1. Introduction

This tariff ("Tariff") describes the terms and conditions under which an Applicant for an eligible distributed generation project ("DG Project") will receive funding pursuant to Chapter 26.6 of Title 39 of the Rhode Island General Laws ("Chapter 26.6"), which refers to the Renewable Energy Growth Program ("RE Growth Program").

This Tariff will apply to an Applicant who has installed a DG Project at a Non-Residential Customer's service location or another location that allows for interconnection to the Company's electric distribution system. For this purpose, a Non-Residential Customer ("Customer") is defined as a customer receiving retail delivery service on any rate schedule other than the Company's residential rate schedules (Basic Residential Rate A-16 and Low Income Rate A-60). This Tariff will also apply to a DG Project that does not provide On-Site Use to a Customer receiving retail delivery service from the Company. The Applicant and the Customer may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules ("Rules") and this Tariff.

This Tariff applies to the Applicant for a DG Project that is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a DG Project has a defined period to meet all requirements to receive compensation pursuant to this Tariff, which is: (1) 48 months for a Small DG Project using hydropower; (2) 36 months for a Project using anaerobic digestion; or (3) 24 months for a Project using another eligible technology.

The Applicant is required to update the Application information for the DG Project, including but not limited to information concerning: the DG Project owner, the Customer, the Bill Credit Recipient(s), and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for a DG Project under this Tariff with notice to the Company and without the consent of the Company. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the DG Project with the Company's electric distribution system. The Applicant maintains the obligation to ensure that all aspects of a DG Project comply with the terms of the Company's Solicitation and Enrollment Process Rules and this Tariff. Upon notice to the Company, the Applicant may transfer the compensation under this Tariff to another person or entity without the consent of the Company.

2. **Definitions**

The following words and terms shall have the following meanings when used in this Tariff:

- a. Applicant: the person or entity with legal authority to enroll the DG Project in the RE Growth program, and with the obligation to ensure that all aspects of the DG Project comply with the Rules.
- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.
- c. Bill Credit: means a monthly billing account credit that allows eligible recipients to offset electric service charges applicable to On-Site Use subject to the eligibility requirements and provisions of Section 8.
- d. Bill Credit Recipient: a Customer receiving retail delivery service pursuant to one of the Company's retail delivery service rate schedules, and which is eligible to receive Bill Credits from a Community

Remote Distributed Generation System, a Shared Solar Facility, or Standard DG Project pursuant to the eligibility rules in Section 8. The Bill Credit Recipient must be in good standing on its electric service accounts with the Company and on any applicable electric service, payment plans or agreements, including but not limited to meeting all obligations under an interconnection service agreement.

- e. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- f. Ceiling Price: the bidding price cap applicable to an enrollment in a given Renewable Energy Class and Program Year. Ceiling prices will be recommended by the Board and approved by the Commission.
- g. Certificate of Eligibility: written notice by the Company or Commission that a DG Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a DG Project will be entitled to receive Performance-Based Incentive Payments for a specified term, pursuant to the terms and conditions of the applicable Tariff supplement.
- h. Commercial-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 250 kilowatts (250 kW) but less than 1 megawatt (1 MW).
- i. Commission: the Rhode Island Public Utilities Commission.
- j. Community Remote Distributed Generation System: a distributed generation facility with a nameplate capacity greater than two hundred fifty kilowatts (250 kW) and which allocates Bill Credits for each kilowatt-hour (kWh) generated to a minimum of three (3) eligible recipient customer accounts pursuant to the rules specified in Section 8. The Community Remote Distributed Generation System may be owned by the same entity that is the Applicant, the Customer, or another party.
- k. Company: The Narragansett Electric Company d/b/a National Grid.
- 1. Customer: a customer receiving retail delivery service pursuant to one of the Company's nonresidential retail delivery service rate schedules and listed as the customer-of-record on the billing account associated with the service location. The Customer may be the Applicant, a Bill Credit Recipient or a third party.
- m. Customer Payment/Credit Transfer Form: means a form submitted by the Applicant prior to the commercial operation date of the DG Project, and updated periodically as necessary, containing all required information necessary to process monthly Performance-Based Incentive Payments and Bill Credits.
- n. DG Project: a distinct installation of an electrical generation facility that is located in the Company's service territory, is connected to the Company's electric distribution system, and has a nameplate capacity no greater than five megawatts (5 MW) using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels.

