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January 19, 2023

# Via Electronic Mail and First Class Mail

Luly E. Massaro, Commission Clerk Rhode Island Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888 <u>luly.massaro@puc.ri.gov</u>

## RE: <u>Docket No. 22-49-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy's</u> Advanced Metering Functionality ("AMF") Business Case

Dear Ms. Massaro:

Enclosed for filing in the above-captioned docket please find the Reply of Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Reliant Energy Northeast, LLC and XOOM Energy Rhode Island LLC (collectively, the "NRG Retail Companies" or "NRG") to the Omnibus Response of the Narragansett Electric Company d/b/a Rhode Island Energy. NRG will also provide the original and nine (9) hard copies of the enclosure to the Commission Clerk via First Class Mail.

Thank you for your attention to this matter. Please contact me with any questions or concerns.

Sincerely,

/s/ Craig R. Waksler

Craig R. Waksler

Enclosures

cc: Service List Docket No. 22-49-EL (via email only)

## STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION 89 JEFFERSON BOULEVARD WARWICK, RHODE ISLAND 02888

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IN RE: The Narragansett Electric Co. d/b/a Rhode Island Energy's Advanced Metering Functionality Business Case

Docket No. 22-49-EL

## REPLY OF DIRECT ENERGY BUSINESS, LLC, DIRECT ENERGY BUSINESS MARKETING, LLC, DIRECT ENERGY SERVICES, LLC, RELIANT ENERGY NORTHEAST, LLC AND XOOM ENERGY RHODE ISLAND LLC TO THE OMNIBUS RESPONSE OF THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY TO MOTIONS TO INTERVENE

Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Reliant Energy Northeast, LLC and XOOM Energy Rhode Island LLC, (collectively, "the NRG Retail Companies" or "NRG") submit this reply to the Omnibus Response of the Narragansett Electric Company d/b/a Rhode Island Energy ("Rhode Island Energy" or the "Company") to Motions to Intervene, which was filed on January 9, 2023 and which objected in part to the intervention of the NRG Retail Companies. NRG respectfully requests that the State of Rhode Island Public Utilities Commission ("Commission" or "PUC") deny Rhode Island Energy's partial objection to NRG's Motion to Intervene ("Motion") and grant the NRG Retail Companies' intervention in the above referenced docket pursuant to 810-RICR-00-00-1.14 ("Rule 14").

### I. <u>INTRODUCTION</u>

On November 18, 2022, Rhode Island Energy filed its Advanced Metering Functionality Business Case with the Commission. The filing provides a detailed proposal for full scale deployment of Advanced Metering Functionality ("AMF") across the Company's service territory in Rhode Island. As described in the Company's filing, its proposal is intended to

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replace existing electric automated meter reading ("AMR") meters, address State climate mandates, and meet evolving customer expectations by allowing customers to make more informed energy choices.

On December 30, 2022, the NRG Retail Companies timely filed a Motion to Intervene in this proceeding pursuant to Rule 14. The Motion is incorporated herein by reference. As explained in the Motion, the NRG Retail Companies operate as nonregulated power producers ("NPPs") in Rhode Island, and specifically in the Company's service area. As NPPs, the NRG Retail Companies sell electricity to residential and non-residential customers in the competitive retail market and have a significant interest in the outcome of this proceeding.

On January 9, 2023, Rhode Island Energy filed an omnibus response to the various Motions to Intervene filed in this proceeding ("Response"). As part of its Response, Rhode Island Energy objected in part to the NRG Retail Companies' intervention. The Company did not object to intervention by Direct Energy Business, LLC and Direct Energy Services, LLC, but objected to the intervention of Direct Energy Business Marketing, LLC, Reliant Energy Northeast, LLC, and XOOM Energy Rhode Island LLC.

The NRG Retail Companies now file this reply to Rhode Island Energy's Response. For the reasons discussed herein and in NRG's Motion to Intervene, the NRG Retail Companies have met the applicable standard for intervention, and the Motion to Intervene should be granted by the Commission.

### II. <u>LEGAL STANDARD</u>

Intervention in Commission proceedings is governed by Rule 14, which provides that "any person claiming a right to intervene or an interest of such nature that intervention is necessary or appropriate may intervene in any proceeding before the Commission." 810-RICR-00-00-1.14(B). It is appropriate for the Commission to grant a motion to intervene when: (1) the

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right of intervention is conferred by statute; (2) the movant has an interest which may be directly affected and which is not adequately represented by existing parties, and movant may be bound by the Commission's action in the proceeding; or (3) the movant holds any other interest of such nature that the movant's participation may be in the public interest. 810-RICR-00-00-

## 1.14(B)(1)-(3).

As discussed herein and in NRG's Motion, the NRG Retail Companies clearly meet both the second and third prongs of this test, and therefore NRG's intervention should be granted.

