

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

NOTICE OF FILING, PUBLIC HEARING, PROCEDURAL CONFERENCE, AND REQUEST FOR COMMENTS

D.P.U. 18-65

July 27, 2018

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid for approval by the Department of Public Utilities of a long-term contract for procurement of Clean Energy Generation, pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12.

On July 23, 2018, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid” or “Companies”) filed a petition with the Department of Public Utilities (“Department”) seeking approval of a long-term contract to purchase Clean Energy Generation, pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, (“Section 83D”) and the Department’s regulations at 220 CMR 24.00. Section 83D was added to An Act Relative to Green Communities by An Act To Promote Energy Diversity, St. 2016, c. 188, § 12. Under the proposed contract between National Grid and H.Q. Energy Services (U.S.) Inc., National Grid would acquire its pro rata share of an annual aggregate quantity of 9,554,940 megawatt-hours (“MWh”) of Clean Energy Generation and associated environmental attributes from hydroelectric generation to be delivered into New England over new transmission infrastructure. If approved, the proposed new transmission infrastructure, which is referred to as the NECEC Transmission Line, will deliver Clean Energy Generation in accordance with a transmission service agreement (“TSA”) by and between each of the three Massachusetts electric distribution companies (i.e., National Grid; NSTAR Electric Company d/b/a Eversource Energy; and Fitchburg Gas and Electric Company d/b/a Unitil) and Central Maine Power Company.

In addition to seeking approval of the proposed long-term contract, National Grid seeks the following three approvals and authorizations in this proceeding: (1) approval of the Companies’ revised Renewable Energy Recovery Provision (“RERP”), M.D.P.U. No. 1361; (2) approval to recover annual remuneration of 2.75 percent of the annual payments under the long-term contract and TSA; and (3) a determination that the costs of the long-term contract and TSA, plus remuneration, are eligible for cost recovery pursuant to National Grid’s RERP and basic service adjustment provision.

Section 83D requires the three electric distribution companies to jointly and competitively solicit proposals for Clean Energy Generation not later than April 1, 2017, and, if the proposals received are reasonable, to enter into cost-effective long-term contracts for Clean Energy Generation for an annual amount of electricity equal to approximately 9,450,000 MWh by December 31, 2022. St. 2016, c. 188, § 12; 220 CMR 24.00. Clean Energy Generation means either: (1) firm service hydroelectric generation from hydroelectric generation alone; (2) new Class I RPS eligible resources that are firm up with firm service hydroelectric generation; or (3) new Class I renewable portfolio standard eligible resources. St. 2016, c. 188, § 12; 220 CMR 24.00. All proposed long-term contracts are subject to the review and approval of the Department prior to becoming effective, and as part of its review and approval process for any proposed long-term contracts, the Department must take into consideration recommendations from the Attorney General, which must be submitted to the Department within 45 days following the filing of contracts with the Department. St. 2016, c. 188, § 12; 220 CMR 24.00. Section 83D provides that the Department shall consider both the potential costs and benefits of such contracts and shall approve a contract only upon a finding that it is a cost-effective mechanism for procuring low-cost clean energy on a long-term basis. St. 2016, c. 188, § 12; 220 CMR 24.00.

In accordance with Section 83D, the electric distribution companies and the Department of Energy Resources (“DOER”) jointly developed a request for proposals (“RFP”) for the procurement of Clean Energy Generation. On March 27, 2017, the Department approved the method of soliciting and executing long-term contracts, as well as the timetable, contained in the RFP. Clean Energy Generation RFP, D.P.U. 17-32 (2017). On March 31, 2017, and as subsequently revised on June 16, 2017, the electric distribution companies, together with the DOER, jointly issued the RFP. National Grid states that that the long-term contract is a cost-effective mechanism for procuring low-cost clean energy on a long-term basis.

According to National Grid, if its petition is approved, it estimates that the bill of an average Massachusetts Electric Company residential customer (R-1 rate class) using 500 kilowatt-hours of electricity per month would decrease by \$2.04, which is a 1.8 percent decrease relative to current rates, based on the current market environment.

On July 24, 2018, the Attorney General of the Commonwealth of Massachusetts (“Attorney General”) filed a notice of intervention on behalf of the Company’s ratepayers in this case. Further, pursuant to G.L. c. 12, § 11E(b), the Attorney General filed a notice of retention of experts and consultants to assist in her investigation of the Company’s filing. The Attorney General has requested Department approval to spend up to \$150,000. Pursuant to G.L. c. 12, § 11E(b), the costs incurred by the Attorney General relative to her retention of experts and consultants may be recovered by the Company in its rates.

The Department will conduct a public hearing to receive comments on the Companies’ filing on **Wednesday, August 15, 2018** at 2:00 p.m. at the Department’s offices, One South

Station, 5th Floor, Boston, Massachusetts. Persons interested in commenting on the Companies' filing may do so at the public hearing or may file written comments by the close of business (5:00 p.m.) on **Wednesday, August 15, 2018**. The public hearing will be followed by a procedural conference.

