nationalgrid

Jennifer Brooks Hutchinson
Senior Counsel

January 19, 2017

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 PUC Data Requests – Set 1

Dear Ms. Massaro:

On behalf of National Grid,[1] I have enclosed the Company's responses to the first set of data requests issued by the Rhode Island Public Utilities Commission (PUC) in the above-referenced docket.

Please be advised that the Company's response to PUC 1-9 will be forthcoming.

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

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

280 Melrose Street, Providence, RI 02907
T: 401-784-7288 ■ jennifer.hutchinson@nationalgrid.com ■ www.nationalgrid.com

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.

___________________________________ January 19, 2017

Joanne M. Scanlon Date

Docket No. 4676 National Grid – Forward Capacity Market Proposal
Service List updated 12/22/16

Name/Address	E-mail	Phone
Jennifer Hutchinson, Esq. National Grid 280 Melrose Street Providence, RI 02907	Jennifer.Hutchinson@nationalgrid.com; Joanne.scanlon@nationalgrid.com; Celia.obrien@nationalgrid.com; Scott.McCabe@nationalgrid.com; Stefan.Nagy@nationalgrid.com;	781-907-2153
Jon Hagopian, Sr. Counsel Division of Public Utilities and Carriers 89 Jefferson Blvd. Warwick, RI 02888	Jon.hagopian@dpuc.ri.gov; Steve.scialabba@dpuc.ri.gov; Al.contente@dpuc.ri.gov; Joseph.shilling@dpuc.ri.gov; dmacrae@riag.ri.gov; jmunoz@riag.ri.gov;	401-784-4775
Richard Hahn Carrie Gilbert Daymark Energy Advisors 1 Washington Mall, 9th floor Boston, MA 02108	rhahn@daymarkea.com; cgilbert@daymarkea.com;	
Andrew S. Marcaccio, Esq. Department of Administration Division of Legal Services One Capitol Hill Providence, RI 02908	Andrew.Marcaccio@doa.ri.gov; Nancy.Russolino@doa.ri.gov;	401-222-3417
Christopher Kearns, OER Nicholas Ucci, OER	Christopher.Kearns@energy.ri.gov; Nicholas.ucci@energy.ri.gov;	
Jerry Elmer, Senior Attorney Conservation Law Foundation 55 Dorrance Street, Suite 202 Providence, RI 02903	jelmer@clf.org;	401-228-1904
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; Cynthia.WilsonFrias@puc.ri.gov; Alan.nault@puc.ri.gov; Todd.bianco@puc.ri.gov;	401-780-2107

PUC 1-1

Request:

Please confirm that the projects that will be bid into the Capacity Market do not currently offset Capacity Load Obligation for Load-Serving Entities in Rhode Island.

Response:

The RE Growth and DGSC facilities that will be bid into the FCM do not currently offset the Capacity Load Obligations for Load-Serving Entities in Rhode Island. As noted on page 12, line 15 of pre-filed testimony, the DG Facilities enrolled in the RE Growth and DGSC programs are directly metered and interconnected. As a result, the capacity provided by these facilities can only be monetized through direct participation in the FCM.

Prepared by or under the supervision of: Stefan Nagy

PUC 1-2

Request:

On page 8 of 24 of Attachment DIV 1-3(a)4.d.ii.2.d.ii, why is the "sum of balancing ratios… divided by four to convert from 15-minute intervals to hourly values" [emphasis added]?

Response:

The calculation referenced on page 8 of Attachment DIV 1-3(a) 4.d.ii. manipulates the historic data on scarcity conditions, which is presented in tab (3) of Attachment DIV 1-3(c), to create a variable that represents the number of hours in each year that Capacity Scarcity Conditions would occur, after normalizing the historic data to assume a constant system balancing ratio in each scarcity condition. [1] The balancing ratios, which are being summed in this calculation, are a unit-less variable that represents the ratio of the real time system load to the total installed capacity requirement at the time of each Capacity Scarcity Condition. In order to convert the unit-less balancing ratio values to a measurement of time (in hours), the values in each 15 minute interval are multiplied by the time over which they occurred, which is 0.25 hours. Equations (1) and (2), shown below, provide an example of this calculation.

