to discontinue all aspects of the SolarWise Program. The PUC based its approvals on the recommendations of the Division's consultant and testimony that the SolarWise Bonus program has failed to encourage customers pursuing energy efficiency opportunities to also pursue solar installations. At the Open Meeting, the Commission did not address the Division's recommendation that the Company report on the effectiveness of the Solar Marketplace. However, the Commission is cognizant of and will address the recommendation during review of the 2018 RE Growth Program filing.²⁴

The PUC also directed National Grid to provide additional budgetary information prior to engaging in the rebranding of the Marketplace website and associated enhanced marketing activities. It found that the Company's proposal to repeal the SolarWise Program raised issues concerning the timing of various RE Growth Program budgetary filings and/or new filing requirements. The Commission noted, for example, that on September 22, 2017, the PUC approved the RE Growth Program Factor and Reconciliation filing in Docket No. 4707. That filing included a budget of approximately \$92,000 for the SolarWise Program and SolarWise Marketplace related activities.²⁵ The PUC's approval of that budget was for spending on a program that the PUC had

²³ Letter of Jennifer Brooks Hutchinson (Oct. 12, 2017); [http://www.ripuc.org/eventsactions/docket/4672-NGrid-Reply-DPU-Memo\(10-12-17\).pdf](http://www.ripuc.org/eventsactions/docket/4672-NGrid-Reply-DPU-Memo(10-12-17).pdf).

²⁴ See National Grid's 2018 Renewable Energy Growth Program Filing (Nov. 15, 2017) (Docket No. 4774); <http://www.ripuc.org/eventsactions/docket/4774page.html>.

²⁵ See PUC Order 22927 (Oct. 17, 2017); http://www.ripuc.org/eventsactions/docket/4707-NGrid-Ord22927_10-18-17.pdf.

even earlier, at an Open Meeting on February 10, 2016, found to be just and reasonable.²⁶ But, in the instant docket, the Company relies on the previously approved budgetary amounts while materially changing the previously approved program. In order to make a determination regarding the modified program activities, the PUC noted that it would be better if it had an opportunity to determine whether spending on those activities is just and reasonable. To do so, the PUC would need to understand what the Company spent in the last six months, the Company's anticipated spending in the next six months, and the anticipated value for those activities. That could not be done here, however, because there is no budget before the PUC that reflects the modified program activities.

The PUC, accordingly, expressed interest in changing the timing of the RE Growth Program Factor filing by separating it from the Reconciliation Factor filing. The PUC's goal was to set the Program Factor at the start of the program year (April 1) while still allowing the Reconciliation Factor to be filed three months after the close of the program year (June 30). That way, the PUC would at least be able to review the budget contemporaneously with its review of the program that the budget supports. Both the Reconciliation Factor and the Program Factor provide for recovery from ratepayers over the period October through September. While the statutory rubric still causes a mismatch of program year (April through March) and the Company's recovery of program costs (October through September),²⁷ the PUC's change to the timing of the

²⁶ The PUC approved the SolarWise Program at its February 10, 2016 Open Meeting in Docket 4589-A; <http://www.ripuc.org/eventsactions/minutes/021016.pdf>.

²⁷ R.I. Gen. Laws § 39-26.6-25(b) provides that within three months after the end of the program year, National Grid "shall reconcile the total amount recovered from distribution customers against the total net payments and costs for the program year." R.I. Gen Laws § 39-26.6-25(a) provides that the National Grid shall file with the reconciliation a new forecast of payments for the next twelve-month period and any costs permitted for recovery.

budget filing can ameliorate the concern. The PUC directed staff to solicit comments from interested parties regarding this proposal.²⁸

On October 25, 2017, the Rhode Island Office of Energy Resources submitted written comments indicating it had no objection to the PUC's proposal.²⁹ On November 3, 2017, National Grid submitted comments stating that it would not object to proposed legislation amending R.I. Gen. Laws § 39-26.6-25(b) to separate the filing schedule for the RE Growth Program Factor and the Reconciliation Factor.³⁰

At an Open Meeting on November 9, 2017, the Commission further discussed the timing of RE Growth budgets filed with the PUC. The Commission then ordered National Grid to submit, on or before December 31, 2017, a proposed budget for the 2018 RE Growth Program year in the same format as the budget included with the 2018 RE Growth Factor and Reconciliation filing. This will allow the PUC to review any deviations between the proposed budget for the 2018 program year and the actual 2018 budget, which will be submitted in the Program Factor and Reconciliation filing on June 30, 2018, to ensure that all costs are properly and prudently incurred.³¹

²⁸ Comments were solicited in Docket No. 4707, the Narragansett Electric Company d/b/a National Grid's 2017 Renewable Energy Growth Factor Filing and Reconciliation (June 30, 2017); <http://www.ripuc.org/eventsactions/docket/4707page.html>.

²⁹ October 25, 2017 email from OER attorney Andrew Marcaccio to PUC Deputy Chief of Legal Services, Cynthia Wilson-Frias.

³⁰ Letter of Raquel Webster (Nov. 3, 2017); [http://www.ripuc.org/eventsactions/docket/4707-NGrid-Comments\(11-3-17\).pdf](http://www.ripuc.org/eventsactions/docket/4707-NGrid-Comments(11-3-17).pdf).

³¹ R.I. Gen. Laws § 39-26.6-13.

Accordingly, it is hereby

(23014) ORDERED:

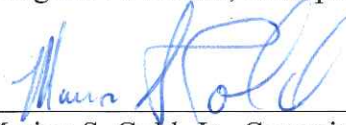
1. The 2017 Renewable Energy Growth Program Mid-Year Modifications to Tariffs, Rules, and SolarWise Program proposed by the Narragansett Electric Company d/b/a National Grid on September 8, 2017 are approved as filed.
2. The Narragansett Electric Company d/b/a National Grid shall submit, on or before December 31, 2017, a proposed budget for the 2018 Renewable Energy Growth Program year in the same format as the budget included with the Renewable Energy Growth Factor and Reconciliation filing that will be submitted to the Public Utilities Commission in June 2018.
3. The Renewable Energy Growth Program Tariffs and Solicitation and Enrollment Rules and the SolarWise Program hereinafter filed by Narragansett Electric Company d/b/a National Grid shall be consistent with this Order, unless otherwise modified by subsequent order of the Public Utilities Commission.

EFFECTIVE AT WARWICK, RHODE ISLAND ON NOVEMBER 9, 2017 PURSUANT TO AN OPEN MEETING DECISION. WRITTEN ORDER ISSUED JANUARY 19, 2018.

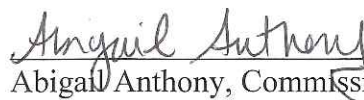
PUBLIC UTILITIES COMMISSION



Margaret E. Curran, Chairperson



Marion S. Gold, Jr., Commissioner



Abigail Anthony, Commissioner



Notice of Right of Appeal: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.