### III. <u>REPLY</u>

#### A. <u>The NRG Retail Companies Meet the Standard for Intervention</u>

## 1. <u>The NRG Retail Companies have an interest which will be directly</u> <u>affected and which is not adequately represented by other parties.</u>

As electric NPPs registered and operating in Rhode Island Energy's service territory, the NRG Retail Companies satisfy the standard for intervention because they possess "an interest which may be directly affected and which is not adequately represented by existing parties," and as to which the NRG Retail Companies "may be bound by the Commission's action in the proceeding." 810-RICR-00-00-1.14(B)(2).

In its Response, Rhode Island Energy argued that, of the NRG Retail Companies, Direct Energy Business, LLC and Direct Energy Services, LLC should be permitted to intervene, but that Direct Energy Business Marketing, LLC, Reliant Energy Northeast, LLC, and XOOM Energy Rhode Island LLC have not shown that they have an interest in this proceeding or that such interest is not adequately represented by other parties. However, the NRG Retail Companies are all owned by NRG Energy, Inc. as corporate brand affiliates, and all operate in Rhode Island Energy's service territory; it is unclear and misguided why the Company believes that only some of these entities have an interest in the outcome of this proceeding. While Direct Energy Business, LLC and Direct Energy Services, LLC did participate in prior dockets,<sup>1</sup> participation in prior proceedings does and should not impact the ability to participate in a new docket. Furthermore, participation in prior proceedings is not part of the Rule 14 standard for intervention. Rhode Island Energy's argument attempting to limit intervention by the NRG Retail Companies in a piecemeal fashion is nonsensical and should be rejected.

In reality, the NRG Retail Companies will each be directly affected and bound by the decision in this proceeding with respect to the need for AMF investment and the design of the Company's proposal.<sup>2</sup> NRG has a significant interest in ensuring that the Company's proposal does not harm Rhode Island's competitive electric retail markets as well as its existing and prospective customers. NRG also has a substantial and direct interest in ensuring that the design and timely deployment of AMF as well as the design of the Company's essential back-office systems like its Customer Information System ("CIS") and new meter data management system are implemented in a manner that will accommodate the needs of NPPs, including NRG, and will enhance the timeliness and quality of customer usage data. The Company's proposal could impact retail competition in the Company's service territory as well as directly impact the operations of the NRG Retail Companies and NPPs generally.

Additionally, the interests of the NRG Retail Companies are unique and will not be adequately represented by other parties, including the Division.<sup>3</sup> No other NPP has attempted to intervene in this proceeding. The NRG Retail Companies represent a wide range of NPP business models, marketing structures and customer segments, thus, their interests and perspectives are unique. While the Division may also have an interest in retail electric markets

<sup>&</sup>lt;sup>1</sup> NRG Motion at  $\P$  9.

<sup>&</sup>lt;sup>2</sup> NRG Motion at  $\P$  8-15.

<sup>&</sup>lt;sup>3</sup> NRG Motion at  $\P$  14.

in Rhode Island, it does not have the same perspective as NRG and cannot adequately represent NRG's interests in this proceeding. The NRG Retail Companies bring different viewpoints and different types of expertise to this proceeding that cannot be represented by other participants. In fact, NRG submits that this proceeding will benefit from the participation and valuable contribution of a variety of entities with different perspectives and will not slow the proceeding as Rhode Island Energy suggests. Each of the NRG Retail Companies have a different business model that represent a wide range of NPPs, and as such NRG is well positioned to provide a perspective that is not represented by other parties in this proceeding.

For these reasons, the NRG Retail Companies meet the requirements of 810-RICR-00-00-1.14(B)(2), and NRG's intervention as a full party to this proceeding should be granted on this basis.

### 2. <u>The NRG Retail Companies' participation is in the public interest.</u>

In addition to having a substantial and direct interest in the outcome of this proceeding, participation by the NRG Retail Companies is also in the public interest.<sup>4</sup> 810-RICR-00-00-1.14(B)(3). In its Response, Rhode Island Energy claims that the intervention of certain of the NRG Retail Companies is not in the public interest, and that NRG instead seeks to promote only its private interest.<sup>5</sup> This claim is baseless and without merit; for the reasons discussed below, full participation by the NRG Retail Companies is in the public interest. Moreover, without the operational perspective and input of NPPs, including NRG, the design and implementation of critical metering and data access infrastructure will be deficient and incomplete impacting the retail market and Rhode Island consumers seeking competitive electricity supply alternatives.

<sup>&</sup>lt;sup>4</sup> NRG Motion at  $\P$  16-17.

<sup>&</sup>lt;sup>5</sup> In particular, the Company criticizes the NRG Retail Companies for being for-profit companies. The Company's criticism ignores the fact that Rhode Island Energy itself is owned by PPL Corporation, a for-profit entity that is tracked on the New York Stock Exchange.

