



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Administration

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March 21, 2024

The Honorable Joseph J. Solomon, Jr.
Chairman – House Committee on
Corporations
State House
Providence, R.I. 02903

Re: **H 7811 – An Act Relating to Public Utilities and Carriers – 2024 Energy Storage Act**

Dear Chairman Solomon:

The Division is deeply concerned over the lack of nexus between this bill and the recommendations made by the Public Utilities Commission (“PUC”) in its report dated October 18, 2023 entitled “Examination of the Value of and Need for Energy Storage Solutions”, prepared in response to Senate Resolution 416 issued on June 23, 2022. The PUC report summarizes a lengthy stakeholder process that occurred between December 2022 and September 2023. The report addressed: the Cost-Benefit Framework for evaluating energy storage solutions; a qualitative analysis of existing energy storage procurement; procurement policy analysis and an outline for a PUC tariff framework proceeding.

The PUC concluded that there is likely to be a sufficient Renewable Energy Certificate (REC) supply to meet the Renewable Energy Standard (RES) and the Act of Climate’s mandates until at least 2032.¹ The PUC’s Staff report concluded that “Rhode Island’s existing storage procurement mechanisms feature critical design limitations that can be addressed and improved through the implementation of at least two new tariffs: a retail service tariff for standalone energy storage resources and an interconnection tariff specific to storage resources.”² As such, the PUC concluded that prudent, measured progress on energy storage should be a near-term goal. As requested, the report also set forth a framework for a stakeholder process to develop a retail service tariff for standalone energy resources.³

¹ Report at 39.

² Public Utilities Commission Report, “Examination of the Value of and Need for Energy Storage Solutions”, Executive Summary at iv, October 18, 2023; https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-10/RIPUC%20Final%20Storage%20Report_Docket%205000.pdf.

³ See Chapter 5 of the Report at 40.

In comments filed with the Commission, the majority of stakeholders concurred that near-term development of a front of the meter storage tariff should be a priority. Some stakeholders related that in other states such as Massachusetts and Connecticut, the process to develop tariffs has been ongoing for over two years, “due in part to the complexity and flexibility of energy storage.”⁴ Advanced Energy United and the Northeast Clean Energy Council (“NECEC”) stated: “we encourage the Commission to review storage proceedings in other states, particularly New England.” Advanced Energy United and NECEC also noted that storage proceedings in other states have taken years and that Rhode Island can and should learn from those proceedings. The commenters uniformly rejected the notion that storage would not be “needed” until 2032.

The Division’s concern is that the proposed bill does not value or support a prudent, measured approach to tariff development and requires the PUC to race-to-a-finish to develop a tariff between October 2024 and March 2025. Additionally, the bill sets a megawatt target of 200 by December 31, 2028 and 600 by December 31, 2032, all without any substantive showing of a rational relationship to need. Finally, the bill imposes a ratepayer-funded solicitation process, all without any disclosure of the likely substantial costs to be imposed upon the ratepayers.

The Division fully appreciates the role storage will play in supporting reliability through interfacing with distributed generation and other renewable resources. We, however, believe the PUC has already developed a roadmap for addressing emerging issues related to storage deployment and that provisions in this proposed bill would unnecessarily interfere in the process of balancing storage installation with ratepayer interest, to the detriment of ratepayers.

Sincerely,



Linda George, Esq.
Administrator, RI Division of Public Utilities and Carriers

Cc. The Honorable Representative Arthur Handy
The Honorable Members of the House Committee on Corporations
Nicole McCarty, Esq., Chief Legal Counsel, Speaker of the House

⁴ Comment letter from BlueWave dated August 4, 2023 at 1 (included in PUC’s report). Also see comments from Clean Energy Group dated August 4, 2023 at 2.