KEEGAN WERLIN LLP

ATTORNEYS AT LAW
99 HIGH STREET, SUITE 2900
BOSTON, MASSACHUSETTS 02110

(617) 951-1400

TELECOPIER:
(617) 951-1354

January 30, 2020

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

Re: Episcopal Diocese of Rhode Island Petition for Declaratory Judgment – Docket No. 5000

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (the Company), enclosed are the Company's initial comments in response to the Public Utilities Commission's Notice to Solicit Comments in the above-referenced matter.

Thank you for your attention to this matter. Please contact me if you have any questions.

Sincerely,

John K. Habib

John K. Habib, Esq.

Enclosures

cc: Cynthia Wilson-Frias, Esq.

RI PUC Docket 5000

IN RE: INVESTIGATION INTO THE TREATMENT OF STORAGE AS AN ELECTRIC DISTRIBUTION SYSTEM RESOURCE

National Grid Comments

The Narragansett Electric Company d/b/a National Grid (National Grid) responds below to each of the topics raised in the Public Utilities Commission (Commission) Notice to Solicit Comments in the above-referenced docket. Responses under each item address, if applicable: (a) an explanation of any problem that currently exists which needs to be solved; (b) whether the proposed topic is a short-term or long-term priority; (c) whether there are any related dockets or issues that would be affected by the proposed topic; and (d) whether the proposed topic has been addressed by other New England public utilities commission or legislature or the New York Public Service Commission.

(1) Identification of the costs and value streams of distributed energy resources under each of the programs in which renewable energy distributed energy resources can currently participate.

Costs of distributed energy resource (DER), from the developer's perspective, under each program in which renewable DER can currently participate include the costs of construction, associated fees, ongoing operation and maintenance costs, and power system upgrades.

The value streams include earning net metering credits (NM) or Renewable Energy Growth (REG) payments. NM credits and REG payments not offset by the resale of the associated generation in the ISO-NE wholesale markets appear as a cost to all distribution customers. Due to this, there are times on the system when energy is not needed and the wholesale price is actually negative resulting in higher costs of the programs. As an example, when the wholesale price is 3c/kWh and the NM credit paid to a customer is 19c/kWh, then resulting costs to all other customers in 16c/kWh. However, at low load conditions and high solar output (late spring, early summer), if there is high saturation of solar to load, the whole sale price can be negative, in this NM example, if the wholesale price if -3c/kWh, then the costs to all customers would be 22c/kWh.

For NM customers, other earnings can include Renewable Energy Certificates (RECs), and Forward Capacity Market (FCM) revenues.

The value streams for on-site DER (e.g. behind-the-meter systems) include changes in the consumption expenses associated with energy on the site.

a. Explanation of any problem that currently exists that needs solving.

National Grid understands this topic as asking about the current state of costs and value streams for traditional DER under current incentive programs. As such, it is not clear what the scope of this docket will be to address any specific problems within this topic. With that being said, the Commission should bear in mind that current compensation levels to DER does not match the value they provide to non-participating customers or the distribution system. All distribution customers pay for energy from DER at a given rate, which is above the price of energy the Company procures on behalf of customers who take standard offer service (SOS). As Rhode Island continues to increase development and integration of DER in furtherance of the state's clean energy goals and through the treatment of storage as a DER or through other programs, the Commission should consider ways to harmonize compensation and value to promote a shift to a more sustainable DER market and which can capture the value of DER for the benefit of all customers. This concept is consistent with the goals of the Docket 4600 framework.

b. Is this topic a short term or long-term priority?

The general goal of moving to a more sustainable and equitable DER market is a long-term priority. However, associated concepts should be addressed in the short-term through this docket, as noted further herein.

c. Any related dockets or issues that would be affected by this topic?

When any proposed changes to underlying legislation for NM or REG comes up, the resulting docket would be affected. The annual REG hearings would also be affected.

d. Relevant issues from other jurisdictions.

<u>New York</u>

New York State no longer uses a net energy metering construct to compensate all DER, with the exception of mass-market onsite systems. Instead, New York uses the Value Stack Tariff, which attempts to compensate DER for the value provided to the system, and mitigate the cost shifts inherent in NM.[1] As a high-level summary, the Value Stack compensates resources in monetary credits based on the following elements:

[1] Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources *Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters*. March 9, 2017 (see e.g. page 25 for a discussion on the move away from NM).

