

December 21, 2016

**VIA HAND DELIVERY & ELECTRONIC MAIL**

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

**RE: Docket 4676-Proposed National Grid Proposal to Bid Capacity of Customer-Owned  
DG Facilities into the Forward Capacity Market  
Responses to OER Data Requests – Set 1**

Dear Ms. Massaro:

On behalf of National Grid,<sup>1</sup> I have enclosed the Company's responses to the first set of data requests issued by the Rhode Island Office of Energy Resources (OER) in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-7288.

Very truly yours,



Jennifer Brooks Hutchinson

Enclosures

cc: Docket 4676 Service List  
Leo Wold, Esq.  
Jon Hagopian, Esq.  
Steve Scialabba, Division

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<sup>1</sup> The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

Certificate of Service

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

The paper 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.

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Joanne M. Scanlon

December 8<sup>th</sup>, 2016  
Date

**Docket No. 4676 National Grid – Forward Capacity Market Proposal  
Service List updated 12/7/16**

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The Narragansett Electric Company  
d/b/a National Grid  
RIPUC Docket No. 4676  
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OER 1-1

Request:

How did National Grid arrive at the proposed 80%/20% sharing allocation of net proceeds?

Response:

The Company has proposed the sharing arrangement, whereby it would share in 20 percent of the net proceeds or net costs, in order to align the interests of the Company and its customers and incent the Company to maximize the value of its portfolio of DG Facilities in the FCM for the benefit of its customers. As noted in the Company's response to Division 1-29, the Company considered a wide range of sharing arrangements, including higher and lower sharing levels, as well as a range of penalty sharing from 0 percent to the Company taking 100 percent of the downside risk. After considering these options, the Company determined that the symmetrical sharing of upside and downside risks, with the Company's share set at 20% of the Net FCM Proceeds, is commensurate with the skills and level of effort required to participate in the market, including to effectively control the risks associated with the proposed market activities, and was the most appropriate arrangement to propose.

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OER 1-2

Request:

Section 2.4.3 of the Company's Rhode Island Renewable Energy Growth Program Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects effective April 1, 2016 entitled *Participation in ISO-NE Forward Capacity Market (FCM)* provides that "National Grid reserves the right to be the 'Project Sponsor' for the Project, after consultation with the Division and the Board". How does National Grid interpret the applicability of this provision as it relates to its filing in the above-referenced docket?

Response:

The Company interprets the above-referenced provision in the Company's RE Growth Solicitation and Enrollment Rules (Rules) to require the Company to consult with the Division and the Distributed Generation (DG) Board prior to qualifying DG Facilities for participation in the FCM. This requirement is also consistent with Section 7.b.(3) of the Company's Renewable Energy Growth Program for Non-Residential Customers Tariff, RIPUC No. 2152-B (RE Growth Tariff). As noted in the Company's response to Division 1-2, the Company did meet with the Division prior to this filing to discuss the Company's FCM Proposal. The Company also intends to consult with the Division and the DG Board once the PUC has ruled on the Company's FCM Proposal, and prior to actively filing for participation for projects as Project Sponsor in accordance with the Rules and RE Growth Tariff.

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OER 1-3

Request:

Assuming Section 2.4.3 described above in Data Request 1-2 is applicable, when does National Grid plan to consult with the Division and the Distributed Generation Board?

Response:

Please see Company's response to OER 1-2.