- o. ISO-New England, Inc. ("ISO-NE"): the Independent System Operators of New England, Inc., established in accordance with the NEPOOL Agreement and applicable Federal Energy Regulatory Commission approvals, which is responsible for managing the bulk power generation and transmission systems in New England.
- p. Large DG Project: a DG Project with a nameplate capacity that exceeds the size of a Small DG Project in a given year, but is no greater than five megawatts (5 MW) nameplate capacity.
- q. Large-Scale Solar Project: a solar DG Project with a nameplate capacity of one megawatt (1 MW) or greater and up to and including five megawatts (5 MW).
- r. Medium-Scale Solar Project: a solar DG Project with a nameplate capacity greater than 25 kilowatts (25 kW) and up to and including 250 kilowatts (250 kW).
- s. Nameplate Capacity: the maximum rated output or gross output of a DG Project. For a solar DG Project, it is the total rated power output of all the DG Project's panels, measured in direct current.
- t. Office: the Rhode Island Office of Energy Resources.
- u. On-Site Use: the amount of energy used at a Customer or Bill Credit Recipient service location during a billing period that may be delivered by the Company, or supplied by the DG Project, or both.
- v. Output Certification: certification provided by an independent engineer (licensed Professional Engineer) stating that construction of both the DG Project and the interconnection facilities is complete in all material respects, that the metering has been installed and tested, that the Nameplate Capacity is as on the Certificate of Eligibility, and that the DG Project is capable of producing at least 90% of the maximum hourly output specified on the Certificate of Eligibility.
- w. Performance-Based Incentive: either a standard or competitively bid price per kilowatt-hour ("kWh") that is applicable to the output of a DG Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Rules.
- x. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- y. Renewable Energy Classes: categories for different renewable energy technologies using eligible renewable energy resources as defined in R.I. Gen. Laws § 39-26-5, including biogas created as a result of anaerobic digestion, but specifically excluding all other listed eligible biomass fuels specified in § 39-26-2(6).
- z. Renewable Energy Certificate ("REC"): an electronic record produced by the New England Power Pool Generation Information System ("NEPOOL-GIS") that identifies the relevant generation attributes of each megawatt-hour accounted for in the NEPOOL-GIS.
- aa. Shared Solar Facility: a single Small-Scale or Medium-Scale Solar Project that must allocate Bill Credits to at least two (2) and no more than fifty (50) accounts pursuant to the rules specified in

Section 8. The Shared Solar Facility may be owned by the same entity that is the Applicant, the Customer, or another party.

- bb. Small-Scale Solar Project: a solar DG Project with a nameplate capacity of up to and including 25 kilowatts (25 kW).
- cc. Small DG Project: either: (1) a Small-Scale Solar Project; (2) a Medium-Scale Solar Project; (3) a wind DG Project with a nameplate capacity of at least fifty kilowatts (50 kW) up to one and one-half megawatts (1.5 MW); or (4) a DG Project using renewable energy resources other than solar and wind, with a nameplate capacity to be determined by the Board, but no greater than one megawatt (1 MW).
- dd. SolarWise Program: an energy efficiency and solar program, which, pursuant to RI Gen Laws § 39-26.6-19, encourages the use of residential and non-residential solar photovoltaic equipment by offering extra incentives from the RE Growth Program when customers pursue greater energy efficiency savings through the Energy Efficiency Program Plan, which the Company files pursuant to R.I. Gen. Laws. § 39-1-27.7.
- ee. Solicitation and Enrollment Process Rules: the rules governing the solicitation, enrollment, and award processes for the RE Growth Program for Non-Residential Customers, established pursuant to Chapter 26.6, and approved by the Commission.
- ff. Standard DG Project: a project that is not classified as either a Shared Solar Facility or a Community Remote Distributed Generation System.
- gg. Station Service: energy used to operate auxiliary equipment and other load that is directly related to the production of energy by a DG Project.

3. **Performance Guarantee Deposit**

- a. No later than five (5) business days after a project is offered a Certificate of Eligibility, the Applicant shall submit by wire transfer a Performance Guarantee Deposit ("Deposit") as identified on the Certificate of Eligibility. Upon confirmation of the receipt of the Deposit, the Company shall award the Certificate of Eligibility. Each Deposit shall be no less than \$500.00 and no greater than \$75,000.00. The Deposit shall be calculated as \$15.00 for Small DG Projects or \$25.00 for Large DG Projects, multiplied by the estimated RECs to be generated during the DG Project's first year of operation.
- b. If the Company does not receive a Deposit by the date required, the Company may withdraw the Certificate of Eligibility offer and not proceed further with the Applicant in that enrollment.
- c. The Deposit shall be refunded to the Applicant during the first year of the DG Project's operation, paid quarterly. In the event that the Applicant terminates the DG Project prior to operation, the Deposit will be forfeited.
- d. After receiving the Certificate of Eligibility, the Applicant must provide the Output Certification within: (1) 48 months for Small DG Projects using hydropower; (2) 36 months for anaerobic

digestion; or (3) 24 months for all other DG Projects. If the Output Certification is not received within the specified timeframe, the Certificate of Eligibility will be voided and the Deposit will be forfeited.

- e. Once a DG Project has provided the Output Certification to National Grid, the project then has 90 days to meet all other requirements specified in Section 8(a) to receive payment pursuant to the Tariff.
- f. An Applicant may elect, for any reason, to extend the DG Project deadline for providing the Output Certification by an additional six (6) months with no additional Deposit. After such initial six-month extension, the Applicant may elect, for any reason, to extend Output Certification deadline for an additional six-month period by posting an additional Deposit amount equal to one-half of the original Deposit amount. An Applicant shall not extend the deadline to provide the Output Certification by more than one (1) year in total. Prior to the expiration of the timeframe applicable to the Applicant's DG Project, as specified herein Section 3(d) or as extended as provided for by Section 3(f), the Applicant must notify the Company of its election to extend the DG Project deadline.
- g. If the Applicant is unable to provide the Output Certification within the timeframe specified in Section 3(d), or as extended pursuant to Section 3(f), because of non-completion of the necessary system modifications on the Company's side of the meter or any other interconnection delays that are beyond the reasonable control of the Applicant, the deadline for providing the Output Certification will be extended until such time as the DG Project has received approval from the Company to interconnect to the Company's distribution system and begin production, with no additional deposit required.
- h. If an act of God occurs within the timeframe allowed for providing the Output Certification, and as a direct result of the act of God, the DG Project is incapable of providing the Output Certification within the timeframe prescribed in this Tariff, the DG Project shall be terminated and the Deposit shall be refunded immediately.
- i. Small-Scale Solar Projects and Medium-Scale Solar Projects are not required to submit a Performance Guarantee Deposit or provide an Output Certification. In order to receive Performance-Based Incentive payments under this Tariff, such projects will have 24 months after being awarded a Certificate of Eligibility to achieve operation at expected availability and capacity and meet all other requirements under this Tariff.