1. Energy – Day Ahead energy based on NYISO zonal prices
2. Capacity - Based on performance in the NYISO capacity hour for storage and over a proxy group of hours for solar systems with the amount of compensation based on market prices for capacity
3. Environmental – The higher of New York's Renewable Energy Credits (REC) prices or the social cost of carbon net RGGI pricing for carbon credits
4. Demand Reduction Value (DRV) – Available to all DER located anywhere in the Company's service territory and provides an approximation of the value of injections in a pre-defined peak period
5. Locational Specific Relief Value (LSRV) – Available only to resources located in constrained areas of the distribution system. Resources earn the LSRV based on their performance during utility called events.
6. Community Credit – Replaced the Market Transition Credit – Quantity limited credit available to community distributed generation projects in the transition from NM to the Value Stack to stimulate the Community Distributed Generation (CDG) market.[2]

The Value Stack Tariff has enabled a shift to monetary crediting, using wholesale energy values for distribution-connected systems and the use of utility dispatch of LSRV to drive value to the distribution system. These market changes are consistent with the above-noted goals of creating more sustainable prices for DER and capturing some of the value DERs create for the benefit of all customers.

Massachusetts

Chapter 75 of the Acts of 2016, An Act Relative to Solar Energy, St. 2016, c. 75, directed the Massachusetts Department of Energy Resources (DOER) to develop a new statewide solar incentive program to encourage the continued development of solar energy, while lowering the cost of the Commonwealth's solar incentive program for all ratepayers. St. 2016, c. 75, § 11. In compliance with the act, DOER promulgated regulations to implement the Solar Massachusetts Renewable Target (SMART) program. The first goal of the act was to "promote the orderly transition to a stable and self-sustaining solar market at a reasonable cost to ratepayers." Id. The SMART program aimed to meet that goal by basing initial incentive levels on a competitive procurement, and by implementing a declining block rate for incentives. Projections of the SMART program costs to ratepayers indicated a rate of $85.49 per MWh, as compared to an estimated net cost of $308.78 per MWh and $197.29 per MWh for the predecessor incentive programs of SREC I and SREC II, respectively. See Order Approving Model SMART Provision, D.P.U. 17-140-A, at 10 (2018).

[2] See Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources *Order Regarding Value Stack Compensation* (April 18, 2019) for more details regarding current compensation elements.

(2) Identification of the costs and value streams of distributed energy resources paired with storage under each of the programs in which renewable energy DER can currently participate.

Costs of DER paired with storage under each of the programs in which renewable DER can currently participate include all those listed under topic (1), above plus construction and maintenance costs of the energy storage system and any additional administrative costs required to interconnect and monitor energy storage operations (e.g. monitoring and enforcing policy restrictions such as charging from the paired solar facility only).

Consistent with topic (1), above, the value streams for DER paired with storage include earning NM credits or REG payments. In the case of systems paired with storage, however, developers have an opportunity to increase the overall value of NM credits or REG payments earned because the addition of paired storage presents an opportunity to increase solar production on-site by deploying higher DC-AC ratios. In other words, developers can install solar panels capable of producing more kWhs than the nameplate rating of the system's inverter. By over-sizing the amount of DC power created for a standard solar project relative to the inverter used to convert the DC to AC power and storing the excess energy produced in a storage device, the developer can raise the total kWhs produced annually. The end result is that the developer will receive much higher NM or REG payments that a non-storage paired system could generate. This, in turn, will result in higher program costs for non-participating distribution customers. Reviewing the benefits and costs of these systems under the Docket 4600 principles will be important to understand how this impacts all other customers.

In addition, the use of a paired solar+storage system if it intends on participating in customer funded programs like NM and REG, should be managed and controlled by the electric distribution company to maximize benefits to the electric distribution system as determined during the interconnection study process. For deferral of any infrastructure to occur, this control is critical. Unfortunately, in Massachusetts, this is not the case. Owners of storage in the SMART program fully expect to be paid an incremental amount over customer funded SMART payments if the electric distribution company would like to pursue any program requiring the use of storage to manage loads on the system.

a. Explanation of any problem that currently exists that needs solving.

Because DER incentives are ultimately paid for by all distribution customers, a standard mechanism must be adopted to ensure that energy storage systems drive incremental value to all customers, but do not allow developers to receive NM or REG payments for non-renewable energy. The Commission should consider methods to ensure that paired solar+storage systems qualifying for NM or REG are only charged from the solar resource; not from brown energy on the grid. This

issue must be addressed as both a matter of initial qualification for NM and REG programs, and as a matter of ongoing compliance.

