



August 25, 2017

VIA ELECTRONIC DELIVERY

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision (REV)

**NATIONAL GRID DISTRIBUTED GENERATION INTERCONNECTION
REV DEMONSTRATION PROJECT – Q2 2017 REPORT**

Dear Secretary Burgess:

Niagara Mohawk Power Corporation d/b/a National Grid (“Company”) submits for filing its quarterly update to the Distributed Generation Interconnection REV Demonstration Project (the “Project”) Implementation Plan for the second quarter of 2017, ended June 30, 2017.

Please direct any questions regarding this filing to:

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The Company looks forward to continuing to work collaboratively with Staff as it proceeds with the implementation of the Project.

Respectfully submitted,

Allen C. Chieco

Allen C. Chieco
Director, Asset Management
National Grid

Enc.

cc: Tammy Mitchell, DPS Staff, w/enclosure (via electronic mail)
Michael Worden, DPS Staff, w/enclosure (via electronic mail)
Denise Gerbsch, DPS Staff, w/enclosure (via electronic mail)
Christian Bonvin, DPS Staff, w/ enclosure (via electronic mail)
Marco Padula, DPS Staff, w/ enclosure (via electronic mail)



Distributed Generation Interconnection

REV Demonstration Project

Case 14-M-0101

Q2 2017 Update Report

August 25, 2017

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1.0 Executive Summary

On February 14, 2017, Niagara Mohawk Power Corporation d/b/a National Grid (“NMPC” or the “Company”) filed a proposal for the Distributed Generation Interconnection REV Demonstration Project (the “Project”) in Case 14-M-0101.¹ The Project is designed to test alternative solutions for increasing the pace and scale of interconnecting distributed generation (“DG”) systems above 50 kW through upfront investments by the Company coupled with a cost-allocation methodology aimed at removing barriers for DG interconnection applicants. By letter dated April 24, 2017, New York State Department of Public Service Staff (“DPS Staff”) approved the project, with modification, and directed the Company to file an implementation plan, which was subsequently filed on May 24, 2017 (the “Implementation Plan”). The purpose of this report is to provide an update on the Project for the second quarter of 2017, ended June 30, 2017.

2.0 Highlights Since Implementation Plan Submittal

2.1 Major Task Activities

The Project is proceeding on schedule. Provided below are the Project Milestones included in the Implementation Plan and the current status of each milestone.

General Project Milestones		
Date	Milestone	Status
March 2017	Begin general outreach	Implemented March 2017
April 2017	Provide funding numbers	Complete April 2017
	Begin marketing the Project	Started April 2017
	Begin site specific outreach to developers	Commenced August 2017
May 2017	Order long term materials	Complete May 2017
	Develop cost per kW	Complete May 2017
June 2018	The Project term ends	June 2018

¹ Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision* (“REV Proceeding”), “Proposed Distributed Generation Interconnection REV Demonstration Project” (filed February 14, 2017).

Peterboro Substation Milestones		
Date	Milestone	Status
February 2017	Complete initial cost estimate	Complete February 2017
July 2017	Complete 3V0 design and engineering	Complete June 2017
	Determine needs for switching and/or mobile sub	Complete June 2017
Sept. 2017	Schedule civil work	9/1/17 start
	Schedule electrical work	9/1/17-12/22/17
	Schedule relay work	11/10/17-12/7/17
December 2017	Anticipated completion date	12/22/17
June 2018	Project term ends	June 2018
East Golah Substation Milestones		
Date	Milestone	Status
February 2017	Complete initial cost estimate	Complete February 2017
June 2017	Determine needs for switching and/or mobile sub	Complete August 2017
August 2017	Complete 3Vo design and engineering	Complete August 2017
	Schedule civil work	8/24/17 start
	Schedule electrical work	8/24/17-12/21/17
	Schedule relay work	11/12/17-12/7/17
December 2017	Anticipated completion date	12/21/17
June 2018	Project term ends	June 2018

All substation engineering and design for the installation of the protection equipment at the Peterboro and East Golah substations are complete. After review, the Company determined that mobile substation installations are not necessary, which helps to reduce costs and construction time. Civil and electrical work will commence in August/September with construction expected to be completed by late December 2017. The Company’s Customer Energy Integration (“CEI”) department has begun to actively market the substation demonstration area with DER developers and is working with the Company’s Economic Development organization to determine potential property locations to assist developers interested in participating in the Project.

