

March 9, 2010

VIA HAND DELIVERY & ELECTRONIC MAIL

Ms. Natalie Howlett
Renewable Energy Project Coordinator
Massachusetts Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, Massachusetts 02114

Re: National Grid's Comments on Proposed Final 220 CMR 14.00 Renewable Portfolio Standard – RPS Class I Regulations

Dear Ms. Howlett:

I am submitting these comments on behalf of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid (“National Grid” or “Company”) regarding the proposed final 220 CMR 14.00 Renewable Portfolio Standard – RPS Class I regulations issued by the Massachusetts Department of Energy Resources (“DOER”) on January 8, 2010 and revised following its March 2, 2010 public hearing.

As explained in National Grid’s comments dated September 9, 2009 and November 5, 2009 regarding DOER’s Solar RPS Carve-Out straw proposal and Price Support Mechanism respectively, the Company supports DOER’s efforts to develop a carve-out for solar RECs. However, the Company remains concerned about aspects of the proposed final regulations as discussed below.

Solar ACP

National Grid supports the concept of establishing an Alternative Compliance Payment (“ACP”) for solar RECs and recognizes DOER’s efforts to promote the development of solar generation, in furtherance of the Commonwealth’s goals, through establishment of a robust initial ACP. Nonetheless, the desire to promote the development of solar generation must be balanced with the needs of customers. While National Grid acknowledges that DOER has lowered the initial ACP from \$700/MWh to \$600/MWh, the Company believes that an initial ACP of \$600/MWh is still too high because of the significant rate impact such a high ACP will have on the Company’s customers. The Company believes an initial ACP of \$400/MWh strikes the appropriate balance between achieving the Commonwealth’s solar development goals and the needs of customers, particularly when taking into account that these projects will also be eligible for net metering with a value of \$100 to \$150/MWh, and as compared with ACP rates in Maryland and Pennsylvania. The Company also believes that the regulations should provide DOER with the flexibility to reduce the ACP to an appropriate level in future years based upon experience gained under the program, rather than having reductions to the ACP limited to ten percent (10%) each year. DOER should have the discretion to fully take into account the expected decline in installation costs of solar projects of this

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Page 2 of 2

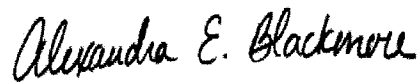
type, potential participation in the Forward Capacity Market as an incentive to spur solar development, and the fact that solar developers can also take advantage of the thirty percent (30%) investment tax credit.

Metering Arrangements

National Grid recommends that the metering provisions applicable to qualified solar generation units be harmonized with those of the production tracking system ("PTS") used for other projects funded by the Clean Energy Center.

National Grid strongly supports the development of solar generation in the Commonwealth and appreciates the opportunity to provide these comments.

Very truly yours,

A handwritten signature in black ink that reads "Alexandra E. Blackmore". The script is cursive and fluid.

Alexandra E. Blackmore