

HB-5820
PUC



STATE OF RHODE ISLAND

Public Utilities Commission

89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500

Chairman Ronald T. Gerwatowski
Commissioner Abigail Anthony

April 1, 2025

The Honorable Joseph J. Solomon, Jr.
Chair, House Corporations Committee
State House
Providence, RI 02903

Re: House Bill 5820 – Renewable Energy Standard

Dear Chair Solomon:

I am submitting comments on behalf of the Public Utilities Commission (PUC) regarding House Bill 5820, which pauses the Renewable Energy Standard (RES) in 2024 and restarts it in 2035. As drafted, the PUC is unclear about the standard it would be enforcing from 2025 to 2035 and cautions that the cost and resulting rate impact from the bill may not be what the sponsor anticipates.

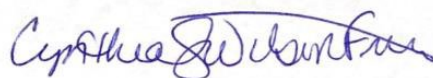
The RES, enacted in 2004 under Chapter 39-26 of Rhode Island General Laws, requires retail electricity providers (except Pascoag Utility District and Block Island Power Company) to supply a portion of their electricity from Eligible Renewable Energy Resources. The PUC administers the RES.

In 2025, the RES requires retail electricity providers to obtain at least 33% of electricity sold to Rhode Island customers from renewable resources (up from 28% in 2024). The PUC needs clarification on whether the proposed amendments maintain the 28% requirement for 2025-2034 or set it to zero.

Pausing the RES for ten years could have a different impact than the sponsor anticipates. While Rhode Island Energy (RIE) is the largest buyer of Renewable Energy Certificates (RECs) in the state on behalf of Last Resort Service supply (LRS) customers, it is also the largest seller of RECs in the state on behalf of all distribution customers. RECs from long-term contracts and the Renewable Energy Growth (REG) program are transferred to RIE, which then sells them to offset costs owed to developers in these programs. Most of these sales are to LRS customers. If the price of RECs drops due to an RES pause, it would reduce the LRS costs but it would simultaneously increase the net revenue required to support long-term contracts and the RE Growth Program. As a result, the gap would be filled through an increased renewable distribution charge which is collected from all customers. While pausing the RES may lower supply costs, it would likely raise distribution costs. The PUC cannot forecast the net impact of this rebalancing of supply and demand. Finally, whether the pause maintains the status quo or halts the RES entirely, the state will still need clean energy certificates, like RECs, to meet Act on Climate goals at a cost to ratepayers.

Please feel free to contact me with any questions at cynthia.wilsonfrias@puc.ri.gov or 401-780-2147.

Sincerely,

A handwritten signature in blue ink, reading "Cynthia G. Wilson-Frias". The signature is fluid and cursive, with the first name "Cynthia" and last name "Wilson-Frias" clearly distinguishable.

Cynthia G. Wilson-Frias
Chief of Legal Services

cc: Representative Lima