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Note: The purpose of this document is to educate customers and prospective customers about the Company's Renewable Energy (RE) Growth Program. This document should not be relied upon for Program eligibility or other requirements. Please refer to the Program tariffs and solicitation and enrollment process rules for Program eligibility and other requirements.

Small-Scale Solar Projects (25 kW or less)

1) When can I apply/enroll in the RE Growth Program?

Please see Section 1.2.1 of the "Solicitation and Enrollment Rules for Small-Scale Solar Projects". Small-Scale Solar projects can enroll in the RE Growth Program during a continuous open enrollment on a "first-come, first served" basis. Projects will be selected until the 3 MW cap for the Program Year is filled.

2) I am very interested in solar. How do I find a solar installation firm?

Please refer to the Rhode Island Office of Energy Resources's list of current Rhode Island licensed Renewable Energy Professionals: <http://www.energy.ri.gov/renewable/REP/>.

3) How can I negotiate and receive a higher rate for the generation?

Please see Section 1.2 of the "Solicitation and Enrollment Rules for Small-Scale Solar Projects". The Performance Based Incentives (PBIs) are set by the DG Board and approved by the Rhode Island Public Utility Commission. The Performance Based Incentives are not negotiable and are fixed for the term of the applicable Tariff.

4) If I reside outside of Rhode Island but have a vacation home there, are the rules different for me?

No. Per the residential tariff: "This Tariff will apply to an Applicant who has installed a Project with a nameplate capacity of up to and including 25 kilowatts at a Residential Customer's service location. For this purpose, a Residential Customer ("Customer") is defined as an electric customer receiving retail delivery service on either Basic Residential Rate A-16 or Low Income Rate A-60."

5) How do I register a Small-Scale Solar project with the ISO-NE and NEPOOL GIS?

The Company will do this on behalf of all Small-Scale Solar projects, all projects are required to cooperate with the Company to facilitate registration and participation in the ISO-NE markets and enable the creation of RECs in the NEPOOL GIS.

6) How do I obtain Commission Certification of a Small-Scale Solar project as an Eligible Renewable Energy Resource?

The Company will do this on behalf of all Small-Scale Solar projects, all projects are required to cooperate with the Company to obtain qualification as an eligible renewable energy resource pursuant to the Rhode Island Renewable Energy Standard and other jurisdictions. The Company will do this on a project's behalf, but a project must complete the REC Assignment Form and continue to cooperate with the Company in order to comply with this requirement. Therefore, Small-Scale Solar projects should not seek qualification on their own.

7) My system size is between 10 kW and 11 kW nameplate DC. Your tariff tables indicate ceiling prices/standard PBIs for systems sized between 1-10 kW and for systems sized between 11-25 kW DC. What ceiling price/standard PBI would my system be eligible for?

Systems sized between 10 kW and 11 kW nameplate DC will receive the applicable "1-10 kW DC" Standard PBI. That is, a system sized between 10 and 11 kW would be classified as the "1-10 kW DC" Renewable Energy Class.

8) Please explain how PBIs are calculated.

For the output of your solar generation, you will receive the full Performance Based Incentive amount for each kWh generated, in the form of either bill credits or direct payments. For usage you have at your home, the retail usage kWh rates in effect will be directly credited to your bill and subtracted from the PBI payment that month, up to the level of your usage or the generation of the system, whichever is less. The rest of the PBI amount is then paid to you. Two examples may help clarify:

Month 1

Generation: 200 kWh
PBI rate: 41.35 cents / kWh
PBI total: \$82.70

Usage: 300 kWh
Total Retail Rate: 16 cents/kWh (illustrative)
Total Charges for Electricity Use: \$48

Total Net Bill: \$48 – (Bill Credit: 200 kWh x \$0.16) = \$16 plus the customer charge, taxes, and any other applicable charges

Net PBI: \$82.70 - \$32 bill credit = \$50.70 payment to you

Month 2

Generation 400 kWh

PBI Rate: 41.35 cents per kWh

PBI total: \$165.40

Usage: 300 kWh

Total Retail Rate: 16 cents/kWh (illustrative)

Total Charges for Electricity Use: \$48

Total Net bill: \$48 – (Bill Credit: 300 kWh x \$0.16) = \$0 plus the customer charge, taxes, and any other applicable charges

Net PBI: \$165.40 - \$48 bill credit = \$117.40 payment to you

In short, if you use more than your system generates, you will owe an amount that's equal to such usage. If you generate more than you use, then your bill credit will reduce your energy charges to zero, and you will receive the additional amount of the PBI above the retail rate. The additional kWh you generated will be paid at the full PBI. As you may know, all value is paid out each month, so there is no carryover of credits between months.

9) Can I transfer my Certificate of Eligibility?

