



STATE OF RHODE ISLAND

DIVISION OF PUBLIC UTILITIES & CARRIERS

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July 25, 2022

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02888

Docket No. 22-10-EL

Dear Ms. Massaro,

The Division of Public Utilities and Carriers ("Division") writes to provide the Public Utilities Commission ("Commission") with its recommendation regarding the Town of Narragansett's Petition for Approval of Community Electricity Aggregation Plan. The Division has reviewed the petition and proposed plan ("Plan"), the Rhode Island Aggregation Comparison Chart ("Chart") accompanying the Plan, Order No. 24317 in Docket No. 5212 and R.I. Gen. Laws § 39-3-1.2. On July 5, 2022, the Division forwarded data requests to Petitioner and Good Energy, L.P. The Division received responses to those data requests on July 18, 2022. The Division has reviewed the responses to Petitioner's data requests as well. Subject to the recommendations contained herein, the Division recommends approval of the Plan as further set forth below.

On June 21, 2021, the Narragansett Town Council authorized the Town's Community Development staff "to research and develop a plan to aggregate the retail electric loads within the Town through a CCA [Community Choice Aggregation] program in accordance with the Act [R.I. Gen. Laws § 39-3-1.2.]"¹ On May 16, 2022, the Town of Narragansett held a hearing to review and take comments on the draft of the Plan. Prior to the hearing, the Town published notice of the hearing in the *Narragansett Times* on May 6, 2022 and May 13, 2022 as required by R.I. Gen. Laws § 39-3-1.2(d).²

¹ Plan, Attachment 1 (Page 1 of 2).

² Plan, Attachment 1 (Page 2 of 2).

In accordance with the statute, the Plan identifies the classes of customers that may participate in the aggregation program;³ contains a statement of universal access and equitable treatment for all applicable customers;⁴ and identifies the organizational structure of the program.⁵ The Plan further identifies the program's operations and funding,⁶ and identifies a process for establishing rates and allocating costs among Plan participants.⁷

R.I. Gen. Laws § 39-3-1.2(d) requires the petitioner to identify the methods for entering and terminating agreements, the rights and responsibilities among participants, and the method for terminating the program. The Plan satisfies these requirements as well.⁸

The Plan must also identify the terms and conditions under which retail customers who have chosen to opt-out may take service from the aggregated entity.⁹ Pursuant to the Plan, "[a]ll consumers that join the program after having previously opted out will be offered a price based on then-current market rates rather than the standard contract price."¹⁰

The Plan must also set out program participants' rights and responsibilities under the Plan and termination of the program.¹¹ The Plan informs participating ratepayers in advance of automatic enrollment that they are to be automatically enrolled and have the right to opt out without penalty and elect to receive retail supply from another licensed supplier or the electric distribution company.¹² Consumers are provided 33 days from the date of mailing of a consumer notification letter and opt out card to consider whether or not to opt-out of the program.¹³ Ratepayers who have not elected an alternative supplier will be transferred to the aggregated entity, subject to an opt-out provision.¹⁴

³ *Plan at 2-3.*

⁴ *Id. at 3.*

⁵ *Plan at 4-5.*

⁶ *Plan at 8.*

⁷ *Plan at 8-9.*

⁸ *Plan at 9.*

⁹ *R.I. Gen. Laws § 39-3-1.2(d).*

¹⁰ *Plan at 3.*

¹¹ *R.I. Gen. Laws § 39-3-1.2(d).*

¹² *Plan at 3, 9.*

¹³ *Plan at 7.*

¹⁴ *Plan, Attachment 3 (Page 2 of 5).*

On this last point, while compliant with R.I. Gen. Laws § 39-3-1.2, the Division is concerned that customers, who wish to purchase standard or optional products, will likely confuse the names given to third party supplier Default and Optional Products (“Narragansett Standard,” “Narragansett Basic,” “Narragansett 50,” and “Narragansett 100”) with distribution service provided by The Narragansett Electric Company (“Narragansett Electric”).¹⁵ While the customer letter does identify the service that customers “have now” as “Rhode Island Energy Last Resort Service,”¹⁶ the Division does not believe this qualifying description negates the likely confusion that will be caused by the similar names. Most customers will believe that if they are purchasing a “Narragansett” product, then they are choosing to purchase their electricity from “Narragansett Electric,” not from a third-party supplier who provides power under the Plan.

