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February 7, 2019

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

**RE: Review of Proposed Power Purchase Agreements
Pursuant to R.I. Gen. Laws § 39-31
Docket No. _____**

Dear Ms. Massaro:

Enclosed for filing with the Rhode Island Public Utilities Commission (PUC) is a 20-year Power Purchase Agreement (PPA) entered into by National Grid¹ with DWW Rev I, LLC (DWW) for review and approval under the Rhode Island Affordable Clean Energy Security Act, R.I.G.L. §§ 39-31-5, 39-31-6(a) (1) and 39-31-7 (c) (5) (i)-(v) (ACES). The proposed PPA with DWW provides for the purchase of energy and renewable energy certificates (RECs) from DWW's 400-megawatt (MW) Revolution Wind Farm offshore wind energy facility, which is to be located on the Outer Continental Shelf in Bureau of Ocean Energy Management (BOEM) lease area off the coast of Rhode Island (the Facility).

DWW's 400 MW Facility was selected by National Grid, in consultation with the Rhode Island Office of Energy Resources (OER) and the Rhode Island Division of Public Utilities and Carriers (Division), out of a total of 18 bids submitted by all three BOEM leaseholders in response to a competitive procurement for offshore wind energy generation issued by the Massachusetts Electric Distribution Companies² and the Massachusetts Department of Energy Resources on June 29, 2017. National Grid, in consultation with the OER and Division, voluntarily selected the DWW 400 MW Facility to pursue a long-term power purchase agreement under ACES because analysis of DWW's proposal indicated that it had favorable, competitive pricing and significant net benefits for Rhode Island, including the potential to produce valuable economic benefits for the state due to its proximity to Rhode Island.

Under the terms of the power purchase agreement with DWW, National Grid will purchase 100 percent of the energy and environmental attributes associated with the Facility, on a unit-contingent basis, for a term of 20 years following the commercial operation date of the Facility

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

² The Massachusetts Electric Distribution Companies include National Grid's affiliates, Massachusetts Electric Company and Nantucket Electric Company, NSTAR Electric Company d/b/a Eversource Energy and Fitchburg Gas and Electric Light Company d/b/a Unitil.

(see initial filing at Bates 000021).³ The all-in purchase price for energy and RECs is \$0.098425 per kilowatt-hour (kWh) (id. at 000021). The price is inclusive of all transmission costs necessary for DWW to deliver energy and RECs onshore to the Pool Transmission Facilities, as set forth in Exhibit A of the PPA (id. at 000021; 000111). The purchase price allocated to energy, in the event the RECs associated with the Facility fail to satisfy the Renewable Energy Standard as an Environmental Attribute is \$0.071925 per kWh (id. at 000114).

National Grid has no direct corporate affiliate relationship to DWW or its controlling entities. However, National Grid's corporate affiliate, GridAmericas Holding, Inc. (National Grid Ventures) has entered into an option agreement with an affiliate of DWW pursuant to which National Grid Ventures has the right to acquire transmission assets at the time of the project's commercial operation date, subject to certain terms and conditions, and to provide transmission service to DWW under a Transmission Services Agreement. The terms of the option agreement and the potential future participation of National Grid Ventures did not influence the evaluation or selection of DWW by National Grid, OER or the Division (see initial filing at Bates 000017-000019).

As explained further in the enclosed Direct Testimony of Timothy J. Brennan and Corinne M. DiDomenico, the PPA is consistent with the purpose and requirements of ACES. The PPA costs for energy and RECs are projected to be \$4.6 million (net present value in 2018 dollars) below the market forecast of energy and RECs over the term of the PPA (see initial filing at Bates 000028; 000311). The PPA is forecasted to provide an additional \$87 million of indirect energy and REC price savings expected from reductions in supply costs for Rhode Island retail customers (id.). Taking all costs and benefits into account, including over \$400 million in economic benefits to the state of Rhode Island and over \$500 million in societal level benefits associated with the reduction in greenhouse gas emissions, the PPA is expected to result in total net benefits of over \$1 billion over the life of the contract (id. at 000042; 000313).

