

March 20, 2025

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

RE: H-5815 – Relating to Public Utilities and Carriers – Intervenor Compensation Program

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write in **opposition** to H-5815, which would establish an “intervenor support program” funded by an annual assessment on electric and natural gas companies. While the core purpose of this bill is laudable and may have merit, the costs of such a program may ultimately be recovered from customers through higher utility rates. Also, the bill could result in significant cross-subsidization, with electric and natural gas customers paying for third parties to intervene in non-Rhode Island Energy regulatory proceedings (e.g., water, ferry service, energy facility siting, etc.). For these and other reasons, we respectfully urge the Committee to hold this bill for further study.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

In addition to the concerns noted above, we respectfully offer the following:

- **There is no cap on the total assessment that may be charged to public utilities to support this program**, and it is unclear how the Public Utilities Commission (PUC) would establish a reasonable annual budget. Although the bill does, in one instance, cap funding for any individual proceeding at \$100,000, it then allows the PUC to provide funding beyond that level (page 7, lines 20-25). We note that the PUC established nearly 60 unique dockets in 2024. *The costs of this program could escalate quickly.*
- **The bill is silent on whether any amounts assessed to the electric and natural gas distribution company are recoverable through rates.** If Rhode Island Energy is mandated to provide funding for this new program without authorization to recover those costs, *the legislation could violate well-established federal law.*
- **The definition of “substantial contribution” is subjective and requires greater specificity** (page 2, lines 24-26). Without further statutory clarity and/or agency rulemaking, the interpretation of that standard could be fluid and make it challenging for all parties, including the PUC, to determine how such a test would be consistently and equitable applied. It is also unclear how the PUC could make such a determination *before* regulatory proceedings commence (page 3, lines 6-8) or even within thirty days (page 3, lines 9-10).

- The bill seeks to provide compensation when an intervenor “makes a substantial contribution to a proceeding resulting in a decision *favorable to the interest of utility customers*.” [page 2, lines 30-31; emphasis added]. **It is not clear how one would determine the “interest of utility customers” in any given regulatory proceeding.** Moreover, the Division of Public Utilities & Carriers (DPUC) – the state’s utility ratepayer advocate – is *already* an indispensable party to all PUC proceeding and represents the collective interests of customers.
- **This bill may create a substantial administrative burden on the PUC.** It is not clear what impact this legislation would have on the agency’s existing resources and budget, or whether *additional* costs would need to be recovered through Rhode Island utility bills to support that work.
- The proposed program is applicable “to all formal proceedings of the commission involving electric, gas, water, and telephone utilities, and of the energy facility siting board...” (page 2, line 34 through page 3, lines 1-2). However, when it comes to the recovery of program costs, **the bill specifically targets new assessments on electric and natural gas companies** (page 6, line 28). **This could result in Rhode Island Energy customers paying for costs incurred by third-party intervenors in cases that have nothing to do with electric or natural gas services.**

Rhode Island Energy appreciates the opportunity to comment on this proposed legislation and respectfully asks that the Committee hold H-5815 for further study.

Thank you for your attention to this matter.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the House Committee on Corporations
The Honorable David Morales, Rhode Island House of Representatives