(1) Balancing Ratio Hours = (System Balancing Ratio)*(Hours of Capacity Scarcity Condition)
Assuming that the System Balancing Ratio = 1.0 and occurs over a 15-minuite interval, the calculation is as follows:

(2) Balancing Ratio Hours = (1.0)*(0.25 Hours)

As a result, the balancing ratio in each 15-minute interval is divided by four to convert them to hourly values.

---

[1] Normalizing the data to account for the differences in the magnitude of the System Balancing Ratio during each Capacity Scarcity Condition allows the value of each event (with respect to Performance Incentive payments or penalties) to be consistently compared and modeled.

Prepared by or under the supervision of: Stefan Nagy

PUC 1-3

Request:

On page 16 of 24 of Attachment DIV 1-3(a)4.d.v.2.c.i.2, please confirm that "-2" should read "3.5."

Response:

That is correct, the value listed as "-2" on page 16 of 24 of Attachment DIV 1-3(a)4.d.v.2.c.i.2. should read "3.5".

PUC 1-4

Request:

Regarding page 24 of 34 in the Company's prefiled testimony, lines 14 through 16, is the Company describing an event with a one-percent chance of occurring in any given year?

Response:

Yes, on page 24 of 34 in the Company's pre-filed testimony, lines 14 through 16, the Company is describing an event that has a one-percent chance of occurring in any given year.

PUC 1-5

Request:

The Company's response to Division 1-7 explains that the proposed resources would not be bid into the day ahead energy market. Would the resources be required to self-commit and dispatch? If so, does the company currently perform that function for these resources?

Response:

The Company's response to Division 1-7 indicates that the solar DG Facilities will be qualified as Intermittent Settlement-Only Resources. Settlement-Only Generators are not permitted to bid into the Day-Ahead Energy Market or Real-Time Energy Market and are not dispatched and monitored by ISO-NE in real time, nor do they require a self-commit or dispatch. Settlement-Only Generator assets may register as price-takers in the Real-Time Energy Market and are compensated for energy production at the Real-Time Locational Marginal Price. The Company currently registers the DG Facilities enrolled in the DGSC and RE Growth programs as Settlement-Only Generator assets in the Energy Market and performs the task of reporting the production of these facilities to ISO-NE for settlement in the Energy Market.

PUC 1-6

Request:

Regarding the Company's response to Division 1-30, is it the Company's opinion that R.I. Gen. Laws § 39-26.6-5(d) does not allow capacity benefits to be considered in setting ceiling prices for Renewable Energy Growth resources?

Response:

No. The Company agrees that capacity is a potential system benefit that is allowed to be considered pursuant to R.I. Gen. Laws § 39-26.6-5(d) in setting the ceiling prices. Since the inception of the RE Growth program, capacity value has been considered by the distributed-generation board (DG Board) in setting ceiling prices, with the knowledge that the Company has the right (by statute and tariff) to such capacity for non-residential projects. However, the DG Board has chosen (with subsequent Commission approval) to use the Cost of Renewable Energy Spreadsheet Tool (CREST) Model, which uses cost inputs to determine the annually set ceiling prices and standard performance based incentives. The value of market products, such as capacity and energy, is not a direct input to setting those prices. Therefore, practically speaking, capacity value does not function as a determinant in the DG Board's current methodology when setting the ceiling prices. Furthermore, these ceiling prices cap the bid levels that certain applicants to the RE Growth program are required to provide in order to participate in a competitive process. Such participation is with the knowledge that the Company would gain the rights to the capacity of the project being bid. For these reasons, and as stated in the Company's response to Division 1-30, the Company does not expect the act of entering this capacity into the FCM to have an impact on the future prices recommended by the Board or those prices that applicants bid into the open enrollments.

Prepared by or under the supervision of: Ian Springsteel

PUC 1-7

Request:

Since the Company will not have title to the capacity of these facilities when their respective contracts or tariffs expire, how will the Company assure the exit of these resources from the Capacity Market?