National Grid is also providing the Direct Testimony of Robert B. Hevert in support of National Grid's request for financial remuneration and incentives of 2.75 percent of the actual annual payments under the PPA. National Grid's recommended remuneration rate compensates the Company for strategically utilizing its strong balance sheet and credit ratings, which are derived from its investors' capital and the Company's prudent management of that capital, to enable the cost-effective financing of the Project. By supporting the cost-effective financing and development of this new, large-scale offshore wind project, National Grid is proactively advancing the public interest objectives of the state of Rhode Island, as established in ACES, while creating benefits for Rhode Island customers, and the state at large. National Grid's request for remuneration is estimated to result in remuneration of approximately \$36.6 million (net present value in 2018 dollars) over the life of the contract (see initial filing at Bates 000313). Based on rates currently in effect, the net bill impact of the PPA, inclusive of remuneration, for a typical

³ The targeted commercial operation date is January 15, 2024 (see initial filing at Bates 000022).

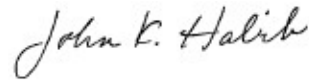
customer using 500 kWh each month is estimated to result in a decrease of 0.4% (id. at 000046; 000366-000371).

For the reasons set forth herein, the Company respectfully requests that the PUC approve the PPAs pursuant to ACES as expeditiously as possible.

This filing also includes a Motion for Protective Treatment in accordance with Rule 1.3(H)(2) of PUC's Rules of Practice and Procedure and R.I. Gen. Laws § 38-2-2(4)(B). The Company seeks protection from public disclosure of certain highly sensitive and proprietary analysis provided by the Company's third-party consultants and the consultants of DWW. Accordingly, the Company has provided the PUC with one (1) complete, unredacted copy of the confidential documents in a sealed envelope marked "**Contains Privileged Information – Do Not Release,**" and has included redacted copies of these materials for the public filing.

Please contact me at 617-951-1400 if you have any questions regarding this filing.

Very truly yours,



John K. Habib, Esq.
R.I. Bar # 7431

cc: Jonathan Schrag, Deputy Administrator, Division (Electronic Only)
Jon Hagopian, Esq. (Electronic Only)
Leo Wold, Esq. (Electronic Only)
Nicholas Ucci, Deputy Commissioner, Office of Energy Resources (Electronic Only)
Cynthia Wilson-Frias, Esq.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

Petition of Narragansett Electric Company)
d/b/a National Grid for Approval of)
Proposed Power Purchase Agreements Pursuant to)
R.I. Gen. Laws § 39-31)

Docket No. _____

**NATIONAL GRID’S PETITION
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC Rule 1.3(H) and R.I.G.L. § 38-2-1, *et seq.* Finally, National Grid requests that, pending entry of findings pursuant to these provisions, the PUC preliminarily grant National Grid’s request for confidential treatment pursuant to Public Information, PUC Rule 1.3(H)(2).

I. BACKGROUND

On February 6, 2019, National Grid is filing with the PUC its request for approval of a 20-year Power Purchase Agreement entered into by National Grid for the purchase of energy and environmental attributes from DWW Rev I, LLC’s (DWW) Revolution Wind Farm offshore wind facility (the PPA), pursuant to the Request for Proposals for Long-term Contracts for Offshore Wind Energy Projects issued by the Massachusetts Electric Distribution Companies² and the Massachusetts Department of Energy Resources (DOER), on June 29, 2017 (RFP). In support of its request for approval, National Grid is submitting initial testimony and supporting

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

² The Massachusetts Electric Distribution Companies include Fitchburg Gas and Electric Light Company d/b/a/ Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy.

exhibits, including a copy of the PPA and analyses calculating the net benefits of the project, including proprietary modeling information and analysis provided by the Company's third-party consultants and proprietary analysis prepared by DWW's third-party consultant.

Specifically, the Company is seeking protective treatment for each of the following documents submitted in support of its request for approval (together, the Confidential Information):

- Schedule NG-5, Revolution Wind Quantitative Evaluation Report prepared by Tabors Caramanis Redkevich (TCR); and
- Schedule NG-5, Economic Benefits Report prepared by Navigant Consulting, Inc.

In the Section 83C Massachusetts proceedings, the Company's affiliates, Massachusetts Electric Company and Nantucket Electric Company each d/b/a National Grid, together with the other Massachusetts soliciting parties, NSTAR Electric Company and Western Massachusetts Electric Company each d/b/a Eversource Energy, and Fitchburg Gas and Electric Light Company, d/b/a Unitil, have each filed, and have been granted, a similar request for protective treatment of related confidential information with their petitions to the Massachusetts Department of Public Utilities for approval of power purchase agreements resulting from the RFP.

In this proceeding, the Company seeks protective treatment of similar evaluation and bid information to ensure consistency across the jurisdictions and to ensure continued protection of confidential information. As the PUC is aware, designation of information as confidential requires, in part, that such information not be available elsewhere in the public record. In the event that any either of the jurisdictions reviewing the PPAs and related bid evaluation materials denies protective treatment, the information can no longer be protected in any other proceeding.