In addition, where NM or REG payments are to be paid, the Commission should consider introducing operational requirements to optimize the charging and discharging of storage to produce benefits to the distribution system and customers (i.e. to require charging at low peak hours from the solar resource and discharging at peak hours to reduce costs for all customers). Put another way, the storage allows projects to shift when the energy produced is injected into the grid. The underlying value of that energy is variable, while the compensation for it under existing mechanisms is not.

b. Is this topic a short term or long-term priority?

This is a short-term priority that may require modification in the long term to be most effective.

c. Any related dockets or issues that would be affected by this topic?

National Grid is not aware of any other dockets that would be affected by this topic at this time.

d. Relevant issues from other jurisdictions.

New York

In New York, paired solar + storage systems receive compensation under the Value Stack Tariff. If a system charges exclusively from renewable power, it is eligible to earn the E value, but if it also charges from the grid to arbitrage energy prices, it forgoes that element of the compensation. Moreover, subject to certain exemptions and restrictions, DER on the Value Stack with significant quantities of storage, must take their energy supply, if they take it from the utility, under a mandatory hourly pricing construct with a capacity cost allocation consistent with the NYISO market, which helps align the incentives for consumption and injection.

Massachusetts

National Grid is required to submit an Energy Storage Target Annual Report to the Massachusetts Department of Energy Resources (DOER) each year pursuant to An Act to Advance Clean Energy, Chapter 227 of the Acts of 2018. In that report, National Grid identified the following use cases, or value streams, associated with energy storage systems (ESS).

1. Wholesale Market (i.e., Energy, Capacity, Ancillary Services): ESS have the potential to participate in all major categories of the wholesale market.

a. In the wholesale energy market, ESS may be able to produce revenue by arbitraging hourly and sub-hourly electricity prices, charging when the wholesale price is low and discharging when the wholesale price is high.

b. ESS may participate in the ISO-NE Forward Capacity Auction and earn revenue by contributing to ISO New England's installed capacity.

c. ESS may also be able to generate revenue by participating in the ancillary services market (e.g., black start and frequency regulation).

While energy arbitrage, capacity, and ancillary service revenues have the potential to be monetized for the benefit of the ESS owner, individual customers may potentially benefit if overall system costs are reduced over time.

2. Peak Shaving / Load Leveling: ESS can store energy during hours of low demand and discharge energy when the system is peaking. This may reduce the entire system peak and result in lower utilization of inefficient and expensive gas and oil units. It may also reduce ISO-NE capacity and regional network service costs.

3. Generation Support (e.g., Peaker Replacement): ESS can discharge when the system is peaking, thus acting in place of peaking capacity. ESS have the potential to be cleaner and more reliable than a traditional combustion turbine unit.

4. T&D Asset Deferral: Strategic deployment of ESS has the potential to defer or eliminate transmission and distribution upgrades in specific locations. The potential for transmission and distribution deferrals need to be studied on an individual basis in consideration of local circumstances and system characteristics.

5. Power Quality (e.g., Voltage/VAR Support): Once appropriate standards and testing is in place (i.e. IEEE 1547-2018 and UL 1741.SB) and communication is in place for monitoring and control (which requires additional grid modernization funding to be approved to construct these capabilities) ESS can provide voltage/VAR support. Reactive power cannot be efficiently transmitted over long distances, which makes distributed ESS an attractive alternative to traditional voltage/VAR support supplied by generating units in some locations.

6. Customer Bill Savings (e.g., Demand Charge Management): Individual customers can utilize ESS to shave the peaks and fill the troughs of their load. By reducing peak load, customers may be able to mitigate their installed capacity tag. Commercial and industrial customers may also have the potential to realize bill savings by lowering their peak demand and avoiding a demand charge. Recognize that this creates a cost shift from customers who can reduce their demand charges to other customers who cannot until such time as the larger transmission and

distribution electric systems require less cost over time to provide for peak loads. Customers with time varying rates can also use ESS to perform arbitrage by charging the ESS during less expensive off-peak times and discharging for their own use during more expensive peak periods.

7. Renewable Energy Integration (e.g., Ramping, Smoothing): ESS can quickly follow the variable and unpredictable generation of an intermittent renewable resource making it smooth and dispatchable. ESS can thus support the further integration of renewable resources.

8. Renewable Energy Shifting: ESS have the potential to store energy generated by renewable resources when system demand is low and discharge when system demand is high.

9. Reliability and Resiliency: ESS can support reliability and resiliency by locally providing energy during an outage event.

