

THE NARRAGANSETT ELECTRIC COMPANY
RENEWABLE ENERGY GROWTH PROGRAM FOR RESIDENTIAL CUSTOMERS

1. Introduction

This tariff (“Tariff”) describes the terms and conditions under which an Applicant for a solar electricity generating facility (“Residential Small-Scale Solar Project” or “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 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. The Project must be reasonably designed and sized to produce electricity at an annual level equal to or less than 1) the Residential Customer’s On-Site Use as measured over the previous three (3) years at the electric service account located at the Residential Customer’s service location; 2) the annualized On-Site Use over the period of service to the Residential Customer’s service location if such service has been provided for less than three years; or 3) a reasonable estimate of annual On-Site Use if the Project is located at a new service location. The Applicant and the Customer for the Project may be the same person, or different persons, subject to the eligibility standards in the Solicitation and Enrollment Process Rules for Small-Scale Solar Projects (“Rules”) and this Tariff.

This Tariff applies to the Applicant for a Project that is awarded a Certificate of Eligibility pursuant to the Rules, and any successor Applicant for the Project. Upon being awarded a Certificate of Eligibility, a Project has 24 months to meet all requirements to receive compensation pursuant to this Tariff.

The Applicant is required to complete and update, as appropriate, the Application information for the Project, including but not limited to: the Project owner, the Customer, the electric service account, and the recipient of Performance-Based Incentive Payments. Also, an Applicant may designate a successor Applicant for the Project. The Applicant may, but need not be, the same person or entity to pursue the interconnection of the Project with the Company’s electric distribution system. The Applicant maintains the obligation to ensure that all aspects of the Project comply with the terms of the 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 Project in the RE Growth Program, and with the obligation to ensure that all aspects of the Project comply with the Rules and Tariff.
- b. Application: the RE Growth Program Enrollment short form application submitted by the Applicant.

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- c. Board: the Distributed Generation Board established pursuant to R.I. Gen. Laws § 39-26.2-10 and having expanded responsibilities under Chapter 26.6.
- d. Certificate of Eligibility: written notice by the Company that a Project has been enrolled in the RE Growth Program. Upon an award of a Certificate of Eligibility, a 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.
- e. Commission: the Rhode Island Public Utilities Commission.
- f. Company: The Narragansett Electric Company d/b/a National Grid.
- g. Nameplate Capacity: the total rated power output of all the Project's panels, measured in direct current.
- h. On-Site Use: the amount of energy used at a Customer's service location during a billing period that may be delivered by the Company, or supplied by the Project, or both.
- i. Performance-Based Incentive: the standard price per kilowatt-hour ("kWh") recommended by the Board and approved by the Commission that is applicable to the output of a Project when the Applicant has been awarded a Certificate of Eligibility, pursuant to the Solicitation and Enrollment Process Rules.
- j. Program Year: a year beginning April 1 and ending March 31, unless otherwise approved by the Commission.
- k. Project: a solar photovoltaic electricity generating facility that meets the eligibility requirements of the Rules and this Tariff, that is located in the Company's service territory, and that is interconnected with the Company's electric distribution system at a residential service location.
- l. 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.
- m. 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.

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- n. Solicitation and Enrollment Process Rules for Small-Scale Solar Projects: the rules that govern the solicitation, enrollment, and award processes for the RE Growth Program applicable to Customers, established pursuant to Chapter 26.6, and approved by the Commission.

3. 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 Projects use different renewable energy resources; or
- ii. The 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 Project and the commencement of construction of any additional Project.
- iii. Projects on contiguous parcels will not be considered as segmented if they serve different Residential Customers.

If the Company determines that a 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 Project and that Project is receiving Performance-Based Incentive Payments pursuant to this Tariff, the Project will not receive compensation pursuant to the Net Metering Provision for the same Project during the term of service specified in the applicable Tariff supplement.

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4. Metering

- a. The Company shall install a Company-owned meter on all Projects for the purpose of measuring the output of the Project. The meter for the Project shall be wired in parallel with and be adjacent to the existing service meter.
- b. The Company must be provided with adequate access to read the meter(s), and to install, repair, maintain, and replace the meter(s).

5. Renewable Energy Certificates and Other Environmental Attributes

For the term specified in the applicable Tariff supplement, the Company shall have the rights and title to the RECs and any other environmental attributes, as described below, or market products associated with the generation output of the Project. Pursuant to Chapter 26.6, the Customer shall retain title to all energy and capacity produced by the Project, shall be deemed to have consumed such energy and capacity on-site during the applicable billing period, and no sale of the Project's energy or capacity by the Customer to the Company shall be deemed to have occurred.

Prior to receiving compensation pursuant to Section 6 of this Tariff, an Applicant must cooperate with the Company to obtain Commission certification of a 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.

RECs must be delivered to the Company's appropriate NEPOOL-GIS account. This will be accomplished through registration of the Project with the NEPOOL-GIS. The Applicant shall provide all necessary information 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 Project to the Company's appropriate NEPOOL-GIS account. The Applicant will provide approvals or assignments, including, but not limited to, completing the REC Assignment and Aggregation Form to facilitate the Project's participation in asset aggregation or other model of asset registration and reporting.