R.I. Gen. Laws § 39-3-1.2(d) requires that “[t]he plan shall . . . meet any requirement established by law or the commission concerning aggregated service.” Given this statutory authority, the Division recommends that the Commission direct, as a condition of Plan approval, that Petitioner rename its Default and Optional Products to eliminate the likely confusion and exclude the word “Narragansett” in these products’ names. The customer letter and marketing materials should be amended as well to conform to this recommendation.

R.I. Gen. Laws § 39-3-1.2(a)(2) also requires clear disclosure that customers “will be enrolled automatically in the aggregation program . . . unless the person affirmatively elects by stated procedure not to be so enrolled, without penalty.” The disclosure must prominently state the “rates, charges that are to be made, and other terms and conditions of enrollment.”¹⁷ The Plan does provide for full disclosure of the Last Resort Service (“LRS”) rate and identifies how customers may access LRS without penalty.¹⁸ Although Narragansett Electric was sold to PPL on May 25, 2022, Petitioner’s June 30, 2022 filing still uses the incorrect name of “National Grid” in lieu of Rhode Island Energy for the electric distribution company in many places.¹⁹ The Division also observes that the term “Providence” appears in the proposed customer letter²⁰ and the names of the Optional Products on Page 5 of the Plan and Pages 38-39 of the Electric Services Agreement needs to match whatever alternative name is chosen for the products in the customer letter.

As part of its review, the Division examined Order No. 23417 in Docket No. 5212. The Division believes that ordering Provisions 1, 3, 4, 5, 6 and 7 remain applicable in the pending docket. In correspondence to the Commission dated February 9, 2022, Rhode Island Energy requested a Purchase of Receivables (“POR”) Program implementation date of April 1, 2022. The Division

¹⁵ With the consummation of the sale of Narragansett Electric, it is the Division’s understanding that the legal name of the operating utility in Rhode Island remains “The Narragansett Electric Company.”

¹⁶ Rhode Island Energy is the fictitious business name that Narragansett Electric adopted on May 25, 2022.

¹⁷ *R.I. Gen. Laws § 39-3-1.2(a)(2).*

¹⁸ *Plan at 2; Attachment 3 (Page 2 of 5).*

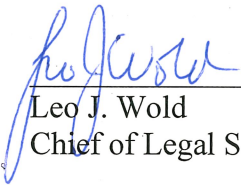
¹⁹ *See e.g., Plan at 2, 6, 7, 8, 9, 10.*

²⁰ *Plan, Attachment 3 (Page 2 of 5).*

has contacted Rhode Island Energy and has confirmed that the POR Program, as of the date of this correspondence, has become fully implemented in Rhode Island. Petitioner and the Division both recognize that with the implementation of the POR Program, the accounts receivable of the aggregation program's supplier will be purchased by Rhode Island Energy in accordance with the revised tariff. Rhode Island Energy holds title to the purchased arrearages, and LIHEAP eligible customers retain access to arrearage management plans and budget billing. The main rationale for the Company to conduct at least one workshop with the local agency which may be the local Community Action Program—to ensure these customers have immediate access to an AMP and budget billing plans—would appear to be no longer an issue. The Division, therefore, does not believe the Commission needs to order Provision 2 at this time but may leave the issue of whether to conduct the workshop to the discretion of Petitioner. Accordingly, subject to its recommendations and observations noted herein, the Division recommends approval of the Town of Narragansett's Community Electricity Aggregation Plan

Respectfully submitted,

Division of Public Utilities and Carriers



Leo J. Wold
Chief of Legal Services

cc: Service List