4. Interconnection

- a. The interconnection of the DG Project with the Company's distribution system and any system modifications required by the Company shall be in accordance with the Standards for Connecting Distributed Generation and coordinated or delegated by the Applicant.
- b. Except for Small-Scale Solar Projects and Medium-Scale Solar Projects, all Applicants for DG Projects awarded a Certificate of Eligibility are required to submit quarterly reports to the Company

and the Office reporting on the progress of construction. Failure to submit these reports may result in the loss of the Applicant's Certificate of Eligibility.

5. **Project Segmentation**

Rhode Island law prohibits project segmentation in the RE Growth Program. In no case may a project developer be allowed to segment a distributed generation project on the same parcel or contiguous parcels into smaller sized projects in order to fall under a smaller size project classification. Subject to the exceptions below, projects proposed by a developer on the same parcel or contiguous parcels will be presumed to have been segmented and only one of the projects will be eligible for a Certificate of Eligibility. An Applicant may appeal the Company's decision to the Commission.

Before making its determination, the Company will look for one of the following exceptions to the prohibition on project segmentation:

- i. The DG Projects use different renewable energy resources; or
- The DG Projects use the same renewable energy resource, but they are: (1) electrically segregated;
 (2) separately metered; and (3) can demonstrate that 24 months have elapsed between the commencement of operation for one DG Project and the commencement of construction of any additional DG Project.
- DG Projects installed on contiguous parcels will not be considered segmented if they serve different Non-Residential Customers and both Customers receive bill credits under Option 2 as defined in Section 8.c.

If the Company determines that a DG Project is ineligible to enroll in the RE Growth Program due to project segmentation, such project may be eligible for compensation pursuant to the Net Metering Provision or through other energy market participation. Rhode Island law requires eligible Projects must not already be operating to participate in the RE Growth Program, therefore any Project receiving compensation pursuant to the Net Metering Provision is not eligible for the RE Growth Program. Furthermore, if an Applicant is awarded a Certificate of Eligibility for a DG Project and is receiving Performance-Based Incentive Payments pursuant to this Tariff it will not receive compensation pursuant to the Net Metering Provision for the applicable Tariff supplement.

6. Metering

- a. A Company-owned interval meter must be installed on all DG Projects that are enrolled in the RE Growth Program for the purpose of measuring and reporting the output of the DG Project. In the event that there is an existing service location with an existing meter, the meter for the DG Project shall be wired in parallel with, and be adjacent to, the existing service meter. In the event an existing service meter is present, the existing service meter will be exchanged for an interval meter by the Company at the Applicant's expense.
- b. For Medium-Scale Solar Projects, Commercial-Scale Solar Projects, Large-Scale Solar Projects, and DG Projects of other eligible technologies, the Applicant is responsible for the cost of a revenuequality interval meter and associated metering equipment, including required remote communication

for measuring and reporting the output of the DG Project as well as any existing service meter. An Applicant may elect to supply the meter and associated equipment provided that it conforms to the Company's metering standards and the Rhode Island Division of Public Utilities and Carriers ("Division") Rules for Prescribing Standards for Electric Utilities, as may be amended from time to time. At the request of the Applicant, the Company will provide the required interval meter and associated equipment, subject to the Company having such equipment available and the Applicant reimbursing the Company for its cost.

c. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain and replace the meter(s), if applicable.

7. Energy, Capacity, Renewable Energy Certificates and Other Environmental Attributes

- a. Prior to receiving compensation pursuant to Section 8 of this Tariff, an Applicant, at its own cost, must obtain Commission certification of a DG Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard. In addition, the Applicant is required to cooperate with the Company to qualify the DG Project under the renewable portfolio standard or similar law and/or regulation of New York, Massachusetts, and/or one or more New England states and/or any federal renewable energy standard.
- b. For the term specified in the applicable Tariff supplement, the Company shall have the irrevocable rights and title to the following products produced by the DG Project: (1) RECs; (2) energy; and (3) any other environmental attributes or market products associated with the sale of energy or energy services produced by the DG Project, provided, however, that it shall be the Company's choice to acquire the capacity of the DG Project at any time after it is awarded a Certificate of Eligibility by the Commission or the Company pursuant to the Rules. Environmental attributes shall include any and all generation attributes or energy services established by regional, state, federal, or international law, rule, regulation or competitive market or business method that are attributable, now or in the future, to the output produced by the DG Project during the term of service specified on the applicable Tariff supplement.
 - (1) <u>RECs</u>: RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the DG Project with the NEPOOL-GIS. If requested by the Company, Applicant will provide approvals or assignments, as necessary, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

Small-Scale Solar Projects shall provide all necessary information to, and cooperate with, the Company to enable the Company to obtain the appropriate asset identification for reporting generation to the NEPOOL-GIS for the creation of RECs and direct all RECs from the DG Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the Renewable Energy Certificate Assignment and Aggregation Form, to facilitate the DG Project's participation in asset aggregation or other model of asset registration and reporting.