Response:

The Company will remove the DG Facilities from the FCM when the respective contracts or tariffs expire by submitting Retirement De-list Bids[1] to ISO-NE for each resource prior to the expiration of the respective contracts or tariffs, or by coordinating with the project owner to transfer the market obligations upon expiration of the respective contracts or tariffs.

[1] Please refer Section III.13.1.2.3.1.5. of the ISO-NE Tariff for detailed information on Retirement De-List Bids.

PUC 1-8

Request:

Please provide the estimated annual cost (including administrative costs) to participate in the Capacity Auction as outlined in the prefiled testimony regardless of whether or not resources clear.

Response:

As detailed in Schedule NG-8 of the Company's pre-filed testimony, as revised in the Company's response to Division 1-25, the Company has estimated that the labor required to qualify DG Facilities in the FCM, regardless of whether or not the resources clear, is approximately 20 hours per DG Facility. Please refer to Attachment PUC 1-8 for an estimate of the annual administrative costs that are associated with the initial qualification of DG Facilities in the Forward Capacity Auctions.[1]

[1] Attachment PUC 1-8 presents an adjusted version of the tables shown in Schedule NG-8 – Revised, which was included in the Company's response to Division 1-25 as Attachment Division 1-25. The tables presented in Attachment PUC 1-8 have been adjusted to remove the administrative costs associated with the ongoing monitoring and administration of the Company's FCM portfolio and to show only those costs that are associated with the qualification of DG Facilities in the Forward Capacity Auction. As with the estimates presented in Schedule NG-8, the Company has included administrative cost estimates for three scenarios, which represent varying numbers of DG Facilities in the Company's FCM portfolio.

Prepared by or under the supervision of: Stefan Nagy

Attachment PUC 1-8 - Estimated Costs for Qualification in the Forward Capacity Auction

RE Growth/DGSC Enrollment Schedule

Project Installation Year	FCM Qualification Year	Medium Scale (25-250 kW)	Commercial Scale (251-999 kW)	Large Scale Solar (1000-5000 kW)	DGSC Incremental MW	DGSC Incremental Project Count
2016	2017	0	0	0	20.608	19
2017	2018	4	4.5	6	2	2
2018	2019	5	8	11	0	0
2019	2020	5	8	11	0	0
2020	2021	5	8	11	0	0
2021	2022	3.8015	6.0824	8.3633	0	0

Administrative Cost Estimate - Calculation of FTEs required to Qualify Projects in the Forward Capacity Auction

Qualification Labor Hours (Hours/Project)	20
Annual Administrative Cost per Fully-Burdened FTE ($/FTE)	$138,390

Annual Salary of a New FTE	$ 80,000.00
Service Company Labor Overheads Excluding Pension & PBOP	72.99%
Incremental Cost of a New FTE Employed by the Service Company	$ 138,390.00

Case 1 - Median Project Size / Min Project Size = 250 kW

Assumed Average Project Size (MW)	
Commercial Scale (251-999 kW)	0.625
Large Scale (1,000 - 5,000 kW)	2.5

Year	Incremental Projects	Cumulative Projects	Qualification Labor Hours	Annual FTE Labor Hours	Estimated Number FTEs	Annual Administrative Cost
2017	19	19	380.0	1960	0.2	$26,831
2018	12	31	232.0	1960	0.1	$16,381
2019	17	48	344.0	1960	0.2	$24,289
2020	17	65	344.0	1960	0.2	$24,289
2021	17	82	344.0	1960	0.2	$24,289
2022	13	95	261.5	1960	0.1	$18,467

Case 2 - Small Project Size / Min Project Size = 250 kW

Assumed Average Project Size (MW)	
Commercial Scale (251-999 kW)	0.251
Large Scale (1,000 - 5,000 kW)	1

Year	Incremental Projects	Cumulative Projects	Qualification Labor Hours	Annual FTE Labor Hours	Estimated Number FTEs	Annual Administrative Cost
2017	19	19	380.0	1960	0.2	$26,831
2018	26	45	518.6	1960	0.3	$36,614
2019	43	88	857.5	1960	0.4	$60,542
2020	43	131	857.5	1960	0.4	$60,542
2021	43	174	857.5	1960	0.4	$60,542
2022	33	206	651.9	1960	0.3	$46,030

