

RI House Committee Corporations
Rhode Island State House
82 Smith Street
Providence, RI 02903

April 6, 2026

RE: H7881 AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS -- DUTIES OF UTILITIES AND CARRIERS

Dear Members of the House Committee on Corporations:

Our firm writes in support of H7881. We do not represent any clients in these comments.

RI Energy is a monopoly. Monopolies are not subject to competition. They do not have to advertise or market.

The Narragansett Electric Company (NEC) is chartered to exercise the power of eminent domain to take land and exercise a monopoly over our electric and gas energy systems as long as its plans are approved as being in the “public interest.” *An Act to Incorporate United Electric Power Company*, S 400 Jan. Sess. 1956 (March 23, 1956). In 2017, the Division, the PUC and OER conducted a robust stakeholder process that resulted in a *Transforming the Power Sector Phase 1 Report*.¹ That report concludes (in part) that:

One indication of how the utility business model and regulatory framework are out-of-step with today’s expectations for a clean, cost-effective and resilient electricity system is the electric grid’s system efficiency, defined as the ratio of peak to average demand. While many industries have become more efficient over the last few decades by leveraging information technologies to more fully utilize capital investment, Rhode Island’s peak to average demand ratio is 1.98, meaning that nearly half of the utility’s capital investment is not utilized most of the time. . . The top 1% of hours cost the state ratepayers around 9% of spending, at around \$23 million, while the top 10% of hours cost 26% of costs at \$67 million, as illustrated in Figure 4. To meet peak demand, our system currently invests in solutions that are more expensive than is necessary. We have the technological opportunity to shift the hours of demand and thereby reduce everyone’s utility bills.¹

When Pennsylvania Power & Light (PPL) proposed to take over Narragansett Electric Company’s (NEC) charters in Division Docket D-21-09, Paragraph 25 of PPL’s petition to take over NEC stated:

PPL also expects that it will have significant opportunities to invest in Narragansett’s electric and gas infrastructure to enhance safety, reliability, and customer satisfaction for Rhode Island customers, a core tenet of PPL’s strategy in all of the jurisdictions in which it provides utility service.

In PPL’s power-point presentation on the economic benefits of the acquisition of NEC to its shareholders, produced in response to the Divisions data request 1-1,² PPL noted that:

- a. NEC had adjusted net income of \$150 million in the fiscal year ending March 31, 2021;
- b. There is significant geographic overlap between Narragansett’s electric and gas operational territories
- c. Rhode Island is a constructive regulatory jurisdiction (RRA – Avg/2) (recovery mechanisms reduce regulatory lag)

¹ *Transforming the Power Sector Phase One Report Phase One Report*, Part I “Utility Business Model,” pp. 13-16 http://www.ripuc.ri.gov/utilityinfo/electric/PST%20Report_Nov_8.pdf Handy Law was also a stakeholder in that planning process, as was NEC.

² Divisions data request 1-1 to PPL at Attachment PPL-DIV 1-12-5 Page 6 of 2. see https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/D_21_09_DR_NGrid_1_Part_1.pdf

- d. further opportunities to invest in electric and gas infrastructure (annual rate base growth greater than 9% over the past 5 years)
- e. Historical rate base growth – 9.3% CAGR from 2015 through 2020
- f. “Historical Capital” up from \$271 million in 2017 to \$321 million in 2020 (Infrastructure Safety and Reliability program allows for recovery of “natural gas and electricity distribution capital investments and expenses for *ISR* outside of rate proceedings and FERC allows formula rates for transmission investments)

PPL did not respond to the question of why Rhode Island is a “constructive regulatory jurisdiction” for NEC, as had been posed to it in that proceeding. PPL did not respond to the question of how all of those projected profits would meet its charter mandate to serve the public interest, as was also posed to it in that proceeding. PPL now operates NEC under the name RI Energy.