10. Microgrid: ESS can help promote a reliable microgrid. By storing energy produced by renewable resources or by combined heat and power (CHP) for use when those assets are not generating, ESS can support microgrid "islanding" and going off the main grid at times when there is an electric distribution system outage or when it would be otherwise advantageous to the microgrid operator.

(3) Understanding whether and how the design and purpose of a paired system changes the costs and value streams.

The design and purpose of paired systems change the cost and value streams, as mentioned in item (2). However, as noted above, the addition of paired energy storage for stand-alone systems will likely result in a greater value of NM or REG payments to the developer, and an equally higher cost to all other customers. Additionally, by adding storage, owners of behind-the-meter systems gain more flexibility to use more of the energy generated on-site as well as substantially increase the annual electric generation that results in higher NM/REG payments.

In addition, the disconnect between the payments made to NM and REG customers versus the real-time price of energy may be increased with storage in that unless storage is properly dispatched it can continue to export energy regardless of underlying conditions and prices on the electric transmission and distribution system. Since storage can manage the flow of energy from a renewable resource, it should be not be allowed to export at times when doing so creates operational problems or increased costs. As described in (1) above, adding storage in an uncontrolled manner simply to generate higher NM and REG revenues has the real potential to increase the likelihood of negative wholesale pricing otherwise and higher costs for customers.

a. Explanation of any problem that currently exists that needs solving.

There are several issues the Commission should consider with respect to the design and purpose of paired systems. First, the Commission should understand the impacts of increasing on-site solar generation, which may be in the State's best interests, but balance that to the increased costs to all customers. The Commission should consider the increased costs of solar+storage and how to balance these increased costs versus other critical programs, such as the cost for increased deployment of electric vehicles, beneficial electrification, grid modernization, and AMI among other issues.

Second, the Commission should consider the interplay between state policies to encourage storage and wholesale markets. For example, the Federal Energy Regulatory Commission (FERC) Order 841 is designed to remove barriers to the participation of electric energy storage resources in the capacity, energy, and ancillary service markets. The order requires each Regional Transmission Organization (RTO) or Independent System Operator (ISO) to establish a market participation model for electric energy storage resources that ensure that energy storage resources are "eligible to provide all capacity, energy, and ancillary services that the resource is technically capable of providing in the RTO/ISO markets" and that the markets "account for the physical and operational characteristics of electric storage resources through bidding parameters or other means."[3] FERC Order 841 addresses market barriers to electric energy storage resources participating in the various wholesale markets under the energy storage participation models; however, the Order has not addressed barriers to electric storage resources that seek to dually participate in the wholesale electricity markets and serve some alternative use case, such as a transmission or distribution deferral. State policy should be developed in a manner that is consistent with the requirements of FERC Order 841 in order to fully capture the value of storage in the wholesale market.

Third, it will be important to understand how paired systems are designed and intended to operate so that appropriate metering configurations can be offered to customers. Paired facilities may be designed to be co-located and AC-connected, meaning that each component, the solar PV and battery storage system, has its own dedicated inverter(s) and the battery charges from AC-power flowing into its inverter. However, an increasingly popular design is to connect the battery storage to the solar PV output behind the inverter, or multiple inverters, as a direct current (DC) connection. Such systems have combined AC output for both resources. DC-coupling creates limitations for such systems to participate in ISO-NE markets. At present, ISO-NE indicates that it will allow solar-plus-storage "combined assets" to register and participate in ISO-NE's real-time energy market, but such

[3] Federal Energy Regulatory Commission Docket Nos. RM16-23-000; AD16-20-000; Order No. 841 at i.

participation may only be as a "settlement only generator," or SOG. ISO-NE will not allow such facilities to register as modelled generators, apparently due to constraints in its generation dispatch modelling software, and as such DC-coupled assets will not be able to participate in ancillary service markets, such as frequency regulation and generation reserve markets. This market constraint will limit the potential benefits from and market-based financial support to those resources until it is addressed by ISO-NE.

It will be important to understand how paired systems are being configured and how they intend to operate, including in wholesale markets, so that appropriate metering configurations can be offered.

b. Is this topic a short term or long-term priority?

Implementing this change is a short-term priority, management is a long-term priority.

c. Any related dockets or issues that would be affected by this topic?

National Grid is not aware of any related dockets that would be affected by this topic at this time.

d. Relevant issues from other jurisdictions.

Massachusetts

Massachusetts has been addressing issues around meter configuration in dockets D.P.U. 17-140 and D.P.U. 19-55. National Grid has been participating in a working group among industry stakeholders, DOER and ISO-NE to discuss metering issues such as metering of DC-paired systems and the interplay with ISO-NE requirements.

