

April 27, 2026

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

RE: H7890 AN ACT RELATING TO PUBLIC UTILITIES AND CARRIERS -- PUBLIC UTILITIES COMMISSION -- THE EQUITABLE PARTICIPATION IN UTILITY REGULATION ACT

Dear Members of the House Corporations Committee:

Our firm writes in support of H7890. This testimony is not submitted for any of our clients.

Advocates for the public interest are outgunned in regulatory proceedings. The utility brings abundant resources to such proceedings – hired lawyers and experts and lots of staff. They claim that their advocacy is a fundamental element of their chartered right to serve as a monopoly energy interest, even when their advocacy is clearly contrary to state policy and the public interest. In contrast, those seeking to advocate for other interests must foot the bill themselves and rarely have the resources to fully staff the team needed to effectively advocate their position.

This General Assembly chartered the Narragansett Electric Company (NEC, now dba RI Energy) 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).¹

When Pennsylvania Power & Light (PPL) proposed to take over NEC’s charters in Division Docket D-21-09, the Attorney General’s data request AG 1-30 asked PPL how it planned to implement the Act, and PPL replied:

At this time, the 2021 Act does not require public utilities to comply with any specific rules or requirements. The GHG emission reduction targets established in the 2021 Act are economy-wide targets and specific targets for the utility sector are still to be ascertained. Therefore, it is unknown how future rules and regulations implementing the new targets under the 2021 Act will implicate the utility sector.

The Attorney General’s data request AG 1-29 asked for PPL’s plans to transition to renewable energy by 2030 in accordance with R.I. Gen. Law §39-26-4. PPL answered that it did not have a plan to transition to renewable energy by 2030 in any of its existing territories, nor in Rhode Island. The Attorney General’s data request AG 1-33, asked for PPL’s plans to transition our energy system off natural gas; PPL answered that it “has not developed any specific plans to transition Rhode Island away from gas” because such plans “will be governmental policy decisions.” 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

¹ All subsequent charters state that the system is to be operated for that “purpose for which they were taken.” See e.g., S697 Jan. Sess. 1964 (May 6, 1964); 76-S2806 Jan. Sess. 1976 (June 4, 1976). See http://www.ripuc.ri.gov/eventsactions/docket/D_21_09_DR_NGRID_AG1_A.pdf.

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:

- i. NEC had adjusted net income of \$150 million in the fiscal year ending March 31, 2021;
- ii. There is significant geographic overlap between Narragansett’s electric and gas operational territories
- iii. Rhode Island is a constructive regulatory jurisdiction (RRA – Avg/2) (recovery mechanisms reduce regulatory lag)
- iv. further opportunities to invest in electric and gas infrastructure (annual rate base growth greater than 9% over the past 5 years)
- v. Historical rate base growth – 9.3% CAGR from 2015 through 2020
- vi. “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.³ The Division approved PPL’s takeover of NEC.

Commentators commonly note the imbalance of advocacy in regulatory proceedings on fundamentally important public policies. 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

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?*⁶ 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

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

³ Our firm sought to represent a group of stakeholders, identified as New Energy RI, in docket D-21-09 but the Division denied our intervenor status as inconsistent with the public interest. Nevertheless, NERI propounded public comment that included both of these questions. See https://ripuc.ri.gov/sites/g/files/xkgbur841/files/eventsactions/docket/D_21_09_PC_NERI.pdf, NERI 1-14 to PPL.

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.

⁶ https://31cf4300-926b-41c6-910b-9537b517673b.usrfiles.com/ugd/31cf43_1d5bf5fdde644007bf37cabb23e2aa38.pdf at pp. 2-4, 12.

- 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 noted 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.

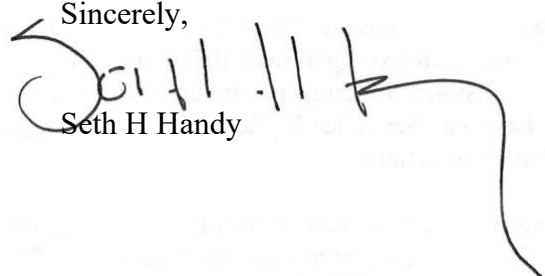
Beyond Utility 2.0 to Energy Democracy, The Institute for Self-Reliance (Dec. 9, 2014), p. 20-21 (<https://ilsr.org/articles/report-energy-democracy/>) (“utilities can use their customer revenue to finance their perspective before the Public Utilities Commission while independent intervenors typically have to self--finance several thousand dollars for their intervention. If independent intervenors do receive compensation for their work, it’s always after the fact.”)

Upcharge: Hidden Cost of Utility Monopoly Power (May 30, 2024), pp. 40- 48 (<https://ilsr.org/articles/report-upcharge-electric-utility-monopoly/>) (“Utilities exercise their political power in a vicious cycle that often includes deceptive, unethical, and outright illegal political activity. Unlike a typical business, their publicly-granted franchise allows them to accumulate political power by spending money collected from captive customers.”)

H7890 provides a start at leveling the playing field for advocacy on critically important public policy issues like real energy reform.

A simpler, and perhaps more effective, reform would be simply to require the utility to dedicate as much funding to public interest advocacy as it dedicates to advocacy for its own interests, to ensure proper balance. Please consider some means to balance the public interest in advocacy against the utility’s shareholder interests.

Thank you for your consideration of our comments.

Sincerely,

 Seth H Handy