

Testimony in support of H5814: Public Utilities Commission (Report on Comprehensive Study)

Dr. Hans Scholl, 71 Fales Avenue, Barrington, RI 02806

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To Chair Solomon and the honorable Members of the House Corporations Committee:

Utility reform in Rhode Island is urgently necessary.

Currently, the Utility is not incentivized to rapidly and effectively support the transition from fossil-based to renewable energy, partly because of their business model, and partly because the incentive structures and priorities in the statutes that govern the Utility have not been adjusted to facilitate the rapid greenhouse gas emission reductions mandated by the RI Act on Climate.

Historically—and currently—, the Utility takes little, if any effective action to embrace and use smart state-of-the-art and often relatively low-cost technologies to

- better utilize the current grid, including conversion to better conductor materials,
- plan for and implement local and micro-grids,
- allow for virtual power plants and distributed energy resources with peak-based rate designs.

All of these would lead to lower rates, support and accelerate renewable electricity, reduce carbon burning, improve efficiency and increase resilience during power outages. Other states are far ahead with implementing and using these technologies!

The DPUC and PUC that regulate the Utility often don't seem to sufficiently stand up for the rate payers and seem to be rather influenced by the arguments that the Utility and their lawyers and lobbyists present—admittedly, it's tough to hold your position against a counterpart who has immense financial and other resources. It needed intervention by the Attorney General to reach a \$ 200 million settlement during the transition from National Grid to RI Energy—the Utility Commissions, on their own, would have missed that opportunity.

And lastly, there is insufficient opportunity for intervention and public engagement in the DPUC's and PUC's hearings and proceedings, with some interpretation by the ratepayers that they are powerless and left out, while the commissions negotiate with the Utility— with results that not always turn out to be in the ratepayers interest.

Fortunately, a number of bills have been introduced into this year's legislature that can drive Utility reform in many of its aspects, and I support these bills.

In particular, I support H5814, because it will require the DUC and PC to conduct a holistic study with the sole intent of ascertaining the best ways to lower all energy rates for the consumer including electric and gas. The study will include an investigation of energy rates in other states and see why they have energy rates lower than what rate payers are paying in Rhode Island, and also will require a comprehensive review of all energy programs in Rhode Island that add to the cost of energy.

As a result we will obtain a comprehensive and detailed review of Rhode Island energy policies relative to programs in other states, and yield recommendations for legislation that will lower

energy costs for the rate payers. Measures to conduct the study and funds for a consultant will be provided.

We don't have much time for reform: 2033 with the goal for 100% of Rhode Island's electricity coming from clean, renewable generation is approaching fast. Considering the long lead times for implementing the necessary changes, we have to act now!

Please bring the bill to a vote in 2025.

Thank you very much for considering my input, and thank you to Representative Lima for introducing this important bill.



Dr. Hans Scholl

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71 Fales Avenue
Barrington, RI 02806; (203) 687-6415; clclt17@mac.com