

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION**

<p>RE: THE NARRAGANSETT ELECTRIC ) COMPANY D/B/A RHODE ISLAND ENERGY ) TARIFF ADVICE TO AMEND THE NET ) METERING PROVISION - PROPOSAL FOR ) ADMINISTRATION OF EXCESS NET ) METERING CREDITS )</p>	<p>DOCKET NO. 23-05-EL</p>
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**MASSAMERICAN ENERGY LLC dba GRIDWEALTH DEVELOPMENT'S  
REPLY REGARDING ITS  
MOTION TO REQUIRE SUPPLEMENTATION OF DISCOVERY**

By its attorneys, MassAmerican Energy LLC dba Gridwealth Development (Gridwealth), replies to Rhode Island Energy's (RIE) objection to its motion to require RIE to supplement its responses to data requests MAE 2-1, 2-7, 2-8 and 2-9 pursuant to PUC Rule 1.19(D) and 1.19(C)(4).

**MAE 2-7, 2-8 and 2-9**

Gridwealth and RIE arranged a conference call on September 21 and, with more explanation, Gridwealth accepts RIE's responses to 2-7, 2-8 and 2-9 together with its statement in its objection that:

To the extent that it is MAE's assertion that, all else equal, the value of net metering credits would be higher for customers that are net generators in the summer months as opposed to the winter months due to the fact that the average LRS rate (contained within an average net metering credit) is higher than the summer LRS rate, the analysis presented in MAE 2-7 and MAE 2-8 is supportive of that assertion.

Gridwealth does not understand RIE's caveat "all else equal," but can and will examine that at the hearing.

## MAE 2-1

Here RIE maintains the position that a docket 4600 cost benefit analysis is not relevant to the proposed administrative reconciliation. More specifically, it says:

The scope of the Company's tariff advice filing is limited to establishing a reconciliation process for large net metering customers to effectuate the statutory provisions of the Net Metering Statute. . . By executing the reconciliation, the Company is not "charging" net metering customers nor is it proposing to alter the current value of net metering credits. Rather, it is simply reconciling any overpayments made to large net metering customers. Given that the Company's proposal is limited to performing a reconciliation to effectuate the Net Metering Statute, the results of Docket 4600 analysis are beyond the scope of the Company's proposal.

That position is completely inconsistent with RIE's testimony in this docket.

First, RIE does, in fact, propose to assess a charge on net metering customers. On page 19 of its direct:

We will determine the number of accounts subject to billing charges based on Volumetric Method analysis, as well as determine the number of accounts with a negative balance, though this threshold criteria would preclude certain accounts that may be subject to a **billing charge** for a scenario where excess generation is minimal and the account balance would not be negative.

The discussion of this "charge" runs throughout RIE's testimony. For example, again, on page 15:

After the annual reconciliation analysis and **billing charges** (if applicable), any excess credits remaining on the net metered accounts belong to the customer.

Then again, on page 5 of its rebuttal testimony (filed concurrently with its objection), RIE posits:

Second, in response to concerns raised at the August 16, 2023 Technical Conference in the instant proceeding, and due to its decision since its original filing to execute the annual reconciliation using statistical software, the Company stated that it would use a *weighted average billing charge* for purposes of the annual reconciliation.

It is precisely in this context of RIE's proposal to assess a charge that Gridwealth advocates for the proper accounting of the net metering credit based on the same mechanic of an annual reconciliation based on an average last resort service rate. The attempt to avoid the cost benefit analysis this Commission requires under docket 4600 because RIE is not assessing a "charge" is not credible. As with the introduction of its newly presented "*weighted average billing charge*" concept, RIE's

inconsistent position on whether it proposes a “charge” leaves Gridwealth uncertain of the proposal to which it is responding.

More importantly with regard to the applicability of docket 4600, RIE has consistently placed this proposal in the context of its unsupported claim that the cost of net metering is funded by other customers. That consistent thread of misleading claims clearly implicates the need to apply a proper docket 4600 cost benefit analysis. Carrying on with the tariff advice filing’s unsupported claim that net metering costs other customers based solely on the net metering charge assessed to customers, on page 11 of its rebuttal, filed concurrently with its objection, RIE posits:

**“How would the use of an annual average LRS rate affect all ratepayers?”**

If more net metering customers produce their net generation in the summer months than the winter months, it would have the effect of increasing the value of the Renewable Generation Credits paid to net metering customers. Renewable Generation Credits paid to net metering customers are recovered from all other ratepayers via the Net Metering Surcharge. Consequently, an increase in Renewable Generation Credits, **all else equal**, will result in a higher amount to be recovered from all ratepayers via the Net Metering Surcharge. **Put simply, such a change would increase the total cost of the net metering program borne by ratepayers.**

(emphasis added). RIE continues its claim that net metering costs customers, without providing any docket 4600 analysis to support any such contention.<sup>1</sup>

As the Commission is well aware there are many, many benefits net metering offers to RIE customers that are conspicuously omitted from RIE’s unfounded conclusions. Just some examples include:

*Forward commitment and capacity value:* The process of determining how much energy will need to be secured in the future and how much ISO-NE should pay for commitments on that supply involves complex projections that are effected by a wide range of variables. One important variable is the implementation of distributed energy resources like energy efficiency and renewables, because they can reduce the need for regionally committed supply and thereby abate the cost of capacity payments for all the region’s consumers.