(4) Identification of a definition of inappropriate market activity.

Inappropriate market activity could include charging a battery from sources other than the solar generator on site or other on-site DER while receiving compensation for strictly renewable energy. Inappropriate market activity could also include other forms of arbitrage or charging/discharging in a manner that is detrimental to the distribution system or shifts costs inappropriately to non-participating customers.

a. Explanation of any problem that currently exists that needs solving.

The first problem that needs to be solved is establishing a clear definition of "inappropriate market activity." Once a definition is established and inappropriate conduct is identified, monitoring and enforcement methods need to be established.

For example, the Commission's decision in Docket 4982 found that renewable energy power generating system paired with battery storage meets the definition of an eligible net metering system where (1) battery is only charged from the renewable energy power generation system; (2) the host is not on time of use rates; (3) the generator/customer does not claim the right to capacity payments or value of ancillary services market; and (4) the entire system (renewable energy power generating system + storage) is paired on the customer side of the retail meter. The Commission also gave National Grid the right to inspect paired systems to ensure they are configured to allow no charging of the storage unit from the electric grid. While it is helpful that National Grid has been provided the right to inspect such systems, this extra responsibility must be developed and improved over time. Working with the EDC, the Commission should consider further defining the type of control measures that should be installed to prevent inappropriate market behavior. In addition, the EDC directed operation of the storage must be resolved which could impact solar project owner's participation ISO-NE markets (e.g., FCM participation, frequency regulation, etc.). For this reason, EDC ownership of these wholesale attributes with their associated revenues that are used to reduce costs to all other customers should be considered.

b. Is this topic a short term or long-term priority?

Defining "inappropriate market activity" is a short-term topic imperative to begin accepting projects with storage into the Net Metering program with a monitoring process in place. The responsibility on the part of the Company to monitor and enforce appropriate market activity is a long-term priority.

c. Any related dockets or issues that would be affected by this topic?

N/A

d. Relevant findings from other jurisdictions.

<u>Massachusetts</u>

With respect to controlling paired systems and net metering, Massachusetts has imposed limits on the configurations of paired solar + storage facilities that are eligible to net meter to ensure that net metering credits are not paid for non-

renewable energy. The permitted configurations are as follows (see Net Metering and Energy Storage Systems, D.P.U. 17-146-A (2019)):

Configuration	Charge Source	Export to Grid	Eligible to NM
On-site Net Metering (Configuration 1)	NM Facility Only	No	Yes
Net Metering and Exports (Configuration 2)	NM Facility Only	Yes	Yes
Non-Export (Configuration 3)	NM Facility AND the Grid	No	Yes
Configuration 1 and 3 w/ Inadvertent Export	See above	Inadvertent Export Only (unscheduled, less than 30 seconds)	Yes
Net Generation Output Meter (Configuration 4)	NM Facility AND the Grid	Yes	No

In the same order, the Massachusetts Department of Public Utilities identified two significant opportunities for manipulating the net metering program that could result from allowing paired systems. First, it is possible for a customer with a paired system, who takes service on a time varying rate, to receive a higher net metering credit value for the system's excess generation by using ESS to shift the export of generation between peak and off-peak hours, inflating the value of the facility's excess generation. Second, absent restrictions on the charging or discharging of an ESS, it may be possible for a customer to receive net metering credits for generation that does not come from an eligible net metering source. Id. at 27-28.

(5) Understanding of concerns with time-of-use rates and implications on the previously identified costs and value streams.

a. Explanation of any problem that currently exists that needs solving.

Rate design can be a powerful tool to improve the compensation for NM and REG systems. It is important to differentiate between delivery rates which recover costs related to running the distribution system, and those related to providing energy. As to the latter, using wholesale market prices for energy produced AND consumed will best incentivize economic behavior. Delivery rates are best collected through fixed and demand-based charges. Volumetric time-of-use delivery rates in the presence of on-site generation can exacerbate the cost shift inherent in NM.[4]

[4] See Mass Market DER Tariffs Presentation. Navigant. April 15, 2019. Matter 17-01277. In the Matter of the Value of Distributed Energy Resources Working Group Regarding Rate Design, available at http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={5741BD28-7780-452A-AF48-F05C7E39106C} ; see also E3 Bill Savings Results. October 15, 2018. Matter 17-01277. In the Matter of the Value of Distributed Energy Resources Working Group Regarding Rate Design, available at http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={C107DBF5-2E36-4F12-B04F-771792225FCC}

