

January 8, 2021

Mr. John Bell
Public Utility Rate Analyst
Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Subject: Docket No. 5077; Standards for Connecting Distributed Generation

Dear John:

The Division requested that I review the National Grid filings in Docket No. 5077, the data request responses, and filings from other parties. I have completed my review of these materials, and this letter outlines my review, observations and recommendations to the Division.

As requested in Commission Docket No. 5077 - Standards for Connecting Distributed Generation, R.I.P.U.C. No. 2244 Responses to PUC Data Requests – Set 1, National Grid (“Company”) identifies amendments to its proposed interconnection tariff as:

- (a) clarifying current practice;
- (b) adding a new procedure or process;
- (c) removing an existing procedure or practice; or
- (d) adding a new substantive component

Most of the amendments are identified as clarifications. Those limited cases where other reasons are given for the change are primarily amendments in procedures/practices/processes. The four amendments that National Grid identifies as substantive are:

1. Addition of the Interconnection Technical Standards Committee (Sheets 6, 55)
2. Addition of a Pre-Impact Study (Sheets 7, 9, 12, 19-20, 28, 79-80)
3. Addition of an Ombudsperson (with non-binding decision authority on tariffs) (Sheets 11, 51-52)
4. Addition of a Pre-Application form (Sheets 14-16, 66)

I am concerned that the overall impact of these four substantive amendments will result in additional administrative expense which, unless offset by additional benefits, will result in higher electric rates. Furthermore, I am concerned that the Company has proposed changes which transfer control away from the Infrastructure, Safety and Reliability (“ISR”) Plan process and other ratemaking authority of the Commission. Finally, I have concerns about other amendments not identified as substantive, but that could result in higher electric rates without associated benefits. My position regarding each of these amendments is discussed in detail below.

1. Addition of the Interconnection Technical Standards Committee (Sheets 6, 55)
Sheet 55 provides the outline for establishment of the Interconnection Technical Standards Committee (“ITSC”)

National Grid is proposing to close the ITSC meetings to the public due to the "...potentially sensitive nature of meeting topics." This is contrary to the operation of technical working groups in other jurisdictions. If there are indeed sensitive topics, I propose that it would be a better approach to have open meetings as a general rule, but to allow closure upon a legally rendered opinion for those special and rare occasions when such closure is valid.

National Grid appears to be proposing that the ITSC has the final say in adopting changes to interconnection standards. I propose that it would make more sense for this to be a Commission decision, with the ITSC making recommendations to the Commission. This is more in line with the workings of technical standards working groups in other jurisdictions.

National Grid is proposing that the Ombudsperson be made Vice Chair of the ITSC. This presumes that: 1) the Commission approves the Ombudsperson, and 2) the Ombudsperson is a voting member of the ITSC. If the Ombudsperson is made a part of the tariff (see concerns in 3. below), then the Ombudsperson should remain an impartial party and should not be made a part of the ITSC.

2. Addition of a Pre-Impact Study

Sheets 7, 9, 12, 19-20, 28, 79-80 provide the introduction of a Pre-Impact Study

The impact on overall consumer costs is additional administrative expenses, with (presumably) some benefits in reduced frivolous applications due to more stringent initial screening. I propose that this amendment state that the agreed-upon fee be adequate to cover the cost of the proposed Pre-Impact Study.

3. Addition of an Ombudsperson (with non-binding decision authority on tariffs)

Sheets 11, 51-52: Sheet 11 states that an Ombudsperson "will hear complaints about the interconnection process...when such complaints cannot be resolved by good faith negotiations.", and further provides "The appointed ombudsperson will oversee any and all elements of the interconnection process and will, where confidentiality is not compromised, offer recommendations to the Company, OER and the Division and the Commission about opportunities to mitigate or avoid future complaints and disputes." Sheet 51 makes it clear that the Ombudsperson only may assist the parties in attempting to resolve their outstanding differences, or provide the parties with 2 options: (1) engage PUC staff, or (2) proceed with formal mediation/arbitration.

I believe that the creation of the position of Ombudsperson is a significant administrative overreach, and I find no justification offered by National Grid for the creation of this role. Furthermore, I find that the NECEC DISCUSSION document, in its item A, offers no justification for the creation of an Independent Ombudsperson. My comments on this matter apply to both the National Grid proposal and the filing by the NECEC.

If it is a given that the position of Ombudsperson is to be established, then I have further concerns.

- I believe there are very apparent competing roles of the Ombudsperson, that of hearing officer and process overseer.

- In order to maintain the independence and objectivity of the PUC as an adjudicative body, I contend it is more efficient for the Company and the interconnecting customer to simply engage in non-binding mediation (outside of the PUC) after their attempt at good faith negotiations.