Case 3 - Median Project Size / Min Project Size = 25 kW

Assumed Average Project Size (MW)	
Medium Scale (25-250 kW)	0.15
Commercial Scale (251-999 kW)	0.625
Large Scale (1,000 - 5,000 kW)	2.5

Year	Incremental Projects	Cumulative Projects	Qualification Labor Hours	Annual FTE Labor Hours	Estimated Number FTEs	Annual Administrative Cost
2017	19	19	380.0	1960	0.2	$26,831
2018	38	57	765.3	1960	0.4	$54,038
2019	51	108	1010.7	1960	0.5	$71,360
2020	51	158	1010.7	1960	0.5	$71,360
2021	51	209	1010.7	1960	0.5	$71,360
2022	38	247	768.4	1960	0.4	$54,255

*This is an estimate of only those administrative costs to initially qualify projects in the FCM, and does not include the administrative costs associated with the ongoing monitoring and administration of the Company's FCM portfolio.

PUC 1-10

Request:

Will any of the current FTEs be involved in the FCM activities? If so, please itemize and total the administrative costs charged to distributed generation standard contracts or the Renewable Energy Growth Program in Calendar Year 2016 and Calendar Year 2015.

Response:

The Company anticipates that some current employees may be involved in the implementation of the Company's FCM Proposal. The Company expects that it may utilize some of the same employees that manage the participation of the Company's Energy Efficiency and CHP resources in the FCM to qualify and manage the DG Facilities that will participate in the FCM pursuant to the Company's proposal in this proceeding. To the extent that the Company re-assigns these employees, for whom the costs are currently recovered through the respective Energy Efficiency programs in Rhode Island and Massachusetts, the positions would need to be backfilled. None of these employees have charged administrative costs to the DGSC or RE Growth programs in Calendar Year 2015 or Calendar Year 2016.

PUC 1-11

Request:

Does the Company currently bid any resources into the Forward Capacity Market? If so, what were the administrative costs related to such activities in Calendar Year 2016? How were such costs recovered?

Response:

The Company currently bids Energy Efficiency and CHP resources, which are funded through its Energy Efficiency programs, into the FCM. Please see the Company's responses to Division 1-6 and Division 2-3 for details on the Energy Efficiency and CHP resources that the Company has previously bid into the Forward Capacity Market. The administrative cost related to the Company's participation in the FCM in calendar year 2016 was $70,794.23. As stated on page 21 of the settlement in Docket 4654, and in the Company's response to Division 2-4a., the Company recovers all prudently incurred FCM expenses from the FCM revenue and reinvests the net revenue received from participation in the FCM with Energy Efficiency and CHP facilities as a funding source for its energy efficiency programs. If the participation costs were to exceed the capacity payments, the Company would recover its prudently incurred costs from the energy efficiency program fund.

PUC 1-12

Request:

Please provide a job description and educational and work experience criteria for the FTEs contemplated in the direct testimony to support an $80,000 salary plus benefits. What criteria will be used to determine whether the Company should hire employees or use contractors?

Response:

Below is a sample job description and experience requirements for a position to support an $80,000 salary plus benefits. Please note that the salary assumption of $80,000 plus benefits is a conservative assumption that was made in the Company's estimation of ongoing administrative costs and is not intended to limit the pool of candidates that the Company would consider for such positions. The Company may consider candidates with varying levels of experience and will determine actual salaries based on the specific qualifications of available candidates. The Company will make resource planning determinations by weighing the costs and benefits of using employees and contractors in relation to the expected work load, experience of available candidates, and timeframe for completing the work. As noted in the Company's response to Division 1-24, the Company may also use the services of a vendor to help qualify projects in the near term in order to expedite the process of entering them into the upcoming FCA-12.

Sample Job Description: Sr. Forward Capacity Market Analyst
National Grid is seeking an individual to play a primary role in implementing and developing its strategy for the management of Distributed Generation (DG) resources in ISO-New England's (ISO-NE) Forward Capacity Market (FCM). Core responsibilities of the position are as follows:

1. Implement the strategies and forecasting methods required for the management of DG resources in the FCM.
2. Monitor resource performance and assess market risks on an ongoing basis.
3. Manage the Company's FCM participation to maximize the value of the Company's DG resources while appropriately mitigating market risks
4. Oversee the FCM resource lifecycle and be primarily responsible for submitting required information for each of these: Show of Interest, New Resource Qualification, Forward Capacity Auction, Critical Path Schedule monitoring, and Renewable Resource Technology election.