Yes, a Certificate of Eligibility (COE) may be transferred. In the case of Small-Scale Solar projects, in order to complete the transfer, National Grid needs to collect essentially all of the standard RE Growth application material, completed by the new COE holder. This includes a signed agreement to the terms and conditions of Exhibit A (Simplified Process Interconnection Application), a signed Exhibit I (Agreement between the Company and the Company's Retail Customer) as applicable, a completed Payment/Credit Transfer Form, and a completed and signed REC Assignment Form. Upon satisfactory completion and submission of the documentation, National Grid will issue a new COE to the transferee, under the same tariff as which the previous COE was issued.

Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects

1) When can I apply/enroll in the RE Growth Program?

Except for 2015, there will be three enrollments per year. Each enrollment will be open for a two (2) week period. Please see the Program website, ngrid.com/REGrowth, for anticipated dates for this year.

2) What is the largest distributed generation system size eligible to participate in the RE Growth Program? Is nameplate capacity measured in AC or DC?

Please See Schedule 2 of the “Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects”. As described in Section 1.2 of the Enrollment Rules, each Program Year, the DG Board will set the eligible system class sizes, subject to Commission approval. These class sizes are subject to change each year.

All projects and targets in the RE Growth Program are stated in nameplate capacity. Per Section 1.2 of the Rules, the nameplate capacity of a Project is its maximum rated output or gross output of a generator; for solar technology, it is the total rated power output of all the panels measured in direct current (DC).

3) I understand I need an Impact Study for Renewable Distributed Generation (ISRDG) for my project in order to apply in the upcoming enrollment period. How do I apply for an ISRDG?

All applicants to the RE Growth Open Enrollments must have an ISRDG completed prior to applying, or have a valid Interconnection Service Agreement. A valid Interconnection Service Agreement means an agreement executed by both the interconnecting customer and National Grid. You can submit an application for interconnection and request a study at the following link:

https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnect.asp

4) I will not have a completed study prior to submitting an application, are there any exceptions?

All projects are required to have a completed interconnection study or Interconnection Service Agreement included with their application at the time of submittal. Applications without either a completed interconnection study or a valid Interconnection Service Agreement will be rejected.

5) At what point in the enrollment process do I negotiate the amount National Grid will pay me under our contract?

The RE Growth Program does not operate under a contract, nor is there is any negotiation of payment amounts between National Grid and Program participants. Terms and conditions for participation in the Program are described in The Narragansett Electric Company Renewable Energy Growth Program Tariffs, the Solicitation and Enrollment Process Rules, and the Certificate of Eligibility awarded to each project.

Per Section 2.1.4 of the “Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects”, Small-Scale Solar projects 25 kW or less will receive Standard Performance Based Incentive for the term of the Tariff.

Per Section 2.1.5 of the “Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects”, solar projects larger than 250 kW DC and all other DG technologies eligible in the program, each Applicant is required to bid a price per kilowatt-hour for its entire output (net of any station service) for the approved tariff term length, which shall not exceed the applicable ceiling price. Selection will be made by ranking the eligible projects from lowest bid price received to highest, but not to exceed the applicable ceiling price. See Schedule 2 for the approved Ceiling Prices for the current program year. Projects will be selected beginning with the lowest bid price and continuing to select projects up to the enrollment MW target for the applicable class. If selected, the price each Project bids into the solicitation will be its PBI paid under the applicable Tariff supplement.

6) I need to make a change to my online application that was previously submitted. How can I correct this?

If you submit an application but wish to make changes, you will need to re-submit a new application via the online web portal during an open enrollment period. If multiple applications are submitted for the same project, the application with the latest date/time stamp submittal will be evaluated by National Grid in the current open enrollment. All prior application submissions for that project will not be evaluated.

7) Who determines the amount of megawatts and ceiling prices accepted in the RE Growth Program, and how frequently?

Please see Section 1.2 of the “Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects”. For each program year, the Board will recommend the enrollment MW target and a target amount of megawatts for each class of renewable resource (class MW target), which will be a specific portion of the enrollment MW target. Both of these recommendations from the Board are subject to Commission approval.

For each program year, the Board will recommend the Ceiling Prices and Standard Performance-Based Incentives (PBI) for each renewable energy class, subject to Commission approval. Please see Schedule 2 of the “Solicitation and Enrollment Process Rules for Solar

(Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects” for the current approved classes, targets and ceiling prices.

A "program year" means a year beginning April 1 and ending March 31.

8) I thought Rhode Island already offered net metering. What is the difference between net metering and the Renewable Energy Growth Program? Can I combine the programs?

The RE Growth Program is separate and distinct from Net Metering. An eligible DG project can elect to receive compensation under the Net Metering Provision, R.I.P.U.C. No. 2150. A Net Metering project can supply their own power to offset their energy consumption through a netting process that compensates customers with net metering credits designed even out monthly billings over twelve months. Customers participating in Net Metering are not eligible for participation in RE Growth Program.