In January 2026, Brown University’s Institute for Environment and Safety issued a report entitled, *Who’s Obstructing Climate Action in the Rhode Island Legislature?*³ It includes these findings:

- Rhode Island Energy, owned by Pennsylvania Power and Light (PPL), spent the most on lobbying (in the years it has been active) and was the most active opponent of environmental groups on climate and energy bills in our study period. Rhode Island Energy used their lobbying budget to frequently oppose environmental groups’ priorities. In 2024 alone, Rhode Island Energy spent \$139,000 on lobbying, 12 times as much as the highest-spending environmental group. Based on submitted lobbying reports, the gas and electric utilities (National Grid and PPL/RI Energy) combined spent over \$1 million on lobbyist compensation from 2018-2025 in Rhode Island, far more than any other organization that took positions on climate and energy bills.
- Business coalitions and the PUC are frequent opponents of climate policies. Among all testimony analyzed, business associations emerged as some of the most consistent opponents of climate and clean energy legislation
- The PUC also frequently testified against environmentalists on climate and energy bills.
- Rhode Island’s 2025 Climate Action Strategy proposes interventions that have been introduced in past legislative sessions--and faced resistance from the same groups including RI Energy and the PUC

The report also notes that:

Today, PPL is a member of various trade associations, and “through June 30, 2024, PPL reported \$359,082 in lobbying-related dues.” Edison Electric Institute (EEI), for whom “PPL publicly promotes its [climate] position,” sued the EPA over greenhouse gas regulations, was outspoken against President Biden’s commitment to a nationally determined contribution (NDC) in line with the Paris Agreement, and has repeatedly published studies that put climate change into question. The American Gas Association (AGA) is another lobbying association for which PPL’s alignment is “consistent,” and for which PPL stated that it “publicly promotes its [AGA’s] position.” AGA has attracted attention as a known climate obstructor, as they have a commitment to maintaining natural gas as a primary energy source.

Report at pp. 11-12. In an October 2021 report on its investigation of six utility regulators, Brown University’s Climate and Development Lab concluded that: (i) utilities often exert significant influence over commissioner appointments; (ii) significant resource and structural advantages allow utilities to dominate PUC processes; (iii) PUCs pose significant technical and legal barriers to entry for many advocates; and (iv) a revolving door between utility and commission officials is common.⁴ RI Energy uses ratepayers funds to advocate for their interests before their regulators, whereas other advocates must fund their own advocacy, creating a deep imbalance of resources, advocacy and accountability. *Id.*⁵

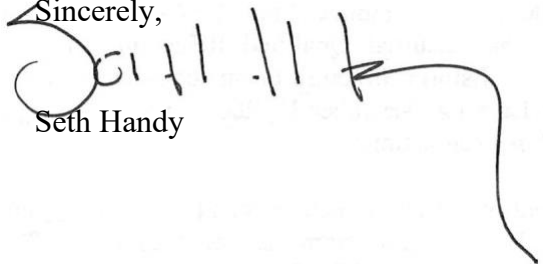
³ https://31cf4300-926b-41c6-910b-9537b517673b.usrfiles.com/ugd/31cf43_1d5bf5fdde644007bf37cabb23c2aa38.pdf at pp. 2-4, 12.

⁴ *Can State Utility Commissions Lead in the Clean Energy Transition: Lessons from Six States* (Oct. 28, 2021). See also *Beyond Utility 2.0 to Energy Democracy*, The Institute for Local Self Reliance (Dec. 2014), p. 20 (“cozy relationships” between regulated utilities and state regulators are common).

⁵ In the 2025 legislative session senators sponsored S378 to give public interest advocates more resources to balance the weight of advocacy at our state house but that bill failed under the objection of RI Energy and our regulatory agencies.

The utility uses its advertising and marketing dollars to support its shareholders' interests. Its shareholders should pay for that, not its ratepayers. Please pass H7881. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Seth Handy". The signature is stylized with a large initial "S" and a long, sweeping tail that curves downwards and to the right.

Seth Handy