- (2) <u>Energy</u>: Except for Small-Scale Solar Projects, energy must be delivered to the Company in the Company's ISO–NE load zone at the delivery node associated with the DG Project. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary generation asset.
- (3) <u>Capacity</u>: The Company may qualify the DG Project as an Existing Capacity Resource in the Forward Capacity Market ("FCM") after the Commercial Operation Date to participate in the FCM, as determined by the Company, in consultation with the Division. As requested by the Company or the ISO-NE, Applicant will provide all necessary information as well as follow all requirements for all applicable market rules needed to set up the necessary capacity asset Applicants are required to take commercially reasonable actions to maximize performance against any FCM Capacity Supply Obligations.

8. **Performance-Based Incentive Payment**

a. Eligibility

Upon receipt of a Certificate of Eligibility, the Applicant is entitled to the Performance-Based Incentive Payment for the term specified in the applicable Tariff supplement, provided that the Applicant has complied with all other requirements of this Tariff and the Solicitation and Enrollment Process Rules.

As a condition for receiving monthly payments pursuant to Section 9c, the Applicant must provide confirmation of the following: 1) the Company's written authority to interconnect to its electric distribution system and Applicant's payment of all amounts due; 2) Commission certification of the DG Project as an Eligible Renewable Energy Resource; 3) registration of the DG Project with the ISO-NE and NEPOOL GIS; and 4) except for small-scale and medium-scale solar, the Output Certification. Small-Scale Solar Projects can demonstrate completion of items 2 and 3 by the completion of the Renewable Energy Certificate Assignment and Aggregation Form. If an Applicant or Customer is no longer in good standing with regard to payment plans or agreements, if applicable, and other obligations to the Company (including but not limited to meeting all obligations under an interconnection service agreement), the Company may withhold payments under this Tariff. In addition, all Bill Credit Recipient(s) must remain in good standing with regard to the electric service account(s) receiving Bill Credits pursuant to this tariff, or the Company may withhold Bill Credits until such an account is again in good standing.

b. Performance-Based Incentive

The Performance-Based Incentive will be a fixed per-kWh price for the term specified in the applicable Tariff supplement.

The Performance-Based Incentive for Small-Scale Solar and Medium-Scale Solar shall be a standard Performance-Based Incentive that is recommended by the Board and approved by the Commission. The Performance-Based Incentive for other DG Projects shall be determined through competitive bidding.

If applicable, the Performance-Based Incentive may be adjusted to reflect SolarWise Bonus payments pursuant to Section 8.e.

Zonal Incentive: In addition to the Performance-Based Incentive, the Company may propose, and the Commission may approve, a zonal incentive, which is in addition to the Performance-Based Incentive for DG Projects that are: 1) located in designated geographic areas; or 2) comply with other specified conditions. Any Zonal Incentive shall be reflected in the applicable Tariff supplement.

c. Performance Based Incentive Payment for Standard DG Projects and Shared Solar.

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have been awarded a Certificate of Eligibility for a DG Project will receive Performance-Based Incentive Payments in accordance with the rules specified in this section. Except for Shared Solar Facilities, Applicants may choose to receive Performance-Based Incentive Payments in the form of either cash or a combination of cash and Bill Credits. Shared Solar Facilities will receive Performance-Based Incentive Payments as a combination of cash payments and Bill Credits. Applicants will be responsible for designating Bill Credit Recipient billing account(s), and each Bill Credit Recipient's percentage share of the generator output on the Customer Payment/Credit Transfer Form. For DG Project sizing requirements, all Bill Credit Recipients must be listed at the time of application. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

- 1) Bill Credit Recipients
- i. Standard DG Projects are not required to designate a Bill Credit Recipient. However, if Standard DG Projects choose to designate a Bill Credit Recipient, they may designate only the Customer as the sole Bill Credit Recipient.
- ii. Shared Solar Facilities must designate at least two (2) but no more than fifty (50) Bill Credit Recipients.
- iii. Shared Solar Bill Credit Recipients must be in the same customer class (i.e. Residential or Non-Residential) but may be in different retail delivery service rate classes.
- iv. The Bill Credit Recipients of standard DG Projects must be located on the same parcel of land. Shared Solar Facilities can only share Bill Credits with Bill Credit Recipients on the same or adjacent parcels of land as the DG Project. Properties that are separated by a public way will not be considered to be adjacent. Applicants who operate a Shared Solar Facility on behalf of a Public Entity may designate Bill Credit Recipients without regard to physical location so long as the Shared Solar Facility's and Bill Credit Recipient's points of service, which must all belong to the same municipality or public entity, are located within the same municipality.
- v. The Applicant may make changes to the Bill Credit Recipients of a Shared Solar facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.

