

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC COMPANY :
d/b/a RHODE ISLAND ENERGY’S LAST RESORT : **DOCKET NO. 22-02-EL**
SERVICE PROCUREMENT PLAN :

ORDER

On May 24, 2022, The Narragansett Electric Company d/b/a National Grid, now d/b/a Rhode Island Energy (RI Energy or Company) submitted its Last Resort Service (LRS) Plan for Calendar Year 2023. RI Energy requested approval of the continuation of its 2021 LRS Plan because it was not proposing any changes. RI Energy explained that the Company will continue to use a laddered and layered repeating procurement schedule for the Residential and Commercial Groups. As noted by RI Energy, this type of procurement was first introduced in the 2011 SOS Plan (Docket No. 4149). The Company noted that this is its preferred procurement method because the transactions are at different times and are dollar-cost averaged to create a blended supply rate. The Company will continue to use Full Requirements Service contracts for energy and ancillary services market costs. Under the LRS Plan, the Company will also continue to procure 10% of the LRS obligation in the spot market.¹

On December 22, 2022, the Public Utilities Commission (Commission) approved the first procurement under the proposed plan subject to further review on the basis that recent approvals of community choice aggregation may result in changes to the way suppliers view Rhode Island’s market and may necessitate changes to the way RI Energy procures LRS supply in the future. In addition, the Commission may seek to review the procurement strategy in light of the recent

¹ Letter from Andrew Marcaccio, Esq. to Luly E. Massaro, Commission Clerk (May 24, 2022). On May 25, 2022, PPL Rhode Island Holdings, LLC, an indirect wholly owned subsidiary of PPL Corporation, acquired 100 percent of the outstanding shares of common stock of The Narragansett Electric Company, now doing business under the name Rhode Island Energy.

volatility in the market and criticisms from members of the public and public officials about the resultant pricing.

Community choice aggregation, had not been fully implemented as of the date when RI Energy needed approval for the second tranche of the procurement. Therefore, the Commission sought input from the Division of Public Utilities and Carriers (Division) on the propriety of RI Energy's proposed continuation of the previously approved LRS Plan. On March 7, 2023, the Division submitted a Memorandum from its Chief Accountant, John Bell. Mr. Bell noted that the Plan was under review and a technical session is scheduled for May. In order to allow the Company to move forward with the scheduled procurements, the Division recommended Commission approval of the Plan, subject to further review.²

On March 13, 2023, the Commission accepted the Division's recommendation and approved the 2023 LRS Plan subject to further review. The Commission notes that unlike the procurement of Standard Offer Service, the predecessor to LRS, Rhode Island law does not require the Company to seek annual approval of a LRS Plan, but only requires a filing of any proposed amendments or change in procurement strategy. The Commission scheduled an LRS technical session for May 15, 2023, and will continue to monitor the results of the LRS Plan and seek input on market changes that may affect the reasonableness of the strategy as a result of, among other things, community aggregation, generation plant closures, and the level of competition in the LRS bidding process.

Accordingly, it is hereby

(24795) ORDERED:

² Bell Mem. at 1 (Mar. 7, 2023).

The Narragansett Electric Company d/b/a Rhode Island Energy's 2023 LRS Procurement Plan is approved subject to further ongoing review.

EFFECTIVE AT WARWICK, RHODE ISLAND ON DECEMBER 22, 2022 PURSUANT TO OPEN MEETING DECISIONS ON DECEMBER 22, 2022 AND MARCH 13, 2023. WRITTEN ORDER ISSUED AUGUST 22, 2023.



PUBLIC UTILITIES COMMISSION

Ronald T. Gerwatowski

Ronald T. Gerwatowski, Chairman

Abigail Anthony

Abigail Anthony, Commissioner

John C. Revens, Jr.

John C. Revens, Jr., Commissioner

Notice of Right of Appeal: Pursuant to R.I. Gen. Laws § 39-5-1, any person aggrieved by a decision or order of the PUC may, within 7 days from the date of the Order, petition the Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or Order.