

HB-5580
PUC
Support in part and oppose in part



STATE OF RHODE ISLAND

Public Utilities Commission

89 Jefferson Boulevard
Warwick, Rhode Island 02888
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Chairman Ronald T. Gerwatowski
Commissioner Abigail Anthony

April 24, 2025

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

Re: House Bill 5580 – Net Metering

Dear Chair Solomon:

The Public Utilities Commission (PUC) partially supports House Bill 5580, which would amend Net Metering. Specifically, the PUC supports elimination of the consumption-based sizing caps and 125% consumption cap on excess net metering credits. The PUC also supports payment of excess renewable net-metering credits at the Last Resort Service rate.¹

The PUC does not support changing the excess net metering credit rate to the “the wholesale electricity rate, **which is hereby declared to be the ISO New England energy clearing price.**” [emphasis added]. The rate described in the emphasized language is based on a formula defined in ISO New England’s tariff that is approved by the Federal Energy Regulatory Commission and subject to regulatory and policy changes beyond the State’s control.² In addition, this proposal would require a new regulatory process, likely to be complex and contentious to design and set the rate. The Last Resort Service rate is already easy to understand, flexible to meet policy changes, and based on the electric distribution company’s energy procurement plan results. The design of the Last Resort Service rate, even to something that is more closely based on the wholesale market costs that are referenced in this bill can already be proposed to the PUC, without ceding the State’s ratemaking authority to federal regulators.

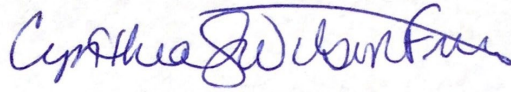
Furthermore, with the expected move to more dynamic pricing that will be enabled by the new meter rollout, the PUC cannot predict how changes in this bill might cause unintended consequences. Finally, the cash out language reflects what the PUC has already approved in Rhode Island Energy’s net metering tariff. Codifying it is unnecessary.

¹ Notably, the PUC removed the same sizing criteria as an eligibility requirement for residential customers to participate in the Renewable Energy Growth Program as of April 1, 2025.

² *ISO New England Inc. Transmission, Markets, and Services Tariff*, also known as the ISO-NE Tariff.

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

Sincerely,



Cynthia G. Wilson-Frias
Chief of Legal Services

cc: Representative Potter