- 2) Allocation of kWh Generation to Bill Credit Recipients:
- i. Each Bill Credit Recipient will receive a monthly generated kWh allocation equal to the lesser of the Bill Credit Recipient's designated percentage allocation of the kWh output or the Bill Credit Recipient's on-site load for the applicable billing period. For Bill Credit Recipients of Standard DG Projects, the designated percentage allocation is one hundred (100) percent.
- ii. Each Bill Credit Recipient will receive monthly generated kWh allocations so long as the cumulative annual allocation to each account is less than the Bill Credit Recipient's maximum annual limit, which is defined as the Bill Credit Recipient's three (3) year average on-site use. For Bill Credit Recipients that have not established a three (3) year on-site usage history, the maximum annual limit will be estimated initially. A Bill Credit Recipient may request that the Company reset its three (3) year annual average use once three (3) years of billing history is available.
- 3) Calculation of Bill Credits Applicable to Bill Credit Recipients and Residual Cash Payments:

Before a DG Project begins to operate, an Applicant must notify the Company of the manner by which it will be compensated for its output under one of the two options below. Applicants with Shared Solar Facilities must select Option 2. Standard DG Projects may select Option 2 only if the DG Project can be configured to serve on-site load. If the Applicant selects Option 2, the DG Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Customer's On-Site Use or the aggregate On-site Use of all Bill Credit Recipients if the DG Project is a Shared Solar Facility, as measured over the previous three (3) years at the electric service account located at the Customer or Bill Credit Recipient's service location(s); 2) the annualized On-Site Use over the period of service to the Customer or Bill Credit Recipient's service location(s) if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the DG Project is located at a new service location. The Applicant may change the selection only one time after the DG Project begins to operate provided that the Applicant gives the Company no less than 60 days' notice to implement the change. Additional changes to the method of compensation may be allowed at the discretion of the Company. The options are:

- 1. Option 1: Direct payment of the entire Performance-Based Incentive Payment in the form of a check or such other payment method that is mutually agreed upon by the Company and the Applicant; or
- 2. Option 2: A combination of direct payment and Bill Credit Recipient Bill Credits.

If the Applicant selects Option 2, the Performance-Based Incentive Payment shall be provided as follows:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The

Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

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BC = ALLOC (kWh) x (DCHG + SOS)
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Where:

BC =	Bill Credit
ALLOC (kWh) =	Bill Credit Recipient's allocated generated kWh as determined per Section 8.c.(2)(i).
DCHG =	the sum of all retail delivery service per kWh charges applicable to the Customer's retail delivery service rate class per RIPUC No. 2095, Summary of Retail Delivery Rates, as may be amended from time to time.
SOS =	the Standard Offer Service charge applicable to the Bill Credit Recipient's retail delivery service rate class per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The Performance-Based Incentive Payment less the sum of the Bill Credits for all Bill Credit Recipients will be paid in the form a check (or another agreed-upon means) to the recipient as identified on the Application. The Bill Credit Recipients will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the sum of the Bill Credits in a given month exceeds the Performance-Based Incentive Payment, the Bill Credit Recipients shall receive the full amount of the Bill Credit, which will not exceed the total of the per kWh delivery service charges and applicable Standard Offer Service charges, excluding the customer charge and any applicable taxes. There will be no additional amounts related to the calculation of the Performance-Based Incentive Payment charged or credited to the Bill Credit Recipients or the recipient identified on the Application.

d. Performance-Based Incentive Payment for Community Remote Distributed Generation Systems

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive, plus any adjustments where applicable, applied to the measured kWh produced by the DG Project, net of any Station Service. Distribution of the Performance-Based Incentive Payment will be in accordance with the rules below.

Applicants that have received a Certificate of Eligibility for a Community Remote Distributed Generation System will receive Performance-Based Incentive Payments in the form of Bill Credits applicable to a minimum of three (3) eligible Bill Credit Recipients and residual cash payments. Applicants will be responsible for designating Bill Credit Recipient billing accounts and other required information on the Customer Payment/Credit Transfer Form prior to the commercial operation date of the DG Project. Bill Credit Recipients will receive an allocation of generated kWh each month for purposes of determining monthly Bill Credits applicable to each Bill Credit Recipient account.

The following rules apply to the administration of Performance-Based Incentive Payments:

- 1) Bill Credit Recipient Accounts
- i. No more than fifty percent (50%) of the kWh generated by the DG Project may be allocated to a single Bill Credit Recipient.
- ii. At least fifty percent (50%) of the kWh generated by the DG Project must be allocated to multiple Bill Credit Recipients in an amount not to exceed that which is produced annually by a twenty-five kilowatt (25 kW) AC capacity system.
- iii. Provided that the conditions specified in (i) and (ii) above have been met, there is no limit to the number of Bill Credit Recipients that may receive Bill Credits from the DG Project. However, the aggregate kWh transferred to Bill Credit Recipients during a 12-month period, may not exceed the aggregate three (3) year average on site use of the Bill Credit Recipients. For Bill Credit Recipients that have less than three (3) years of actual on-site use, a projection of annual on-site use may be used until the actual three (3) year average on-site use becomes available for use in determining the number of eligible Bill Credit Recipients.
- iv. Bill Credit Recipients may receive retail delivery service on any of the Company's rate schedules.
- 2) Allocation of kWh Generation to Bill Credit Recipients:
- i. Applicant must specify each Bill Credit Recipient's percentage share of the DG Project's output on the Customer Payment/Credit Transfer Form.
- ii. On a monthly basis, and in the aggregate, generated kWh may be allocated to Bill Credit Recipients up to the amount of available generated kWh.
- iii. Generated kWh available to allocate during a month is equal to the current month's generated kWh plus any generated kWh not allocated during prior months.
- iv. Allocation of generated kWh to Bill Credit Recipient accounts in any billing month will not exceed each individual Bill Credit Recipient's on-site use during that month.
- v. If available aggregate generated kWh is greater than the sum of the Bill Credit Recipients' on-site use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their monthly use, subject to the Bill Credit Recipient's annual maximum limit.
- vi. If available aggregate generated kWh is less than the sum of the Bill Credit Recipients' onsite use for the month, then all Bill Credit Recipients will receive a kWh allocation equal to their designated percentage share of generator output, subject to the Bill Credit Recipient's annual maximum limit.
- vii. Bill Credit Recipients will receive monthly kWh allocations as long as the cumulative annual allocation is less than the Bill Credit Recipient's maximum annual limit.
- viii. Each Bill Credit Recipient's maximum annual allocation limit will be that Bill Credit Recipient's three (3) year annual average on-site use. For Bill Credit Recipient accounts that have not established a three-year on-site usage history, the maximum annual allocation