PUC 1-12, page 2

Candidates are required to have a Bachelor's degree in a related area and a minimum of 5 years of related experience, or a Master's degree in a related area and a minimum of 3 years of related experience. Related areas of education and experience include wholesale electricity markets, solar DG, and economic/policy analysis.

PUC 1-13

Request:

When will the Company know if it will have any startup costs? Other than database changes, what other costs might be included in startup costs?

Response:

The Company does not anticipate that it will have any startup administrative costs and has not identified any potential startup costs other than database and software infrastructure changes.[1] However, as noted on page 28, line 17, of the Company's pre-filed testimony, should the Company incur any such costs as a result of the Company's participation in the FCM, the Company will include such costs in the Recovery and Reconciliation Factors for the RE Growth and DGSC programs.

[1] The costs of assessing, qualifying, and managing the participation of DG Facilities in the FCM are included in the ongoing administrative costs that the Company has estimated in "Schedule NG-8 – Revised", which was submitted in the Company's response to Division 1-25.

PUC 1-14

Request:

Has National Grid consulted with internal personnel about whether there may need to be database or other software changes? If so, please provide any updated information, including cost.

Response:

The Company has consulted internally and does not anticipate any startup administrative costs associated with database or software changes.

PUC 1-15

Request:

The Company is seeking full cost recovery solely from ratepayers of "all incremental administrative costs incurred as the result of performing activities related to bidding the capacity of DG Facilities into the FCM, including, without limitation, administrative costs associated the implementation and ongoing operation of the FCM Proposal." What incentive does the Company have to contain costs under such broad language?

Response:

The Company included the above language to encompass the broad range of tasks associated with tracking, filing, bidding, and otherwise administering its participation in the FCM with DG Facilities, along with the active risk mitigation management and coordination with third-party system owners that will be required. Such language is also consistent with the broad language of R.I. Gen. Laws § 39-26.6-13, which permits the Company to recover incremental costs to meet program objectives, subject to PUC review and approval that such costs were properly and prudently incurred.

The Company has provided an estimate of the administrative costs that it expects to incur as a result of its participation in the FCM with DG Facilities on pages 27-31 of its pre-filed direct testimony and has provided a revised estimate of those costs in its response to Division 1-25; however, to the extent that any adjustments to such costs are required over time, the Company would seek to include any additional incremental costs in a cost-recovery filing pursuant to the above provision. Nonetheless, the Company has an obligation to ensure that any administrative costs charged to customers are properly and prudently incurred; therefore, the Company is incented under this standard to ensure that any such costs that are presented to the PUC in a cost-recovery filing are reasonable.

Prepared by or under the supervision of: Ian Springsteel

PUC 1-16

Request:

In the testimony, the Company states: "It is important to note that due to the three-year forward nature of the FCM, the Company will incur incremental administrative costs that will not be offset by Net FCM Proceeds in the first few years before the Capacity Supply Obligations acquired in the Forward Capacity Auctions take effect. For instance, the administrative costs in the first five years of the Company's projected portfolio are estimated to be approximately $830,000, which is more than half of the expected Net FCM Proceeds of $1.2 million and more than three times the estimated Company incentive of $250,000, under the proposed 20 percent sharing, in the same timeframe." Does this mean that Customers will be paying for administrative costs with no offsetting results? If so, for how long?

Response:

The Company's estimate of the Net FCM Proceeds that will accrue as a result of the Company's execution of its FCM Proposal has been revised as a result of changes to the projected capacity portfolio and the associated administrative costs, as discussed in the Company's responses to Division 1-3, 1-19, 1-21 and 1-25.