In passing the Utility Restructuring Act of 1996, the State of Rhode Island General Assembly determined that it is in the public interest to promote competition in the electric industry.<sup>6</sup> Further, in 2018, the General Assembly recognized the "importance of competitive choice in electric generation service."<sup>7</sup> It is clear that the General Assembly has made the policy determination that electric competition is beneficial and it is in the public interest for the Commission to promote the development of a retail electric market. A favorable market fosters competition among entities seeking to develop and offer products and services tailored to the preferences of consumers. NRG's intervention is indeed in the public interest as changes to the Company's metering system, data access, and related back office systems could impact the retail market and need to be evaluated and addressed in this proceeding.

Additionally, NRG has the experience, expertise and resources to aid the Commission in evaluating the Company's proposal and its potential impact on the retail competitive electric markets and, to the extent necessary, crafting reasonable modifications to the Company's proposals. NRG's perspective will ensure that the Company's proposal does not harm the retail electric market or NPPs in general, and it is in the public interest for this perspective to be fully represented and considered in this proceeding. For example, if the Company proceeds to develop its new CIS without first consulting and engaging with NPPs, including NRG, municipal aggregators, and other key stakeholders, there is a real risk that the Company will unilaterally develop AMF and related back-office architecture uniquely beneficial to the interests of Rhode Island Energy but may be operationally incompatible with third-party systems or may result in imposing prohibitively expensive system upgrades to third parties. This, in turn, would hinder the advancement of the retail electric market in the Company's service territory.

<sup>&</sup>lt;sup>6</sup> R.I. Gen. Laws § 39-1-1(d).

<sup>&</sup>lt;sup>7</sup> R.I. Gen. Laws § 39-1-27.13(a).

For these reasons, full participation by the NRG Retail Companies is in the public interest and its Motion to Intervene should be granted pursuant to 810-RICR-00-00-1.14(B)(3).

### B. <u>Scope of the Proceeding</u>

In its Response, the Company requested that the Commission limit the scope of this proceeding and that the intervention of the NRG Retail Companies be limited to "addressing the role that they played in the PST Advisory Group and specific ASA requirements that address the interests of retail electric suppliers...." A limitation of the scope of this proceeding in the manner proposed by the Company is not warranted and without merit. The NRG Retail Companies are not seeking to re-litigate prior proceedings or otherwise inappropriately expand the scope of this proceeding. Rather, NRG's focus is on ensuring that the Company's proposal for full-scale deployment of AMF is carried out in a manner that is reasonable and compatible with the goal of not inhibiting retail electric markets and with the needs of third-party NPPs, such as NRG, in mind. The issues that NRG anticipates addressing in this proceeding are well within the proper scope of this proceeding, as addressed herein.

#### C. <u>Positions in this Proceeding</u>

The NRG Retail Companies are currently reviewing the Company's proposal and developing its specific positions. At this time, NRG expects to address the following issues:

- Examining the impact of the Company's proposal on NPPs and ensuring there is no harm to electric retail markets.
- Reviewing any changes to the Company's metering system, data access, and related back office systems that could impact the retail electric market.

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- Evaluating potential operational and financial impacts of any changes to the Company's metering system, data access, and related back office systems that could have on NPPs and their existing and prospective customers.
- Examining whether the proposal will enhance the timeliness and quality of customer usage data and meet the needs of NPPs, in order to further advance the goal of enabling retail electric customers to obtain the benefits of properly functioning and effectively competitive retail markets.
- Addressing the proposals of other parties advanced through testimony, legal arguments, or settlement discussions to ensure that any proposals do not adversely impact the ability of the NRG Retail Companies or similarly situated NPPs to effectively operate as NPPs in the Company's service territory.

Given NRG's interests in this matter, as discussed above, the NRG Retail Companies will be directly affected by decisions in this matter, and their intervention as full parties should be granted.

### IV. CONCLUSION

For all of the foregoing reasons, Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Reliant Energy Northeast, LLC and XOOM Energy Rhode Island LLC, hereby respectfully request that the Commission grant their Motion to Intervene in this proceeding as a full party.

Respectfully submitted,

/s/ Craig R. Waksler

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Date: January 19, 2023

Attorneys for Direct Energy Business, LLC, Direct Energy Business Marketing, LLC, Direct Energy Services, LLC, Reliant Energy Northeast, LLC and XOOM Energy Rhode Island LLC

# **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below on January 19, 2023.

/s/ Craig R. Waksler Craig R. Waksler, Esq.

## The Narragansett Electric Company d/b/a Rhode Island Energy Docket No. 22-49-EL Advanced Meter Functionality (AMF) Service list updated 1/10/2023

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