



MEMORANDUM

TO: RHODE ISLAND PUBLIC UTILITIES COMMISSION

FROM: CARRIE GILBERT—DAYMARK ENERGY ADVISORS ON BEHALF OF RHODE ISLAND DIVISION OF PUBLIC UTILITIES AND CARRIERS

DATE: JANUARY 17, 2018

SUBJECT: DOCKET NO. 4774 – TARIFFS AND SOLICITATION AND ENROLLMENT PROCESS RULES AND SUNRUN, INC. COMMENTS

In this memo, I summarize the results of our review of the proposed Tariffs and Solicitation and Enrollment Process Rules changes proposed by National Grid for the Renewable Energy Growth (“REG”) Program. These changes were presented by National Grid in its November 15, 2017 filing in Docket 4774. This memo also contains my review of the comments filed by Sunrun, Inc.

NATIONAL GRID FILING

The changes in the filing are related the REG program Solicitation and Enrollment Process, the REG Program Tariffs for Residential and Non-Residential Customers, and the REG Program Cost Recovery Provision. The two primary changes proposed are: (1) a minimum bill credit value for Community Remote Distributed Generation (“CRDG”) customers, and (2) performance metrics and performance-based incentives to determine the level of remuneration a company is entitled to upon installing a qualifying renewable energy project. The rest of the redline changes to these documents are either additions required to accompany the proposed additions or minor clarifications to existing definitions.

Overall, I believe that the changes proposed by the Company to the REG Tariffs and Solicitation and Enrollment Process Rules are reasonable. In this memo, I describe the changes in the filing.

Solicitation and Enrollment Process Changes

The proposed changes to the Solicitation and Enrollment process center around the addition of a minimum bill credit amount for projects participating as CRDG Facilities. The minimum bill credit amount will be calculated as 50% of the difference between the Ceiling Prices for Non-CRDG facilities and CRDG facilities of the same technology and class with the credit being no greater than 1.25c/kWh.

The purpose of this change, according to the testimony of Mr. Ian Springsteel, is to increase and ensure the financial benefits that would flow to customers participating in the CRDG program. Springsteel asserts that this provision enables a higher level of protection for CRDG customers while advancing the goal of Docket 4600 to “increase customer investment in their facilities... where that investment provides recognizable net benefit¹.”

Additional related edits are the clarification of the definition of “Bill Credit Recipient” and “Customer” in the Non-Residential Tariff and changes to both the Solicitation and Enrollment Rules for Small-Scale Solar Projects and the Solicitation and Enrollment Rules for Solar (Greater than 25Kw), Wind, Hydro, and Anaerobic Digester Projects to reflect the addition of the minimum bill credit for CRDG facilities.

Changes to the Cost Recovery Provision

The Company has also included a change to the REG Cost Recovery Provisions. The purpose of this change is to include performance metrics to determine the level of remuneration a company may qualify for under the Renewable Energy Growth Program. The Company is eligible to receive 1.75 percent of the annual Performance Based Incentives if it is meeting program targets to the extent it can control and is administering the program in a timely manner. The Company has proposed the following metrics related to its administration of the program:

i. Simple RE Growth System Meter Set Metric:

Business days from completed submittal of evidence of construction and inspection of a Simple RE Growth System to the confirmed installation of Company’s meter at a customer’s location: At least 90% set within 10 business days of completed submittal.

ii. Simple RE Growth System First Bill Metric:

At least 90% of all Simple RE Growth System accounts billed within 45 calendar days of the date on which the Company’s meter was set at the customer’s location.

iii. Complex RE Growth System First Bill Metric:

At least 90% of all RE Growth Complex System accounts billed within 60 calendar days of the date on which the Company’s meter was set at the customer’s location.

Should the company not exceed the above metrics, the remuneration earned will be earned based on the scale as follows:

- *Combined average of metrics (i) & (ii) & (iii) 80.0-89.9%: 1.75% remuneration x 90%*
- *Combined average of metrics (i) & (ii) & (iii) 70.0-79.9%: 1.75% remuneration x 80%*
- *Combined average of metrics (i) & (ii) & (iii) below 70.0%: 1.75% remuneration x average achieved.²*

¹ Testimony of Ian Springsteel, page 9, line 14 through page 10, line 8

² Ibid, page 12, lines 9 through 30.

The move toward these performance metrics is a positive change and I believe these metrics are appropriate.

SUNRUN, INC. COMMENTS

Sun Run, Inc., a solar developer, filed comments in Docket 4774 on December 20, 2017. Sun Run's comments focused on 2 areas: capacity tracking and system sizing rules.

Capacity Tracking

Sunrun would like more visibility into the available capacity for the small solar classes throughout the year. Sunrun claims that current uncertainty regarding the level of subscription for the small solar classes provides challenges for developers looking to sign up new customers. Sunrun would like to see a live or bi-weekly tracking capacity allocation tracker on its REG website.

I feel that additional visibility to the available capacity for the small solar classes is a reasonable request and ask that National Grid provide bi-weekly capacity tracking for the small solar classes on the REG Website.

System Sizing

Sunrun also has comments regarding the system sizing procedures for the renewable energy growth program regarding the length of customer usage history that should be used in system sizing, the system sizing formula, and how differences in site conditions should be accommodated.

Customer Data

Sunrun's first concern is that it is difficult to obtain the 3-years of historical customer data required by statute to size systems installed as part of the Renewable Energy Growth Program. One year of data is available on the customer bills and two years of data is available in the online portal, but Sunrun asserts that there is no easy way to get three years of data. Sunrun requests that National Grid issue a statement clarifying that systems can be approved with the 2 years of data found in the online portal.

I believe that Sunrun's request is warranted, but that the Company should work to provide 3-years of data to meet the statute requirement. In the interim, the Company should issue a clarifying statement that the 2-years of data is sufficient until 3-years can be easily obtained.

Sizing Formula

Sunrun has two concerns related to the system sizing formula. One is related to the consistency in formulas between Net Energy Metering and Renewable Energy Growth programs and the other is

related to the ability to take site specific concerns into account when sizing systems. Sunrun did not provide any citations to the sizing formula in the tariffs or rules.

My review of the documents does not confirm Sunrun's representation of system sizing requirements in the tariffs or rules. I found the following guidelines for sizing residential systems:

The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the aggregate On-Site Use of the Residential Customer and the Bill Credit Recipient(s), if applicable, as measured over the previous three (3) years at the eligible electric service account(s) located on the same parcel of land as the Residential Customer's service location; 2) the aggregate annualized On-Site Use over the period of service to the Residential Customer and Bill Credit Recipient(s) if such service has been provided for less than three years; or 3) a reasonable estimate of the aggregate annual On-Site Use of the Customer and the Bill Credit Recipient(s) if the Project is located at a new service location.³

Nothing in these guidelines would prevent a developer from sizing the system based on site conditions. There is also no formula in these guidelines.

³ Schedule IS-3. The Narragansett Electric Company. Renewable Energy Growth Program for Residential Customers. RIPUC No. 2151-E, Sheet 1.