Persons interested in participating in the evidentiary phase of this proceeding must file a written petition for leave to intervene with the Department no later than the close of business (5:00 p.m.) on **Thursday, August 9, 2018**. A petition filed late may be disallowed as untimely, unless good cause is shown for waiver under 220 CMR 1.01(4). Receipt by the Department, not mailing, constitutes filing and determines whether a petition has been timely filed. A petition for leave to intervene must satisfy the substantive requirements of 220 CMR 1.03. To be allowed, a petition under 220 CMR 1.03(1) must satisfy the standing requirements of G.L. c. 30A, § 10. Any person who seeks to intervene in this matter and also desires to comment on the Attorney General's notice of retention of experts and consultants must file such comments no later than the close of business (5:00 p.m.) on **Thursday, August 9, 2018**.

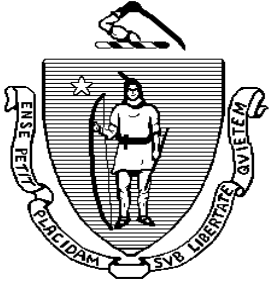
The original of all documents must be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts, 02110. In addition, one (1) copy of all documents filed with the Department must be sent to Alan Topalian, Hearing Officer, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110. One (1) copy of all documents filed with the Department must also be sent to: (1) National Grid's counsel, Laura C. Bickel, Esq., 40 Sylvan Road, Waltham, Massachusetts 02451, and John K. Habib, Esq., Keegan Werlin LLP, 265 Franklin Street, Boston, Massachusetts 02110; and (2) Shannon Beale, Assistant Attorney General, Office of Ratepayer Advocacy, One Ashburton Place, Boston, Massachusetts 02108.

All documents must also be submitted to the Department in electronic format using one of the following methods: (1) by e-mail attachment to dpu.efiling@mass.gov and the Hearing Officer, alan.topalian@mass.gov or (2) on a CD-ROM. The text of the e-mail, or CD-ROM must specify: (1) the docket number of the proceeding (D.P.U. 18-65); (2) the name of the person or company submitting the filing; and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and telephone number of a person to contact in the event of questions about the filing. All documents submitted in electronic format will be posted on the Department's website: <http://web1.env.state.ma.us/DPU/FileRoom/dockets/bynumber> ("enter 18-65").

Copies of the Companies' filing and the Attorney General's notice of retention of experts and consultants are available for inspection during regular business hours at the Companies' offices at 40 Sylvan Road, Waltham, Massachusetts 02451, and on the Companies' website: www.nationalgrid.com. Copies are also available for inspection during regular business hours at the Department's offices, One South Station – 5th Floor, Boston, Massachusetts 02110, and on the Department's website.

Reasonable accommodations at public or evidentiary hearings for people with disabilities are available upon request. Contact the Department's ADA coordinator at DPUADACoordinator@mass.gov or (617) 305-3642. Include a description of the accommodation you will need, including as much detail as you can. Also include a way the Department can contact you if we need more information. Please provide as much advance notice as possible. Last minute requests will be accepted, but may not be able to be accommodated. In addition, to request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), contact the Department's ADA coordinator at DPUADACoordinator@mass.gov or (617) 305-3642.

For further information regarding the Companies' filing, please contact the Company's counsel, Laura Bickel at (781) 907-2126 or John K. Habib at (617) 951-1400. For further information regarding this notice, please contact the Department Hearing Officer assigned to this case, Alan Topalian, at (617) 305-3500.



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DEPARTMENT OF PUBLIC UTILITIES

ORDER OF NOTICE

D.P.U. 18-65

July 27, 2018

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid for approval by the Department of Public Utilities of a long-term contract for procurement of Clean Energy Generation, pursuant to Section 83D of An Act Relative to Green Communities, St. 2008, c. 169, as amended by St. 2016, c. 188, § 12.

Petition of Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid ("Companies") are required to publish the attached notice in either The Boston Globe or the Boston Herald once at least fourteen (14) days in advance of **August 15, 2018**.

In addition, the Companies shall serve a copy of the attached notice at least fourteen (14) days prior to **August 15, 2018** on: (1) the service lists in Massachusetts Electric Company and Nantucket Electric Company, D.P.U. 15-155; Long-Term Contracts for Renewable Energy Rulemaking, D.P.U. 16-191; Clean Energy Generation RFP, D.P.U. 17-32; Offshore Wind RFP, D.P.U. 17-103; and Long-Term Contracts for Renewable Energy, D.P.U. 17-117/17-118/17-119/17-120; and (2) any person who has filed a request for notice with the Companies.

In addition, the Companies shall display the Notice in a prominent location on its website from three business days following receipt of the Notice through the end of the Comment Period. The Companies shall provide the Department with return of service, proof of publication and otherwise verify compliance with this Order of Notice at the time of the public hearing.

By Order of the Department,

/s/

Mark D. Marini, Secretary