

House Corporations Committee

February 12, 2021

Rep. Joseph Solomon, Chair - [rep-solomon@rilegislature.gov](mailto:rep-solomon@rilegislature.gov)Representative William W. O'Brien, First Vice Chair - [rep-obrien@rilegislature.gov](mailto:rep-obrien@rilegislature.gov)Rep. Justine A. Caldwell, Second Vice Chair - [rep-caldwell@rilegislature.gov](mailto:rep-caldwell@rilegislature.gov)

Re. H5327, An Act Relating to Public Utilities and Carriers -- Net Metering

Dear House Corporations Committee:

Our firm located in downtown Providence has worked on energy policy and supported our new energy economy for many years. I grew up in Providence, am raising my family here, and care deeply for and about Rhode Island. We represent no client for these comments and have volunteered hours on this policy process because of our history and experience on these policies that are so critically important to that future. We write in support of H5327 and especially its expansion of Rhode Island's community net metering program (CNM). But, we oppose removing the capacity value earned by CNM projects and restricting the size of these projects.

### *1. Program Expansion*

We expect that many will testify effectively on how important the expansion of this program is to fulfillment of Rhode Island's energy and climate goals and policies. Expansion is long overdue and is urgently needed. We support 60MW of expansion but see no good reason to keep a cap on community net metering. The 30MW cap was a "pilot program" and that pilot proved CNM popular and good for RI. Such program caps make program access unpredictable and discourage development in ways that are bad for RI. The economics of net metering fundamentally depend on producing electricity for less cost than the retail market rate. Many, many studies have shown time and again that local renewable energy projects provide net benefits to customers, the electrical system and society that go well beyond what they are paid for – see

[http://www.ripuc.ri.gov/eventsactions/docket/4568-WED-Ex4-BeyondRewards\(11-23-15\).pdf](http://www.ripuc.ri.gov/eventsactions/docket/4568-WED-Ex4-BeyondRewards(11-23-15).pdf);

<http://acadiacenter.org/document/value-of-distributed-generation-solar-pv-in-ri/>;

<http://ritv.devosvideo.com/show?video=jforobsf&apg=61f109a4>. There is no defensible policy reason to cap any of RI's net metering programs at this time.

### *2. Capacity Value*

Since net metering customers conclusively are not paid what net metering is worth to RI customers, the electrical system and our society, the proposal to deny them the capacity value for their developments is completely unfounded. We have heard it is a carrot to the utility, needed so National Grid will support expansion. Make no mistake, National Grid is a "public" utility by misnomer only – its interests are in profiting its shareholders, whether or not that is consistent with the public interest. National Grid reports an annual operating profit of £2.87 billion (Annual Report 2018/2019 at 26, "AR"). National Grid (the parent) spent a total of £3.5 billion on energy infrastructure over that year (AR at 30), generating a net revenue increase of 3% and increased its rate base of 9.2% (AR at 36). National Grid U.S. reported an annual operational profit of

£1.724 billion (AR at 26), spending £2.6 billion on energy infrastructure in its United States regulated markets (AR at 36). Sixty percent (60%) of National Grid U.K.’s total revenue, and 74% of its total infrastructure investment, came from upstate “New York” and part of “New England.” National Grid partnered with Orsted to supply electricity from its offshore wind project, Revolution Wind, to Rhode Island and Connecticut and in return, National Grid Ventures (an “unregulated” affiliate) got the right to provide the transmission interconnection and service between Orsted’s project and the transmission system (AR at 39). National Grid Venture’s has now bought Geronimo Solar, a utility scale renewable energy developer, that could look to import competing renewables into RI. National Grid’s interests in natural gas, electric system infrastructure investment and utility-scale renewables very fundamentally compete with RI’s public interest in local renewable energy. Please do not make the common mistake of thinking that National Grid’s views on this policy serve the public interest; their interest is in their shareholder’s profit.