To prevent the release of confidential information that has been granted protective treatment in Massachusetts, the PUC should grant similar protective treatment here.

The Company is providing redacted and un-redacted version of these documents. Therefore, National Grid requests that the PUC give the information contained in the un-redacted version of the documents confidential treatment.

II. LEGAL STANDARD

The PUC's Rule 1.3(H) provides that access to public records shall be granted in accordance with the Access to Public Records Act (APRA), R.I.G.L. §38-2-1 *et seq.*

Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the PUC falls within one of the designated exceptions to the public records law, the PUC has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure. In that regard, R.I.G.L. §38-2-2(4)(B) provides that the following types of records shall not be deemed public:

Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The exception "protects persons who submit financial or commercial data to government agencies from the competitive disadvantages which would result from its publication." Critical Mass Energy Project v. Nuclear Regulatory Commission, 975 F.2d 871, 873 (D. D.C. Cir. 1992); see also Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001) (adopting Critical Mass). The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely to either: (1)

impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal, 774 A.2d at 47 (emphasis added).

The second prong of the Providence Journal test has been interpreted to not require "a sophisticated economic analysis of the likely effects of disclosure." New Hampshire Right to Life v. US Dept. of Health and Human Services, 778 F. 3d 43, 50 (1st. Cir. 2015) (quoting Pub. Citizen Health Research Grp., 704 F. 2d 1280, 1291 (1983)). The party opposing disclosure must establish "actual competition and a likelihood of substantial competitive injury" to bring the information under the confidential exemption. Id. In determining whether information is confidential the court should not limit its assessment of bidding information in a singular ad-hoc manner, but rather should acknowledge the likelihood of additional bids in the future. Id., at 51. As discussed further below, the Confidential Information here should be protected because it is commercial or financial information that, if disclosed, would be likely to cause substantial harm to the competitive position of the persons from whom the information was obtained.

III. BASIS FOR CONFIDENTIALITY

The information contained in the un-redacted versions of the confidential information contains confidential and proprietary bid information and bid-evaluation information. Specifically, the confidential information contains references to proprietary reports provided to the Company by consultants for evaluation of the bids and market forecasts of energy and renewable energy certificate (REC) prices prepared by the Company's consultant.

A. Proprietary Information Regarding Market Forecast Information And Bid Evaluation Should Be Protected From Public Disclosure.

With regard to Schedule NG-5, the release of the redacted, confidential material to the public would compromise the ability of the Company to negotiate future purchase-power

contracts because that material contains proprietary and confidential information about the Company's market forecasts of energy and REC prices. The forecasts were used by the Company to evaluate the net benefits of the project and are considered proprietary by the consultants that produced them. More importantly, however, these projections must be protected from public disclosure because the Company has used this information to evaluate bids associated with the competitive procurements in the past, and may continue to use this forecast, or similar forecasts, to evaluate future bids for renewable generation services. If other parties gain access to the details of Schedule NG-7, and the assumptions regarding future energy and REC prices contained therein, the Company's ability to negotiate the best deals possible on behalf of customers would be compromised. Accordingly, the PUC should protect the energy forecast information in those documents from the public record.³

Similarly, Schedule NG-6 contains an Economic Benefit Report prepared by Navigant Consulting, Inc. on behalf of DWW. DWW has designated certain information in this report as proprietary and competitively sensitive. All bidders in the Massachusetts RFP, to which DWW responded, were informed that information designated as confidential, with the exception of pricing information, would be protected through commercially reasonable efforts.⁴ The process was designed in this manner to encourage participation, promote competition in the bidding process, and maximize the value of the bids received. Any disclosure of proprietary information reasonably designated as confidential by the bidders would undermine the process and potentially harm the competitiveness of future solicitations. Therefore, the confidential information in Schedule NG-7 should be protected.

³ The PUC has protected proprietary confidential evaluation material historically. See Docket No. 4764 November 20, 2017 Hearing on Motion for Protective Treatment.

⁴ See Schedule NG-2, at 14.

IV. CONCLUSION

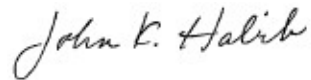
Accordingly, the Company requests that the PUC grant protective treatment above-listed Confidential Information.

WHEREFORE, the Company respectfully requests that the PUC grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorney,



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Dated: February 7, 2019