



**BLOCK ISLAND
UTILITY DISTRICT**

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March 2, 2021

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

Re: House Bill 5503 – Block Island Utility District/Pascoag Utility District Net Metering

Dear Chair Solomon:

The Block Island Utility District supports this amendment of the net metering statute so that the Utility District can continue to offer a net-metering program to its consumer/members that is consistent with its goals of promoting cost effective renewable energy development.

The amendment affects only the members of the Block Island and Pascoag Utility Districts. It will not have any impact to the National Grid customers.

Not every electric grid, distribution provider or utility district has the same technical or financial profile. Therefore, we are asking that future net metering caps be set by Pascoag Utility District or Block Island Utility District based on their needs, goals and their consumer/members directives, subject to the approval of the Public Utilities Commission.

The current net metering penetration on Block Island is at 3%, which is the mandated cap under the existing net metering law. Because of this cap, the Block Island Utility District has put a hold on any new net metering projects.

The Block Island Utility District has worked hard since last March to develop a new proposed net metering tariff that will be as close to revenue neutral as possible and will minimize any cross subsidy among its consumer/members yet still allows for a cost feasible credit to those who wish to participate. Under the proposed new tariff, the Utility District will annually adjust the net metering credit based on the district's actual avoided power supply, capacity and transmission costs so as to maintain revenue/cost neutrality over the life of the program. The development of this new proposed tariff has been done publicly on Block Island in collaboration with its consumer/members.

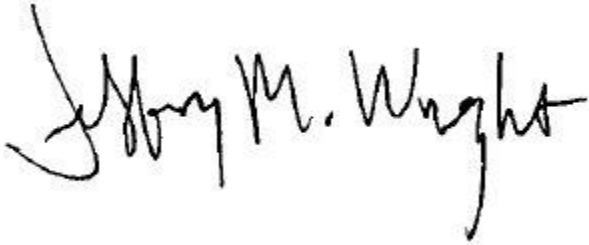
Under this new proposed net metering program, Block Island's net metering limits would no longer be based on the financial impacts. Instead, it would become an engineering-

based limit. At this time, the Block Island Utility District is proposing to increase the cap in small steps with a goal of possibly 15% penetration based on summertime peaks which (due to the seasonal load factor of the island) equates to about 75% of its off-season load. This could make the Utility District a good case study for other utilities contemplating this level of renewable penetration.

The Block Island Utility District members want to invest in more customer owned renewable resources. The Block Island Utility District prefers to “buy local” when it can through net metering resources. However, in order to implement this new model, the net metering statute must be amended so that the 3% cap no longer applies.

We therefore urge you support the passage of House Bill 5503. We also thank you for your continuing support of the newly formed Block Island Utility District, which is thriving in its infancy.

Regards,

A handwritten signature in black ink that reads "Jeffery M. Wright". The signature is written in a cursive, flowing style.

Jeffery M. Wright, President
Block Island Utility District dba Block Island Power Company

cc: Committee Members
Representative Filippi