DG projects participating in the RE Growth Program can receive direct payment of a performance based incentive (PBI) in the form of a check or other mutually-agreed upon payment method for the output of the project each month. Alternatively, if a project can be configured to serve on-site load and meets the sizing requirements and limitations defined in the applicable Tariffs, it also has the option to be compensated via a combination of a direct payment and a customer bill credit each month.

9) Would the performance guarantee deposit be refunded if the project is not selected?

Please see Section 2.3.1 of the “Solicitation and Enrollment Process Rules for Solar (Greater than 25kW), Wind, Hydro and Anaerobic Digester Projects”. The performance guarantee deposit is due after a project has been selected.

10) What happens after 20 years? Does the system owner get to use the electricity generated for the balance of the system life?

At the end of the Tariff term (REG Program), the system owner may keep, dismantle or sell the system. The Seller may participate in whatever programs are available at the time the Tariff expires or sell into the wholesale electric market. We cannot predict or advise what programs or pricing would be available to the Seller at that time in the future.

11) What constitutes a “valid Interconnection Service Agreement”?

A valid Interconnection Service Agreement is one that has been signed by both the applicant and National Grid.

12) I have been awarded a Certificate of Eligibility. Can I speak with National Grid regarding next steps and RE Growth Program requirements?

Yes. After each enrollment, National Grid will hold an awarded bidder's conference for all bidders awarded a Certificate of Eligibility. Further details on when and where such conferences will be held will be shared with bidders awarded a Certificate of Eligibility.

13) I have been awarded a Certificate of Eligibility from the Company, now what?

Pursuant to Section 3.d of the Tariff, 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. 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.

14) What is an Output Certification?

Please see Section 2 ("Definitions") of the Non-Residential Tariff; an Output Certification is a 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.

15) How do I obtain Rhode Island PUC Certification of the DG Project as an Eligible Renewable Energy Resource in Rhode Island?

All DG Projects are required to obtain Commission Certification of the DG Project as an Eligible Renewable Energy Resource as a condition for payment under the Tariff. A DG Project must apply for eligibility with the Rhode Island Commission via the Renewable Energy Resources Eligibility Form (RES Form). RES Forms shall be submitted to the RI Commission. The application and process for obtaining eligibility can be found on the RI Commission website here: <http://www.ripuc.org/utilityinfo/res.html>.

All projects are encouraged to begin the application process early, as it can take up to 90 days for Commission approval.

16) How do I obtain Massachusetts Department of Energy Resources qualification as an RPS Class I Qualified Generation Unit?

Projects enrolled in the RE Growth Program are required to receive qualification as an RPS Class I Qualified Generation Unit in Massachusetts. To that end, the Statement of Qualification Application (SQA) must be completed and submitted to the Department of Energy Resources. You may find more information on the SQA, including a link to the online

portal to complete it, at the following webpage: <http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/rps-aps-sqa/rps-class-i-statement-of-qualification-application.html>.

17) I am attempting to complete and submit my RES Form with the RI Commission, but I do not have my ISO-NE asset ID yet. How can I start this process without this information?

A DG project cannot be registered with the ISO-NE until the project is fully constructed, interconnected and all metering equipment has been tested and communication has been verified. Once the project has achieved these requirements, a project can be registered with the ISO-NE, which can take up to 10 business days. A DG project can submit their RES Form to the RI Commission without the ISO-NE asset ID and the RI Commission can give the DG project a “conditional” approval, subject to the completion of the ISO-NE asset registration. The project would then supplement their Commission filing with the ISO-NE asset ID.

18) Where can I find the results of previous Open Enrollments?

Please see the “Open Enrollment Results” section on the RE Growth website: ngrid.com/REGrowth.

Useful Links

- National Grid Rhode Island Interconnection Process:
https://www.nationalgridus.com/narragansett/business/energyeff/4_interconnection-process.asp
- Chapter 39-26.6 of The State of Rhode Island General Laws - The Renewable Energy Growth Program:
<http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-26.6/INDEX.HTM>
- Rhode Island Public Utilities Commission: <http://www.ripuc.org/index.html>
- Massachusetts Department of Energy Resources Statement of Qualification Application:
<http://www.mass.gov/eea/energy-utilities-clean-tech/renewable-energy/rps-aps/rps-aps-sqa/rps-class-i-statement-of-qualification-application.html>
- Independent System Operator (ISO) New England: <http://www.iso-ne.com/index.html>
- New England Power Pool Generation Information System (NEPOOL GIS):
http://www.iso-ne.com/committees/comm_wkgrps/mrkets_comm/geninfo_sys/operating/index.html