limit will be estimated initially. Bill Credit Recipients may request that the Company reset their three (3) year annual average once three (3) years of billing history is available.

- ix. Unallocated generated kWh for each month will be calculated as the monthly generated kWh less the sum of the generated kWh allocated to the Bill Credit Recipients for the month. Unallocated generated kWh will be cumulated on an annual basis and the cumulative unallocated generated kWh calculated for each month will be used to increase or decrease the available generated kWh for the subsequent month within the program year. Any unallocated kWh remaining at the end of the program year will be paid to the designated cash recipient pursuant to Section 8.d.3.
- x. Each Applicant may change the specified Bill Credit Recipients associated with a CRDG facility once per calendar quarter, and must provide such change in a specified electronic format to the address indicated on the Customer Payment/Credit Transfer Form at least 15 days prior to the next billing date to be reflected in the next billing period.
- 3) Calculation of Bill Credits Applicable to Bill Credit Recipients:

The Bill Credit Recipient's bill will be based upon the On-Site Use, the retail delivery service charges and the Standard Offer Service or Non-Regulated Power Producer charges in effect during the billing period and which apply to the Bill Credit Recipient's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Bill Credit Recipient's bill. The Bill Credit will appear on the Bill Credit Recipient's bill separate from the charges for on-site use.

BC = ALLOC (kWh) x Bill Credit Rate

Where:

- BC = Bill Credit
- ALLOC (kWh) = Bill Credit Recipient's allocated generated kWh as determined per Section 8.d.2.
- BILL CREDIT RATE = a per kWh rate used to calculate each Bill Credit Recipient's monthly Bill Credit that may be either a fixed per kWh rate determined by the Applicant or the Default Bill Credit Rate. The Bill Credit Rate must be specified on the Customer Payment/Credit Transfer Form. The Default Bill Credit Rate is defined as the sum of the Standard Offer Service Rate, the Standard Offer Service Adjustment Factor, the Standard Offer Service Administrative Cost Adjustment Factor, the Transmission Service Cost Adjustment Factor, and the Non-bypassable Transition Service Charge, applicable to the Bill Credit Recipient's rate schedule in effect at the time of the application of the monthly Bill Credit to the Bill Credit Recipient's account. The fixed Bill Credit Rate must be equal to or less than the Default Bill Credit Rate in effect at the time that the Bill Credit Recipient's account

> information is submitted by the Applicant on the Customer Payment/Credit Transfer Form. The selection of the fixed or Default Bill Credit Rate applicable to each Bill Credit Recipient may not be changed once the initial selection is made.

- 4) Payment of Residual Performance-Based Incentive Payment
- i. Cash payment to the Applicant or designated payment recipient for each month will be as follows:

Cash Payment = Performance-Based Incentive Payment - (sum of Bill Credit Recipient Bill Credits) - (Unallocated Bill Credits)

Where

Unallocated Bill Credit=the unallocated generated kWh multiplied by the Default Bill Credit Rate applicable to the Applicant's rate class

ii. Any unallocated generated kWh remaining at the end of the Program Year will be valued at the average ISO-NE Locational Marginal Pricing rate that was realized by the settlement of the output with ISO-NE over the course of the year and will be paid to the designated payment recipient in a lump sum.

e. SolarWise Program

Standard DG Project Applicants who have been approved as qualifying for a SolarWise Bonus Award are eligible to receive SolarWise Bonus payments. Applicants with a Shared Solar Facility may be eligible to receive SolarWise Bonus payments provided that the Customer has applied for and received approval for a SolarWise Bonus Tier. Applicants with a Community Remote Distributed Generation Facility are ineligible to participate in the SolarWise Program. The Bonus Tier will be determined by the energy savings Bonus Tier achieved by the Customer, but all Bill Credit Recipients of a Shared Solar Facility must have received an energy efficiency audit through the Company's Energy Efficiency Program. The PBI payments pursuant to Section 8.c of this Tariff will be adjusted to reflect the percentage increase applicable to the SolarWise Bonus Tier indicated on the Applicant's SolarWise Approval and Certificate of Eligibility.

