

March 20, 2024

The Honorable Joseph J. Solomon, Jr.  
Chairman, House Corporations Committee  
Rhode Island State House  
Providence, Rhode Island 02908

**RE: H-7616 – Relating to State Affairs & Government – Renewable Ready Program**

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write regarding H-7616, the Renewable Ready Program, which is designed “to promote the responsible siting and development of renewable energy generating resources in locations where it would be an ancillary beneficial use to the redevelopment of previously contaminated property.” While Rhode Island Energy supports this general concept, *we respectfully offer several proposed amendments to reduce costs for local ratepayers, provide for equitable treatment under existing tariffs, and ensure the continued delivery of safe and reliable energy services throughout the state:*

- **Rhode Island Energy applauds the bill sponsor for proposing that funding for the “renewable ready fund” is generated from sources *other than* electric customers.** However, as written, the proposed legislation is silent on how financial support provided to renewable projects will ultimately be accounted for in the state’s ratepayer-subsidized renewable energy development programs, such as net metering and Renewable Energy Growth (REG). Rhode Island electric consumers should share in the benefits of this new program through a reduction in development costs otherwise passed on through rates. Absent such amendments, this legislation may result in unintentional “windfall” payments to project developers.
- As in 2023, Rhode Island Energy expresses its concerns related to the bill’s inclusion of utility-owned properties for use by this program.<sup>1</sup> **Our company respectfully asks that locations owned by the electric and/or natural gas distribution company, and subject to the environmental response fund (or other rate mechanisms), be removed from the list of eligible sites.** Nearly all the properties subject to the environmental response fund today are either owned by another entity; subject to lease agreements; subject to federal Environmental Protection Agency (U.S. EPA) oversight; or being utilized for critical utility infrastructure. Moreover, such properties may be used in the future for utility operations to maintain safe and reliable energy services for Rhode Island homes and businesses and/or support energy system transformation. Given that it is difficult for Rhode Island Energy to acquire property for its operations and creates expense for ratepayers, reference to utility-owned properties should be removed from §42-140.5-3 and §42-140.5-7.

If the Committee determines that, despite these concerns, such properties are to be *considered* for the Renewable Ready Program, we respectfully urge that their inclusion on the Office of Energy Resource’s list of eligible sites be at Rhode Island Energy’s *sole*

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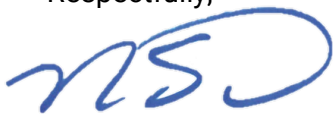
<sup>1</sup> Page 2, lines 31-32 and page 5, lines 11-14.

discretion. This would allow the utility to consider current and future energy system needs as it relates to the safe and reliable operation of our electric and natural gas distribution systems, while also mitigating potential cost impacts for utility ratepayers.

- Rhode Island Energy respectfully asks that §42-140.5-7(c)<sup>2</sup> be struck from this legislation. **The use of lease payments for utility-owned properties should be left to the jurisdiction of the Public Utilities Commission (PUC) which, today, regulates the environmental response fund and other rates that would be implicated by this section of the bill.** Please note that the PUC already directs lease payments to the environmental response fund, while other such payments are appropriately reconciled for customers through other mechanisms.
- The proposed act is silent on public reporting and transparency requirements. **This legislation would be strengthened by requiring the Rhode Island Infrastructure Bank to issue periodic, publicly accessible reporting (at least annually) on the “renewable ready fund,”** established via §42-140.5-4.<sup>3</sup> At minimum such reporting should include the following details: a complete listing of funding sources and balances; use of funds, including an accounting of administrative costs; a listing of applicants and awardees; project details (e.g., location, technology type, capacity); and awards made.
- As proposed, §42-140.5-3(c)(3)(iii) provides that the Office of Energy Resources (OER) “may consult with the electric distribution company in the creation of” utility interconnection cost estimates.<sup>4</sup> To the extent OER were to consult, Rhode Island Energy would not be able to provide an estimate of interconnection costs outside of the study process as defined by tariff. This ensures fair treatment by requiring all applicants to follow the same defined process.

Rhode Island Energy appreciates the opportunity to comment on this proposed legislation and thanks the Committee for its continued leadership.

Respectfully,



Nicholas S. Ucci  
Director of Government Affairs

CC: The Honorable Members of the House Corporations Committee  
Vice-Chair June Speakman, Bill Sponsor

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<sup>2</sup> Page 5, lines 15-16.

<sup>3</sup> Page 3, lines 17-34 through page 4, lines 1-3.

<sup>4</sup> Page 3, lines 11-12.