2.2 Challenges, Changes, and Lessons Learned

The table below lists the challenges, changes, and lessons learned since submittal of the Implementation Plan.

2017	Issue or Change	Resulting Change to Project Scope/Timeline?	Strategies to Resolve	Lessons Learned
Q2	Development of a survey, before and after construction, to capture why developers chose to participate or not in the Project, and their opinion on the overall experience.	No change to Project timeline. Small scope increase to develop and administer survey.	Currently in development.	None
Q2	Delayed marketing slightly to ensure implementation included both substation locations.	No impact to Project construction scope. Impact on detailed communication with developers with a roughly two month delay.	An aggressive marketing campaign is currently ongoing. There will be no impact to the Project overall as developers had been waiting on State clarification on VDER.	Reach out to DPS Staff more quickly on specific concerns.
Q2	Wajiha Mahmoud named Ombudsman for DG Interconnection	None	None	None

3.0 Next Quarter Forecast

During the third quarter of 2017, the Project team will continue to move construction forward with the commencement of civil and electrical work at the Peterboro and East Golah substations. As construction continues, the CEI organization will continue communicating with DER developers about the Project and will attempt to utilize specific locational information and guidance of siting to enhance and simplify developers' decision making. Where interaction has taken place with developers, surveys will be completed, where applicable.

3.1 Checkpoints/Milestones

All construction activities are forecast to be completed by the end of December. A revised schedule is provided in section 4.0 of this update.

Project marketing participation will be reviewed at the end of September for the amount of participants, amount of contacts made with developers, and amount of MWs in the queues at the Peterboro and East Golah substations. Based on that review, the Company will determine if additional efforts are required to promote utilization of the created station capacity.

4.0 Work Plan and Budget Review

4.1 Updated Work Plan

An updated Gantt chart is provided on the next page.

4.2 Current Budget

A current budget is provided in the table below. Work in each of the expense type is ongoing.

Expense Type	2017 Plan	Actual YTD	2018 Plan
Engineering & Material Procurement	\$690,900	\$154,757	
Construction	\$546,200	\$0	
Marketing	\$12,000	\$0	\$8,000
In Service Liabilities & Closeout	\$188,700	\$0	\$40,000
Total²	\$1,437,800	\$154,757	\$48,000

5.0 Quarterly Report Template

The quarterly report template is provided below. Some adjustments have been made to align the template with the Project.

Quarterly Report Template	
Milestones:	
Last Project Milestone:	Engineering and design complete.
Next Project Milestone:	Start of civil and electrical construction.
Tasks/Timeline:	
Completed Project Tasks Since Last Quarterly Report:	Ordering of long term materials. Completion of design work packages.
Changes or Impacts to Schedule Since Last Quarterly Report:	Construction to commence at the East Golah substation two months earlier than originally projected in the Implementation Plan.
Lessons Learned:	Overall communication of the Project both internally and externally – no issues; just a recognition that improvements can be made.

² The total does not include sales taxes.

Work Stream Coordination:	No issues.
Risks:	
Identified Risks:	Participation of DER developers in the Project.
Risk Mitigation Plan:	Aggressive marketing of the Project.
Finance:	
Total Spend to Date:	\$154,757
Forecast Spend:	\$1,485,800
Queue Status Update:	
East Golah	10% capacity utilized 2 MW unit in construction. 2 MW unit in preliminary study. 2 MW application submitted.
Peterboro	10% capacity utilized 2 MW unit in construction. 66 kW project in preliminary study.
Additional Notes:	None.