The Company's revised Base Case[1] projections of the Net Customer Benefit[2] estimate that the Company would recover administrative costs from Customers, with no offsetting Net FCM Proceeds, only in the first year[3] of the implementation of the Company's FCM Proposal. The Company estimates that after the initial qualification of the DG Facilities in the FCM in 2017, the Net FCM Proceeds will offset and outweigh the administrative costs in all future years. For the Company's detailed projection of the Net Customer Benefit in each year, please refer to tab 4.1 in Attachment DIV 1-3(d), which was submitted in the Company's response to Division 1-3.

[1] The "Base Case" projections of the Net Customer Benefit, as referenced in footnote 21 on page 24 of the Company's pre-filed testimony, assume a capacity price of $11.64 per kW-month, which is equal to the Net Cost of New Entry for Forward Capacity Auction 11, and an average amount of Performance Incentive payments.

[2] Under the Company's FCM Proposal, the Net Customer Benefit is comprised of 80 percent of the Net FCM Proceeds and the incremental administrative costs incurred as a result of the implementation of the Company's FCM Proposal.

[3] During the first year of implementation of the Company's FCM Proposal, which is proposed to occur in 2017, the Company will begin to qualify the initial set of DG Facilities in the FCM but would not yet earn any FCM Proceeds from its participation in the FCM. Initial proceeds in years 2 and 3 would result from Annual Reconfiguration Auction Payments, which are subject to variation in price.

Prepared by or under the supervision of: Stefan Nagy

PUC 1-16, page 2

For the Company's revised graph depicting the Company's estimate of the Net Customer Benefit in each year, see Attachment DIV 1-21(a), which was submitted in the Company's response to Division 1-21.

PUC 1-17

Request:

Why is the Company proposing to participate in the results of participation in the FCM, but not in the sharing of administrative costs?

Response:

The Company has proposed to share in the Net Market Proceeds but not the administrative costs, for a few reasons. First, the recovery of administrative costs for RE Growth projects is explicitly authorized by statute, with RE Growth projects representing approximately 78% of the Company's bidding portfolio.[1] Cost recovery for the remaining Distributed Generation Standard Contract (DGSC) program projects is not explicitly barred by the statute, and may be allowed pursuant to the Public Utilities Commission's (PUC) broad regulatory authority to approve costs that are prudently incurred. Seeking full cost recovery outside of Net Market Proceeds is consistent with the Company's statutory authority and aligns the recovery provisions between the two programs.

Second, general rate making treatment provides for prudently incurred costs associated with programs administered by the utility to be recovered from customers. This is not only consistent with the recovery of administrative costs of the RE Growth program, but also the Company's electric and gas energy efficiency programs. Through these programs, the Company is striving to bring significant long term benefits to its customers. Therefore, the Company should be reimbursed for these administrative costs it incurs as a result of administering a long-term program. Consistent with this treatment, the Company has not proposed a sharing of the administrative costs.

[1] See R.I. Gen. Laws § 39-26.6-13. Please note that the distribution of projects between the RE Growth and DGSC programs will vary as the RE Growth projects come online and contracts for the DGSC projects expire. The 78% figure referenced above is an approximation of the contribution to the Company's FCM portfolio from the RE Growth program, once all of currently-approved RE Growth facilities have come online in 2021. Please refer to Attachment Division 1-3(d) for a detailed forecast of the Company's FCM portfolio.

Prepared by or under the supervision of: Ian Springsteel

PUC 1-17, page 2

Third, the Company's participation in the FCM is discretionary. The participation of solar distributed generation (DG) facilities in the FCM entails significant risk and requires active oversight to mitigate those risks.[2] As with other sharing arrangements the Company considered, and after weighing the unique risks of participating in the FCM with solar DG facilities, as well as the ongoing management activity needed to mitigate those risks, the Company determined that the symmetrical sharing of upside and downside risks and rewards, set at 20% of the Net Market Proceeds, would most appropriately align the interests of the Company and its customers. This type of sharing arrangement will also incent the Company to maximize the value of its DG FCM portfolio for the benefit of its customers.

[2] As outlined on page 15 of the Company's pre-filed testimony, solar DG facilities that acquire a Capacity Supply Obligation will be exposed to the risk of Performance Incentive penalties during Capacity Scarcity Conditions under ISO-NE's Pay for Performance Rules.