Environmental attributes shall include any and all generation attributes or energy services as 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 Project during the term of service specified on the applicable Tariff supplement.

6. Performance-Based Incentive Payment

- a. Eligibility

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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 Rules.

As a condition for receiving monthly payments pursuant to Section 6.c, the Applicant must provide confirmation of the following: (1) the Company's written authority to interconnect to its electric distribution system and the Applicant's payment of all amounts due, as assessed by the Company; (2) Commission certification of the Project as an Eligible Renewable Energy Resource pursuant to the Commission's Rules and Regulations Governing the Implementation of a Renewable Energy Standard and NEPOOL-GIS asset registration; as demonstrated by the Applicant's completion of the Renewable Energy Certificate Assignment and Aggregation Form; and (3) the Customer's associated electric service account is not in arrears and the Customer is current on any approved payment plan. Applicants qualified for Solar Bonus Payments must complete the requisite energy efficiency measures prior to receiving payment under this Tariff.

b. Performance-Based Incentive

The Performance-Based Incentive shall be the Performance-Based Incentive that is recommended by the Board and approved by the Commission and will be a fixed per-kWh price for the term specified in the applicable Tariff supplement, and indicated on the Certificate of Eligibility provided to the Applicant.

c. Performance-Based Incentive Payment

The Performance-Based Incentive Payment will be the fixed per-kWh Performance-Based Incentive applied to the measured kWh produced by the Project and it shall be provided to the Applicant and/or to the Customer as follows:

The Customer'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 applies to the Customer's retail delivery service rate class. The Company shall apply a Bill Credit, as calculated below, to offset the Customer's bill. The Bill Credit will appear as a separate line item on the Customer's bill.

$$BC = \quad \quad OSU \times (DCHG + SOS)$$

Where:

$$BC = \quad \quad \text{Bill Credit}$$

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- OSU = On-Site Use kWh at the lesser of 1) the On-Site Use measured in kWh for the applicable billing month, or 2) the Project's output measured in kWh for the applicable billing month.
- 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 Residential Standard Offer Service charge per RIPUC No. 2096, Summary of Standard Offer Service Rates, as may be amended from time to time.

The remaining amount of the Performance-Based Incentive Payment will be paid in the form a check (or by other agreed-upon means) to the recipient as identified on the Application. The Customer will be responsible for paying any balance due on the electric bill in accordance with the Terms and Conditions for Distribution Service.

If the Bill Credit in a given month exceeds the Performance-Based Incentive Payment, the Customer 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 charge, 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 Customer or the recipient identified on the Application.

Only one billing account will be eligible to receive Bill Credits from each Project pursuant to this provision.

d. SolarWise Program

Applicants who have been approved as qualifying for a SolarWise Bonus Tier are eligible to receive SolarWise Bonus Payments. The PBI payments pursuant to Section 6.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.

Bill credits will be applied to the billing account of the customer that received the energy efficiency audit and must be located at the same premise at which the solar DG Project is installed. 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.

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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.

7. 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 the Company's Standards for Connecting Distributed Generation.
- c. To be eligible to receive Renewable Net Metering Credits and 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, the Project and the Customer must comply with the applicable provisions of the Company's Net Metering Provision.
- d. The Company's recovery of all costs it incurs to implement and administer the RE Growth Program is pursuant to the Renewable Energy Growth Program Cost Recovery Provision.

8. 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.

9. Termination

The Applicant and the Customer shall comply with the provisions 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.

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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 Project described on the Certificate of Eligibility is eligible to participate under this Tariff. In no event shall an Applicant expand a Project's nameplate capacity beyond what is allowed by the Certificate of Eligibility. If a Project exceeds the nameplate capacity allowed by the Certificate of Eligibility, the Company may revoke the Certificate of Eligibility.

The Customer and Applicant are required to comply with this Tariff. If the Company determines that a Customer or Applicant has violated the terms and conditions of this Tariff, or the provisions of any other applicable Company tariffs or applicable rules, regulations, or laws, the Company may revoke the Customer or Applicant's Certificate of Eligibility.

10. Statutory Authority

This Tariff is filed in compliance with R.I. Gen. Laws § 39-26.6-10. The Company will file Tariff supplements and all revisions to this Tariff annually by November 15. This Tariff and its supplements are subject to review, approval, and the exclusive jurisdiction of the Commission.

Effective Date: April 1, 2016

**The Narragansett Electric Company
Renewable Energy Growth Program for Residential Customers
Tariff Supplement**

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. Gen. Laws § 39-26.6-20.

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

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 Renewable Energy Growth Program for Residential Customers
 Tariff Supplement

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	11 to 25 kW	24.90¢	26.15¢	27.39¢	n/a	n/a	20 years
Small-Scale Solar II, Third-Party Owned	11 to 25 kW	24.90¢	n/a	n/a	25.40¢	25.90¢	20 years