*Electric transmission capacity costs/value:* If ISO-NE intends to rely on large-scale regional supply sources, it must authorize investments in transmission improvements to enable conveyance of such supply, which investments come at significant cost to all benefitting customers. Private investment in local distributed energy resources (DER) can avoid the need for those transmission system investments.

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<sup>1</sup> Here again RIE offers its caveat “all else equal.” Docket 4600 and Energy 2035 (Rhode Island’s state energy plan) dispense with RIE’s supposition that all else is equal – it is not.

*Distribution capacity cost:* Local distributed energy resources can mitigate or even eliminate the need for distribution system enhancements, thereby saving cost to customers.

*Environmental compliance costs:* generating sources operate under environmental laws and regulations that can clearly and definitively result in compliance costs (e.g., the construction and demolition of the Brayton Point cooling towers). Distributed energy resources like efficiency and renewables can avoid the need for such investments.

*Innovation and Learn by Doing:* This evolutionary process is the real reason market competition creates value. Decentralized markets are simply processes of learning, discovery, and error correction. As they evolve, markets create system-wide efficiencies and outcomes that are otherwise impossible if centrally planned.

Such benefits are only reaffirmed in Energy 2035, Rhode Island's energy plan.

Rhode Island's primary challenge is to move away from its heavy reliance on natural gas, which today supplies more than 50 percent of Rhode Island's energy needs. Dependence on natural gas exposes the state to a substantial amount of price risk and potentially a supply risk, since Rhode Island sits at the end of a long stretch of pipeline infrastructure. The challenge is underscored by natural gas's important role across multiple sectors: natural gas provides fuel for nearly all in-state generating capacity, and is the dominant heating fuel in the thermal sector. Moreover, natural gas generation accounts for more than 50 percent of regional electric generation, so electricity imports to Rhode Island are also heavily dependent on natural gas. (pp. 43-44). . . As detailed in Figure 25, viable demand- and supply-side options exist for Rhode Island to increase in-state fuel diversity and increase energy security by shifting away from dependence on fuels like natural gas and gasoline. (p. 41). . . This suggests that taking ambitious action to improve Rhode Island's energy security, cost effectiveness, and sustainability of its energy system is a good investment decision and a powerful economic strategy for generating long-term growth. (p 47)

Gridwealth simply asks the Commission to ensure that when RIE alleges that Rhode Island's policies supporting distributed generation of renewable energy cost its customers, it must support such allegations with an accurate account of all costs and benefits, pursuant to the Commission's resolution in docket 4600. Without that comprehensive analysis, the Commission is asked to draw conclusions and issue resulting orders based on unsupported suppositions.

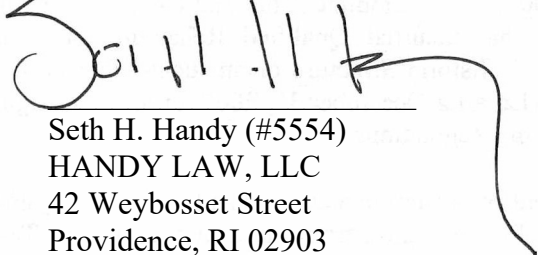
CONCLUSION

For these reasons, Gridwealth respectfully asks that the PUC grant its motion to order supplemental responses to these data requests, subject to appropriate sanctions, including refutation of its premise that allowing net metering customers equitable compensation for their credits as is consistent with the mechanics proposed to assess a charge on excess renewable net metering credits would “increase the total cost of the net metering program borne by ratepayers.”

Respectfully submitted,

**MASSAMERICAN ENERGY LLC dba  
GRIDWEALTH DEVELOPMENT,**

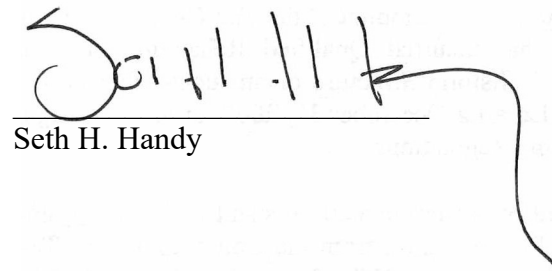
By its attorney,

A handwritten signature in black ink, appearing to read 'Seth H. Handy', is written over a horizontal line. A long, curved arrow starts from the right side of the signature and points back to the 'By its attorney,' text above.

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CERTIFICATE OF SERVICE

I hereby certify that on September 27, 2023, I sent a true copy of the document by electronic mail to the PUC and the service list.

A handwritten signature in black ink, appearing to read 'Seth H. Handy', is written over a horizontal line. A long, curved arrow starts from the right side of the signature and points back to the signature itself.

Seth H. Handy