The recommendation to strip capacity value from CNM projects also came from a (supposed) “stakeholder process” conducted by OER and a severely faulty and misleading cost benefit study that produced an unsupported conclusion that net metering customers are subsidized by other customers. That “stakeholder process” involved many closed room sessions with National Grid and entirely ignored real concerns and comments raised by real stakeholders. We have called for transparency in that cost benefit analysis, which is one of eight principles of the National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources (NSPM) published by industry experts (including the RIPUC’s Todd Bianco) in August 2020, but have received none. We have made APRA requests to obtain transparency but have been refused and received an incomplete response (see attached). The few responsive documents that have been produced so far confirm extensive interaction with National Grid regarding the study, and stonewalling of real stakeholders. We raised the concern that such a substantive study resulting in such definitive (and mistaken) policy conclusions violates the Administrative Procedures Act’s rulemaking requirements. It has resulted in “rules” as defined there – “agency statement of general applicability that implements, interprets, or prescribes law or policy or the organization, procedure, or practice requirements of an agency and has the force of law” (R.I. Gen. Laws §42-35-1(19)) without following the rulemaking process, including transparency in a rulemaking record that includes publication of the receipt and response to public comment. R.I. Gen. Laws §42-35-2.3. But, rather than getting into all that, we’d ask that you please reject the proposal to deny net metering customers their right to benefit from the system capacity benefit they (and not the utility) generate and thus deserve.

### *3. Project Size*

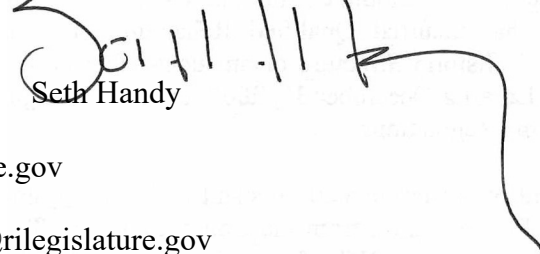
We are all too well aware of the concerns about siting large solar projects on undeveloped land that gave rise to OER’s recommendation to disallow more than one net metered project on the same or adjacent sites. We have been at the table for many, many hours of deliberation on renewable energy siting policy. We actively participated in the OER stakeholder process that resulted in unanimous consent on recommendations that were put to the general assembly and then undermined by stakeholder participants that had (evidently) changed their position. One essential component of that unanimous recommendation, that we have urged OER to do

repeatedly since commenting on the preparation of our state energy plan (Energy 2035), is the development of a comprehensive plan to site and interconnect all of the renewable energy our public policy demands for so many important reasons (cost savings, energy security, job growth, air emissions and climate, among others). Planning is the only way to achieve our goals (and dire needs) in the most efficient and environmentally effective way. Yet, despite so many years of asking for it, we still do not have such a plan. Without it, we submit that it's penny wise and pound foolish to pass any laws that restrict siting of renewable energy projects. Despite our dense population (which uses a lot of electricity and will consume a lot more with plans to electrify our cars and thermal systems), RI is blessed with one of the largest percentages of open space in the country. We must use that space to produce all of the benefits of our own clean, local energy supply and all the jobs that come with it. Once we have that comprehensive plan we've been seeking in place, we'll be able to properly prioritize environmentally efficient siting. Until then, we're still producing only a small fraction of our energy needs and relying on gas for the rest, and climate change is most definitely the biggest threat to our environment, including our forests, farms and open space. In any case, it makes little sense for CNM customers to be uniquely burdened with any such siting restriction which ought to be reconsidered.

Thank you very much for all of your good work on energy and environmental policy, for supporting the expansion of CNM, and for your consideration of these comments.

Encls.

Sincerely,

  
Seth Handy

- cc. Rep. Brandon Potter, Sponsor, [rep-potter@rilegislature.gov](mailto:rep-potter@rilegislature.gov)
- Rep. Deborah Ruggiero, Sponsor, [rep-ruggiero@rilegislature.gov](mailto:rep-ruggiero@rilegislature.gov)
- Speaker Joseph Shekarchi, [rep-shekarchi@rilegislature.gov](mailto:rep-shekarchi@rilegislature.gov)
- Majority Leader Christopher Blazjewski, [rep-blazjewski@rilegislature.gov](mailto:rep-blazjewski@rilegislature.gov)