Payments under the appropriate SolarWise Bonus Tier will be made pursuant to Option 2 described above. All solar PV systems eligible for SolarWise Bonus Award levels must be sized such that the maximum annual electric (kWh) output is not greater than the 3-year historic annual average electric (kWh) usage of the customer at that location minus the estimated annual electric energy (kWh) savings from the realized or committed measures on their SolarWise application. Systems can also be sized to produce less than the annual usage limit. The use of Excluded Technologies can adjust these calculations.

Example: If a residential customer used an average of 10,000 kWh per year over the previous three years, and implemented energy savings of 2,000 kWh per year, the resulting SolarWise eligible system would be sized to produce no more than a maximum of 8,000 kWh in the course of a year. The maximum size of the customer's solar PV system (using a capacity factor of 14% for this example) would then decrease from 8.15 kW DC to 6.52 kW DC.

If a customer application included Excluded Technologies Adjustments, the system may be sized to include generation sufficient to power the eligible "Excluded Technologies." For example, if the customer example above also provided evidence of an electric vehicle in possession at the time of application that would consume 2,000 kWh per year, the eligible system size would increase to 8.15 kW, in order to generate 10,000 kWh per year. All of this production would be eligible for the SolarWise Bonus Awards.

The Company reserves the right to audit customers for compliance with commitments made to qualify for SolarWise Bonus Payments. If the requisite energy efficiency measures are not complete within twelve (12) months of the SolarWise application approval, the Company may withdraw the Bonus Payment approval and the Tariff payments will revert to the applicable standard PBI without the SolarWise Bonus payment.

9. Other Company Tariff Requirements

- a. The Company will provide the Customer with retail delivery service under the applicable retail delivery service tariff and the Company's Terms and Conditions for Distribution Service.
- b. The Applicant is required to comply with Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits or excess Renewable Net Metering Credits pursuant to the Company's Net Metering Provision following the termination of the Customer's participation in the RE Growth Program, a DG Project and a Customer receiving credits from such a facility must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of costs incurred to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

10. **Dispute Resolution**

If any dispute arises between the Company and either the Applicant or the Customer, the dispute shall be brought before the Commission for resolution. Such disputes may include but are not limited to those concerning the Rules, terms, conditions, rights, responsibilities, the termination of the Tariff or Tariff supplement, or the performance of the Applicant, the Customer, or the Company.

11. **Termination Provisions**

The Applicant and the Customer shall comply with the provision of this Tariff through the end of the term specified in the applicable Tariff supplement. The Applicant and the Customer may not terminate their obligations under this Tariff unless and until the Company consents to such termination. The Company will not unreasonably delay or withhold its consent to an Applicant's request to terminate if the Applicant cannot fulfill the obligations because of an event or circumstance that is beyond the Applicant's reasonable control and for which the Applicant could not prevent or provide against by using commercially reasonable efforts.

Only the DG Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a DG Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a DG Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, or the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, the Company may, after notifying the Customer or Applicant in writing of such non-compliance and providing the Customer or Applicant a reasonable period to remedy such non-compliance and the violation persists, request the Commission to review the non-compliance and determine appropriate action, which may include requiring the Customer or Applicant to comply with the applicable provision being violated or revoking the Customer's or Applicant's Certificate of Eligibility.

12. **Statutory Authority**

This Tariff is filed in compliance with R.I. Gen. Laws. § 39-26.6-10. All revisions to the Tariff will be filed annually by November 15. Tariff supplements will be filed annually and following each scheduled RE Growth Program enrollment, as necessary. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2017

Program Year: April 1, 2015 through March 31, 2016

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I.G.L. § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Facility, and the Term of Service for a particular DG Facility will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance –Based Incentive (per kWh)	Term of Service
Small-Scale Solar I, Host Owned	1 to 10 kW	41.35¢	15 years
Small-Scale Solar I, Host Owned	1 to 10 kW	37.75¢	20 years
Small-Scale Solar I Third-Party Owned	1 to 10 kW	32.95¢	20 years
Small-Scale Solar II	11 to 25 kW	29.80¢	20 years
Medium-Scale Solar	26 to 250 kW	24.40¢	20 years

Program Year: April 1, 2015 through March 31, 2016

Renewable Energy Class	Ceiling Price	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar	20.95¢						20 years
Large-Scale Solar	16.70¢						20 years
Wind I (1.5MW to 2.99MW) with Investment Tax Credit	18.40¢						20 years
Wind I (1.5MW to 2.99MW) with Production Tax Credit	19.85¢						20 years
Wind I (1.5MW to 2.99MW) with No Federal Tax Incentives	22.75¢						20 years
Wind II (3.0MW to 5.0MW) with Investment Tax Credit	18.20¢						20 years
Wind II (3.0MW to 5.0MW) with Production Tax Credit	19.45¢						20 years
Wind II (3.0MW to 5.0MW) with No Federal Tax Incentives	22.35¢						20 years
Anaerobic Digestion (150kW to 1,000kW) with Production Tax Credit	20.20¢						20 years

Program Year: April 1, 2015 through March 31, 2016

Renewable Energy Class	Ceiling Price	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Anaerobic Digestion (150kW to 1,000kW) with No Federal Tax Incentives	20.60¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with Production Tax Credit	19.80¢						20 years
Small-Scale Hydropower I (10kW to 250kW) with No Federal Tax Incentives	21.35¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with Production Tax Credit	18.55¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) with No Federal Tax Incentives	20.10¢						20 years

