



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

Administration
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(401) 941-4500
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March 20, 2025

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

Re: H 5969 and H 5834 – Re: Resolutions directing rate studies

Dear Chairman Solomon:

The Division of Public Utilities and Carriers (Division) will gladly perform any utility rate studies as may be requested through General Assembly resolutions. However, we would like to clarify public policy cost issues, and highlight several important ratepayer remediation achievements in 2024-2025.

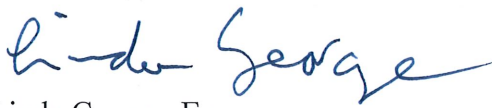
While the Division joins all state agencies in working to attain the goals of renewable energy expansion, this programming incurs significant costs. These costs result from several components that drive up ratepayer electric bills, including: (1) transmission, (2) supply, and (3) distribution. Moreover, each of these components are variable and subject to the impact of growing inflation, labor costs, and supply chain uncertainty that are beyond local control. Necessary upgrades to utility infrastructure, such as ongoing Advanced Metering Functionality deployment, are a significant cost incursion required to meet established energy efficiency goals. Using figures for 2024, RI Energy electric ratepayers incurred the following costs:

Table with 6 columns: Renewable Energy Growth Program, Long-Term Renewable Contracts, Net Metering, Renewable Energy Standard Compliance, Energy Efficiency Expenditures, Total Mandated Costs. Values include \$30,452,583, \$43,470,565, \$111,374,524, \$81,016,222, \$95,254,300, and \$361,568,194.

The projected cost increases are not sustainable, as evidenced by understandable ratepayer reaction to current bill impact. As a result, while the Division appreciates the intent of the above-referenced resolutions, the proposed rate deferral within House Resolution No. 5969 would merely delay the ratepayer burden until the summer months—a period when ratepayers could traditionally expect lightened bills. Renewable deployment can and should continue, but the statutory-mandated compensation should be reconsidered in light of the need for *sustained* relief being urgently communicated by ratepayers.

Importantly, Rhode Island regulators this past fall saved Rhode Island ratepayers a total of \$27 million. This savings—which is being credited back to ratepayers on their energy bills—was achieved through a provision in procurement guidelines that provides a path for utilities to seek power supply savings when market conditions are favorable. This winter, low-income customers received \$140 in savings which is being credited across six months commencing in November 2024. Standard residential Rhode Island Energy supply customers received a credit of about \$66 in December 2024. Additionally, a total of \$10 million was recovered from the utility resulting from an investigation into energy efficiency program invoice procedures with nearly \$8 million of that total included in a settlement agreement approved in recent weeks.

Sincerely,

A handwritten signature in blue ink that reads "Linda George". The signature is fluid and cursive, with the first name "Linda" and last name "George" clearly distinguishable.

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

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