

March 12, 2021

The Honorable Joseph J. Solomon Jr., Chair
Rhode Island House Committee on Corporations
Room 203, State House
Providence, RI 02903

RE: H 6066 Relating to Public Utilities and Carriers – Distributed Generation Interconnection

Dear Chair Solomon:

On behalf of The Narragansett Electric Company d/b/a National Grid (“Narragansett” or the “Company”), I am writing to oppose H 6066, which would amend R.I. Gen. Laws § 39-26.3 entitled “Distributed Generation Interconnection” with respect to interconnection study fees, transmission interconnection costs and the review and approval of infrastructure necessary to interconnect distributed generation. The legislation is attempting to shift responsibility for the interconnection costs incurred by the large distributed generation (“DG”) developers who cause them to other customers, including residential customers, who submit the vast majority of DG interconnection applications; and low-income customers, who neither cause nor benefit from the interconnection of such large projects to the electric power system. The legislation also attempts to shift oversight of the Company’s distribution infrastructure, vested in the Rhode Island Public Utilities Commission (“RIPUC”) and the Rhode Island Division of Public Utilities and Carriers (“DPUC”) by statute, to an individual who would serve in a newly created role of Ombudsperson.

The stated purposes of H 6066 are: (1) to require the electric distribution company to properly account and charge for its interconnection studies; (2) to provide evidence of its actual cost of interconnection within ninety (90) days of completion; (3) to clarify jurisdictional issues related to transmission system studies and impacts; and (4) to establish an independent ombudsman to oversee the electric distribution company's interconnection practices. However, as noted herein, the legislation is primarily an attempt to shift interconnection costs from large solar developers to low-income and residential customers. It also seeks to circumvent current deliberations on recommendations for revisions to the Company’s interconnection tariff that have been developed in collaboration with key stakeholders over the past year.

First, H 6066 would amend R.I. Gen. Laws § 39-26.3-4 to allow developers of non-residential projects greater than one megawatt to pay less than \$10,000 for their interconnection studies. It also attempts to tie the cost of studying a project to the costs of conducting interconnection studies historically. The current statutory fee structure has been in effect since January 1, 2013. The fees ensure that customers that seek interconnection studies bear a reasonable amount of costs associated with studying them for the purpose of ensuring safe and

reliable interconnection. Typically, the costs of studies for projects greater than one megawatt are much higher than \$10,000 due to their complexity, given the current saturation of the distribution system with renewable energy projects. Allowing developers of such large projects to potentially pay less than \$10,000 toward their studies will unfairly shift the responsibility of interconnection study costs to customers with smaller projects. Moreover, attempting to tie study costs of a project to the study cost of an unrelated project is arbitrary and unreasonable.

Next, H 6066 would amend R.I. Gen. Laws § 39-26.3-4-1 by attempting to prohibit the RIPUC from imposing transmission interconnection costs on distribution system interconnections, unless any such specific charges “have been authorized by order of ISO-NE, concluding that the charges are consistent with ISO-NE’s tariffs.” This language completely ignores the electrical interaction between the local distribution system and the interstate transmission system, and miscomprehends the role of ISO-NE with respect to transmission interconnection costs.

As noted by the RIPUC in a recent order, “[t]he electric grid is an interconnected, interdependent system of equipment that is constructed in a manner to provide safe and reliable service at all times.” In Re: Petition of the Episcopal Diocese of Rhode Island for Declaratory Judgment on Transmission System Costs and Related “Affected System Operator” Studies, Dkt. No. 4891, Order at 4. Because of this interconnectedness, the transmission system can have an impact on the distribution system and, likewise, changes to the distribution system can have an impact on the transmission system equipment and operation. Id. at 5. Therefore, the planning of changes to the electric grid is subject to various tariffs and operating procedures, whether they are subject to federal jurisdiction or state jurisdiction. Id. In New England, the transmission planning process is governed by the regional transmission operator, ISO-NE. Id. ISO-NE is responsible for coordinating and directing the flow of electricity over the region’s high-voltage transmission system, administering the wholesale energy markets, and planning to meet the region’s power system needs over the next 10 years. Id. It is under these planning responsibilities that ISO-NE has procedures in place to ensure that transmission providers conduct studies of their systems prior to allowing any additions to either the distribution or transmission system that might affect the safe and reliable transmission of power along the transmission grid. Id. ISO-NE is subject to FERC jurisdiction. Id.

Contrary to the language of H 6066, ISO-NE does not “authorize” specific transmission costs. Transmission rates are approved by FERC, and are imposed on transmission service providers, who may then charge their customers for such costs. In the case of distributed generation proposed to be interconnected to the distribution system that also affects the interconnected transmission system, such transmission costs are charged to the Company from its federally-regulated affiliate New England Power Company, and then allocated to the retail customer that caused such costs to be incurred. H 6066 mis-states the entity that authorizes such charges, while also attempting to restrict such costs from being borne by the retail customers that cause them. Currently, the projects causing such costs due to their impact on the transmission system are projects from large DG developers. Accordingly, the proposed legislation is attempting to shift responsibility of such costs from the large DG developers that cause them, to

other retail customers, including residential and low-income customers, who have not sought to interconnect such large projects to the electric power system.

Finally, H 6066 attempts to circumvent Dkt. No. 5077, currently underway at the RIPUC. In Dkt. No. 5077, the RIPUC is reviewing proposed revisions to the Company's interconnection tariff that were developed through a collaborative process of approximately one year between the Company, the Office of Energy Resources and the New England Clean Energy Council. H 6066 attempts to ignore this process and impose unreasonable deadlines on the Company to review interconnection applications and work with the participating customers to ensure that applications are complete, accurate, and compliant.

Moreover, the proposed legislation attempts to change the concept of an interconnection ombudsperson from one facilitating the resolution of interconnection disputes, to an arbiter of the reasonableness of scope and cost of distribution infrastructure. Currently, the RIPUC determines these issues, both independently and after review and feedback from the DPUC. This is consistent with the exclusive statutory authority the General Assembly has granted to the RIPUC and the DPUC to regulate electric distribution companies. R.I. Gen. Laws § 39-1-1 is clear that the businesses of distributing electrical energy are "affected with a public interest." To that end, the General Assembly vested in the RIPUC and the DPUC:

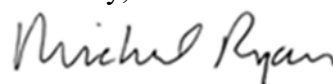
the exclusive power and authority to supervise, regulate, and make orders governing the conduct of companies offering to the public in intrastate commerce energy, communication, and transportation services and water supplies for the purpose of increasing and maintaining the efficiency of the companies, according desirable safeguards and convenience to their employees and to the public, and protecting them and the public against improper and unreasonable rates, tolls, and charges by providing full, fair, and adequate administrative procedures and remedies, and by securing a judicial review to any party aggrieved by such an administrative proceeding or ruling.

R.I. Gen. Laws § 39-1-1(c).

H 6066 improperly attempts to shift the oversight of the Company's distribution infrastructure to an independent Ombudsperson, contrary to exclusive authority granted to the RIPUC and DPUC over this process.

Thank you for your consideration of Narragansett's comments. The Company urges the committee to reject the passage of H 6066.

Sincerely,



Michael F. Ryan