Program Year: April 1, 2016 through March 31, 2017

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I.G.L. § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance- Based Incentive (per kWh)	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small- Scale Solar I, Host Owned	1 to 10 kW	37.65¢	39.53¢	41.42¢	n/a	n/a	15 years
Small- Scale Solar I, Host Owned	1 to 10 kW	33.45¢	35.12¢	36.80¢	n/a	n/a	20 years
Small- Scale Solar I, Third- Party Owned	1 to 10 kW	28.35¢	n/a	n/a	28.92¢	29.48¢	15 years
Small- Scale Solar I, Third- Party Owned	1 to 10 kW	24.70¢	n/a	n/a	25.19¢	25.69¢	20 years
Small- Scale Solar II	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years

Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	System Size	Ceiling Price/ Standard Performance- Based Incentive (per kWh)	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years
Medium-Scale Solar (including ITC/PTC & Bonus Depreciation)	26 to 250 kW	22.55¢	23.68¢	24.81¢	n/a	n/a	20 years

Program Year: April 1, 2016 through March 31, 2017

Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar (including ITC/PTC & Bonus Depreciation)	19.30¢						20 years
Large-Scale Solar (including ITC/PTC & Bonus Depreciation)	15.10¢						20 years
Wind I (1.5MW to 2.99MW) (including ITC/PTC & Bonus Depreciation)	18.75¢						20 years
Wind II (3.0MW to 5.0MW, 2-turbine) (including ITC/PTC & Bonus Depreciation)	18.00¢						20 years
Wind III (3.0MW to 5.0MW, 3-turbine) (including ITC/PTC & Bonus Depreciation)	17.40¢						20 years
Anaerobic Digestion I (150kW to 500 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢						20 years
Anaerobic Digestion II (10kW to 250 kW) (including ITC/PTC & Bonus Depreciation)	20.00¢						20 years
Small-Scale Hydropower I (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	18.65¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW) (including ITC/PTC & Bonus Depreciation)	17.45¢						20 years

Program Year: April 1, 2017 through March 31, 2018

Performance-Based Incentives and associated Performance-Based Incentive Payment shall remain in effect during the term of service noted below in accordance with R.I.G.L. § 39-26.6-20.

Term of Service represents the period of time during which the DG Project earns Performance-Based Incentive Payments. The billing month during which Performance-Based Incentive Payments begin will be specific to each individual DG Project, and the Term of Service for a particular DG Project will commence upon the first month of operation.

Renewable Energy Class	System Size	Ceiling Price/Standard Performance- Based Incentive (per kWh)	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/Standard Performance- Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small- Scale Solar I, Host Owned	1 to 10 kW	34.75¢	36.49¢	38.23¢	n/a	n/a	15 years
Small- Scale Solar I, Host Owned	1 to 10 kW	30.85¢	32.39¢	33.94¢	n/a	n/a	20 years
Small- Scale Solar I, Third- Party Owned	1 to 10 kW	27.05¢	n/a	n/a	27.59¢	28.13¢	15 years
Small- Scale Solar I, Third- Party Owned	1 to 10 kW	24.05¢	n/a	n/a	24.53¢	25.01¢	20 years
Small- Scale Solar II	11 to 25 kW	27.75¢	29.14¢	30.53¢	n/a	n/a	20 years

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	System Size	Ceiling Price/ Standard Performance- Based Incentive (per kWh)	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier I 5% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier II 10% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier I Third-Party Owned 2% increase	Ceiling Price/ Standard Performance- Based Incentive (per kWh) with SolarWise Tier II Third-Party Owned 4% increase	Term of Service
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	27.75¢	n/a	n/a	28.31¢	28.86¢	20 years
Medium-Scale Solar	26 to 250 kW	22.75¢	23.89¢	25.03¢	n/a	n/a	20 years

*Note: Shared Solar Facilities will apply for the same capacity as, and receive the same ceiling price as, Small or Medium Scale Standard DG Projects.

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Commercial-Scale Solar	18.75¢						20 years
Commercial-Scale Solar - CRDG	20.65¢						20 years
Large-Scale Solar	15.05¢						20 years
Large-Scale Solar – CRDG	16.85¢						20 years
Small Wind (10 to 999 kW)	21.45¢						20 years
Wind I (1.0MW to 2.99MW)	19.45¢						20 years
Wind I (1.0MW to 2.99MW) – CRDG	20.65¢						20 years
Wind II (3.0MW to 5.0MW, 2- turbine)	18.25¢						20 years

Program Year: April 1, 2017 through March 31, 2018

Renewable Energy Class	Ceiling Price (per kWh)	Enrollment Date	Applicant Name	DG Facility Address	Nameplate Capacity (MW)	Performance Incentive (per kWh)	Term of Service
Wind II (3.0MW to 5.0MW, 2- turbine) CRDG	19.35¢						20 years
Wind III (3.0MW to 5.0MW, 3- turbine)	17.35¢						20 years
Wind III (3.0MW to 5.0MW, 3- turbine) CRDG	18.55¢						20 years
Anaerobic Digestion I (150kW to 500 kW)	20.15¢						20 years
Anaerobic Digestion II (501kW to 1,000 kW)	20.15¢						20 years
Small-Scale Hydropower I (10kW to 250kW)	22.45¢						20 years
Small-Scale Hydropower II (251kW to 1,000kW)	22.45¢						20 years

*Note: All ceiling prices are assumed to be inclusive of all eligible federal incentives.