Implementation of time-varying rates (TVR) has been a priority of Docket 4600 and should be adopted over time as appropriate once AMI has been installed for projects smaller than 25 KWs. Currently, all projects 25 kW and larger have interval meters installed as per the interconnection tariff, so they can be provided TVR by third party energy providers today in the State. The newness of time-varying rates in Rhode Island requires other service areas' best practices and the unique needs of Rhode Island stakeholders to be carefully considered. One particular concern is that customers who will not be familiar with the requirements set forth in guidance of the NM rules with solar+storage, that have a combination of time-varying rates, NM and energy storage could be incentivized financially to reconfigure their systems after the initial interconnection to enable the storage to be charged from the grid during low-cost, off peak hours and then discharge that stored energy at high-value, on peak hours that would be further inflated by NM incentives (even though the grid-charged energy should not be eligible for net metering).

b. Is this topic a short term or long-term priority?

For projects 25 kW or greater, a short-term priority is to establish a methodology to prevent use of grid power to charge when their third-party energy supplier offers low rates, and then augment NM or REG production during the next day. As NM and REG are essentially fixed prices, there are significant financial incentives for subsequent owners not versed in the requirements set forth in guidance of the NM rules with solar+storage to simply begin this over time. A long-term priority is setting more dynamic rate structures once AMI has been installed to allow projects 25 KW projects to participate to best reflect costs of energy and network usage of the injections at increasing granularity, which is the same issue, in the inverse, of creating time-of-use rates.

c. Any related dockets or issues that would be affected by this topic?

Pricing elements addressed in RI Gen Laws 39-26.6-24(a)(1)(iv) system reliability and least cost procurement cites PUC's ratemaking authority, though pricing elements will require review from different stakeholders for effective consideration.

(6) Ownership of capacity and ancillary services values.

a. Explanation of any problem that currently needs solving.

The condition of NM eligibility is that a customer (owner of the generator) can currently claim ownership of RECs, capacity, and other ancillary services values.

For REG customers, before participating in the organized market, a customer must unenroll from REG. There must be a clear process in place to facilitate this and avoid double-payments. Furthermore, it is recommended that the consequences (e.g. repayment of inappropriate net metering credits and/or termination of interconnection service) of failing to meet that obligation should be clearly defined.

As noted in response to topic (2), above, storage has the potential to be operated under many use cases, each with varying market values and benefits to the electric system. The Commission should consider how to encourage maximizing the value of storage for the benefit of all customers, who already pay the cost of NM and REG incentives, by allowing EDC ownership of these attributes for customers receiving NM or REG.

b. Is this topic a short term or long-term priority?

All stakeholders must reach consensus on whether to make the ownership of capacity and ancillary services values available to customers over time, or to adhere to current NM eligibility requirements for the long term. In either case, a procedure for handling customer petitions or inquiries for ownership change must be agreed upon in the short term.

c. Any related dockets or issues that would be affected by this topic?

Docket 4743 addresses net metering eligibility and treatment systems under different system configurations, use-cases, sizes, and rate structures to include consideration of different capacities (e.g. > 25kW).

Resolution of this issue could also have important impacts on the jurisdiction of interconnection requests (i.e., whether interconnection is subject to state jurisdiction under National Grid's interconnection tariff or federal jurisdiction under ISO-NE's Schedule 23). If facility owners retain title to capacity associated with any portion of a paired facility, their interconnection request would be subject to federal jurisdiction if: (1) they are interconnecting to a dual use distribution facility subject to federal jurisdiction; and (2) they intend to engage in wholesale transactions (such as the sale of capacity).[5]

[5] See D.P.U. 19-55, presentations regarding state and federal jurisdiction, available at: https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/11472937; https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/11472940

d. Relevant issues from other jurisdictions?

Massachusetts

The issue of title to capacity was addressed extensively in docket D.P.U. 17-146. See Net Metering, SMART Provision, and the Forward Capacity Market, D.P.U. 17-146-B (2019). In short, the Department found that for paired solar and storage facilities, the owner of the system retains title to capacity rights associated with the storage facility, but the distribution companies hold title to the capacity associated with the solar portion of the facility for larger Class II and Class III net metered systems. The Department also approved a compromise proposal that grants facility owners an opportunity to purchase title to capacity associated with the solar portion of certain paired facilities in an effort to avoid potential conflicts with current ISO-NE rules regarding registration of paired assets.