The proposed tariff uses the term "arbitration" in addition to "mediation". Arbitration generally is more formal and a more costly process than mediation. I contend it is inappropriate to have such a lack of clarity and no defined understanding of the differences between these two. The Company is in the best position to know how to mitigate or avoid future complaints and disputes. Allowing for the Ombudsperson to make recommendations about how to mitigate future complaints or disputes is an overly transparent attempt to transfer management responsibility of addressing interconnection problems to the PUC. The Company should be in the best position to approach the analysis and solutions for interconnection following a model comparable to regional transmission organizations, and applying that model to its distribution system.

4. Addition of a Pre-Application Form (Sheets 14-16, 66)
Sheet 14 changes the Pre-Application form from no-fee to a fee-based service, although the fee is refundable if the Interconnection Customer files an Interconnection Application within 15 days of receiving a completed Pre-Application Report from the Company.

I support this change to the extent the amendment includes additional language to recover expenses from frivolous applications.

5. Other Concerns

- A. Hearing officer

Sheet 53 states "The Commission will appoint a hearing officer or other Commission staff person familiar with the DG interconnection process in Rhode Island to oversee the selection of private neutrals and otherwise serve as a resource for DG cases."

I find a lack of clarity as to whether this clause refers to the Ombudsperson and, if so, whether it should be modified accordingly presuming an Ombudsperson is even incorporated.

Additionally, although the power of appointment of a "hearing officer" exists in the original tariff, in RI, the PUC conducts hearings. The Division would ask where is the statutory authority for the PUC to delegate its "hearing authority" to a "hearing officer"?

- B. System Modifications and System Improvements

Sheet 44 provides "If System Modifications are required to interconnect a proposed Facility and the Company determines that those System Modifications (in full or in part) may provide an obvious future benefit to the Company EPS that would be considered used and useful by the Company's customer base, the Interconnecting Customer shall only be responsible for the incremental cost of such System Modifications that would not otherwise be considered used and useful."

System Modification[s] are: "Modifications to Company facilities that are integrated with the Company EPS for the benefit of the Interconnecting Customer." Company EPS: "The electric distribution power system owned, controlled or operated by the Company used to provide distribution service to its Customers." Given these definitions, Sheet 44 appears that it would allow the Company to socialize the cost of System Modifications (in full or in part) that the Company determines "would be considered used and useful by its customer base." This would appear to sanction the socialization of potentially millions of dollars of interconnection costs to the general body of ratepayers.

The ISR Plan process is a better forum for establishing what constitutes a System Modification – those changes to the system for the benefit of the interconnecting customer, and a System Improvement – those changes that benefit the overall system used to provide service to the Company's consumers. The ISR Plan process already addresses certain capital projects which benefit distributed energy resources and are appropriately socialized because they cannot be effectively directly assigned.

Further, I disagree with providing the Company any latitude in transferring capital cost to the customer outside of the ISR Plan and ratemaking processes. I would support System Modification[s] being classified as System Improvement[s] by the Company, if each project could be directly identified and linked to a specific project contained in a previously filed five-year Area Study, subject to final approval for inclusion in rates through the ISR Plan process. While this places the risk of capital recovery on the Company, such an approach is grounded in the ratemaking principle of cost causation, follows the current statute, and gives cost recovery the appropriate level of Division and PUC oversight and control pursuant to well-defined principles. Additionally, the Company's proposal would encourage the Company to move capital projects into this interconnection process and circumvent the statutory requirements of the ISR Plan process.

The NECEC, in Item F of its Discussion document, suggests the Commission prioritize cost allocation and distribution planning issues in the near future due to the importance of distributed renewable generation. I would emphasize that the existing ISR Plan process and the National Grid development of a grid modernization plan, combined with the Docket No. 4600 benefit-cost analysis detailed framework and non-wires alternative requirements, have already been advancing prioritization of cost allocation and distribution planning for improved distributed energy resource ("DER") incorporation into the electric grid. Furthermore, the ISR Plan process has already advanced certain system improvements which will enhance the speed and ability of DER interconnection.

C. Public Notices

Sheet 54, Table 3 provides for Dispute Resolution Timeframes: "Public notice of mediation process" and "Commission issues order within 20 days?"

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I find no justification for a public notice. Furthermore, in consultation with the Division, I would contend a 20-day turnaround for issuing a Commission order is an unreasonably compressed timeline and would not allow adequate time for the Division, other stakeholders, and the Commission to adequately review and address the issues.

I offer this letter to the Division as my position on the Company's filing and proposal in Docket No. 5077. I am available to address any questions up to and including at the formal hearing on this matter. Please contact me if you have any questions or require additional clarification.

Sincerely,



Gregory L. Booth
President

glb/sk