

January 22, 2018

BY HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket 4774 - Proposed 2018 Renewable Energy Growth Program Tariff and Rule Changes
Responses to PUC Data Requests – Set 2

Dear Ms. Massaro:

I have enclosed ten copies of National Grid's¹ responses to the second set of data requests issued by the Rhode Island Public Utilities Commission in the above-referenced docket.

Please be advised that the Company's responses to data requests PUC 2-7 and 2-11 are pending.

Thank you for your attention to this filing. If you have any questions, please contact me at 781-907-2121.

Very truly yours,



Raquel J. Webster

Enclosures

cc: Docket 4774 Service List
Leo Wold, Esq.
Jon Hagopian, Esq.

¹ 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.

Joanne M. Scanlon

January 22, 2018
Date

**Docket No. 4774 – Renewable Energy Growth Program for Year 2018
RI Distributed Generation Board and National Grid**

Service List updated 1/17/17

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PUC 2-1

Request:

How does National Grid's proposed minimum bill credit for the Community Remote Distributed Generation Program provide customer protection? Could a higher minimum bill credit provide greater protection?

Response:

The minimum bill credit amount provides a participant a baseline amount of guaranteed savings that otherwise would not exist from enrollment in a community remote distributed generation facility. Without the baseline, a CRDG developer could offer a *de minimis* credit as savings, and customers, if they accepted that smaller credit as signifying their enrollment in receiving benefits from the solar development, would not be provided financial benefits that are meaningful in terms of the factors the DG Board may consider in setting CRDG ceiling prices. A larger minimum bill credit could provide greater value to recipient customers, but if too large, a larger minimum bill credit could undermine the potential for cost savings from small bill credits, as described in the testimony of Ian Springsteel in support of the 2018 RE Growth Program filing, on page 8, lines 1-12.

PUC 2-2

Request:

Please identify the stakeholders who provided input to National Grid regarding the need for and the design of the minimum bill payment.

Response:

The DG Board, with assistance from staff of the Office of Energy Resources, provided notice to stakeholders regarding the design of the minimum bill payment by sending an email invitation to solar installers to join a conference call regarding the proposed minimum bill credit. In addition to staff from the OER and National Grid, approximately 10 parties joined the call, representing the Coalition for Community Solar Access (CCSA), the New England Clean Energy Coalition (NECEC), Rhode Island Housing, and developer and owners from NRG Energy, Community Energy Collective, and Clean Energy Development. Only one party, the CCSA, provided written comments following that meeting, which prompted a subsequent call between CCSA and National Grid. That email providing comment is attached as Attachment PUC 2-2.

From: Christopher Gilrein [mailto:christopher.gilrein@easycleanenergy.com]
Sent: Friday, October 13, 2017 4:11 PM
To: Christopher.Kearns@energy.ri.gov; Springsteel, Ian
Cc: Hendrick, Dan; Laurel Passera; Charlie Coggeshall; Ian Gutherz
Subject: EXT || RE: 2018 REG Program - Proposed Modifications to the Community Remote Program

Good afternoon Chris and Ian,

Below are some brief thoughts on the proposed modifications. These points have been circulated and are shared by the membership of the Coalition for Community Solar Access (CCSA).

We agree with the concept that there should be a benefit to the subscriber. The expansion of access to the benefits of solar to all electric customers is the core principle upon which CCSA was established. We are concerned, however, with the proposed methodology of setting the minimum credit amount.

- The resulting minimum is arbitrary and does not account for the diversity of products offered by community solar providers
- A value of .75 cents, for example, has real benefit to the customer. But if the developer needs to collect more from the customer due to a higher minimum requirement of 1+ cent then there will be new transaction costs/hassle to collect that fee, thereby diminishing the overall benefit.
- SEA's analysis has already admitted that the incremental cost of community solar is actually probably higher than the 15% legislative cap, suggesting this is not a rich program for anyone (developer or subscriber). Developers should not be pinched further.

In general, we are open to discussing a standardized minimum rate that reflects best practices and ensures benefits for all subscribers, but we feel the specifics merit further consideration.

Please do not hesitate to contact me if I can provide any additional information.

Christopher Gilrein
Policy and Regulatory Manager | Clean Energy Collective

P: 617-514-0039 M: 774-230-6685

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PUC 2-3

Request:

Please identify additional benefits to ratepayers, quantitative and qualitative, related to the performance metrics National Grid has proposed.

Response:

Additional benefits of the proposed performance metrics to ratepayers would include the examination of practices that would further reduce times and increase accuracy of meter sets and first bills, which would, by extension, have the likely impact of reducing rework, second visits, clerical time correcting errors, and the time spent by the Division and the PUC reviewing and resolving customer complaints regarding the measured activities.

PUC 2-4

Request:

Please identify additional benefits to program participants, quantitative and qualitative, related to the performance metrics National Grid has proposed.

Response:

The benefits of the performance metrics proposed to participants are self-defined by the metrics: meters will be set quickly and accurately, and initial bills will be increasingly timely and accurate. Additional benefits flowing from these outcomes would be greater convenience for participants, and reduced time in receiving payments under the program, which increases the net present value of an investment in solar, other factors held equal.

PUC 2-5

Request:

Were any of the performance metrics designed to address complaints from program participants? If yes, please explain. How did the volume and seriousness of these complaints compare to other complaints participants had regarding issues not related to the proposed performance metrics?

Response:

Participant complaints or issues regarding the RE Growth program are largely focused on the finalization of the electrical inspection and subsequent installation of the meter, and the timing and accuracy of the first bill that the customer receives. Other issues included the sizing of the array to the customer site (one issue), account set up and changes to account names, and the change of the allowed meter socket connection to existing service that occurred at the end of 2016. By far, the most recurrent issues involve the approval for and execution of the meter set and the initialization of payments in a timely and accurate way, once all customer requirements have been fulfilled.

PUC 2-6

Request:

Please identify each performance metric National Grid considered in accordance with the PUC's order in Docket No. 4672 and why the performance metric was rejected.

Response:

The Company initially considered other potential metrics, such as the time to process account changes and the time to resolution of any customer issues, like non-billing accounts. However, the Company focused on developing performance standards that would fulfill the statutory direction of R.I. Gen. Laws § 39-26.6-12 (j)(2), which provides that “(2) The electric-distribution company has processed applications for service and completed interconnections in a timely and prudent manner for the projects under this chapter, taking into account factors within the electric-distribution company's reasonable control,” and which would be broadly applicable to participants and readily measured by the Company's work management and customer billing systems. The Company also considered a “time from complete application to Conditional Approval” for simple process systems, but opted for the meter set time and accuracy as a more impactful measure for participants. Finally, the Company considered a combination of time and percentage rates (e.g., 95% meters set within 15 days of completion package submitted), but opted for the proposed metrics so that the initial targets would be both measurable and achievable.

PUC 2-8

Request:

How will National Grid meet the proposed performance metrics for program year 2018? Will achieving the proposed metrics require National Grid to administer the program differently?

Response:

Currently, the Company has met the performance standards for 2017, and expects that it can meet the standards in 2018 with customary attention to accurate and timely delivery of bills and payments and accurate and timely setting of meters for RE Growth participants.

PUC 2-9

Request:

Will achieving the proposed metrics impact the budget for program year 2018? Please explain.

Response:

No, meeting the metrics will not require any changes to the filed budget.

PUC 2-10

Request:

Please explain how and why cost recovery of statutorily allowed remuneration varies in the RE Growth Program and the Long Term Contracting for Renewable Energy Recovery (LTCRER) Factor.

Response:

The cost recovery of statutorily-allowed remuneration varies in the RE Growth Program and the LTCRER Factor because of statutory requirements.

The Long-Term Contracting Standard, at R.I. Gen. Laws § 39-26.1-4, provides that electric distribution companies shall receive remuneration of 2.75%, and that this “shall compensate the electric distribution company for accepting the financial obligation of the long-term contracts.” The RE Growth statute, R.I. Gen. Laws § 39-26.6-12 (j) provides:

(j) The provisions of § 39-26.1-4 shall apply to the annual value of performance-based incentives (actual payments plus the value of net-metering credits, as applicable) provided by the electric-distribution company to all the distributed-generation projects under this chapter, subject to the following conditions:

(1) The targets set for the applicable program year for the applicable project classifications were met or, if not met, such failure was due to factors beyond the reasonable control of the electric-distribution company;

(2) The electric-distribution company has processed applications for service and completed interconnections in a timely and prudent manner for the projects under this chapter, taking into account factors within the electric-distribution company's reasonable control. The commission is authorized to establish more specific performance standards to implement the provisions of this chapter; and

(3) The incentive shall be one and three-quarters percent (1.75%) of the annual value of performance-based incentives. The commission is authorized to establish more specific performance standards to implement the provisions of this paragraph.

Under the RE Growth law, the Company's remuneration is lower than the remuneration the Company is allowed under the Long-Term Contracting Standard. The RE Growth Statute also includes certain conditions the Company must meet to be entitled to remuneration.