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# Memorandum

TO: JOHN BELL, CHIEF ACCOUNTANT, RHODE ISLAND DIVISION OF PUBLIC UTILITIES AND CARRIERS  
FROM: JENNIFER KALLAY, PRINCIPAL ASSOCIATE, SYNAPSE ENERGY ECONOMICS  
DATE: NOVEMBER 28, 2023  
RE: DOCKET 23-29-EL: 2024 RENEWABLE ENERGY STANDARD PROCUREMENT PLAN COMMENTS

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On September 1, 2023, the Narragansett Electric Company d/b/a Rhode Island Energy (“Company”) filed its 2024 Renewable Energy Standard Procurement Plan (“2024 RES Plan”). There were three changes to the 2024 RES Plan as compared to the 2023 RES Plan: 1) an updated percent procurement of renewable energy sources, 2) an updated Last Resort Service (“LRS”) load forecast, and 3) an updated supply forecast of new RECs from the Long-Term Renewable Contracts and RE Growth Program. The following three paragraphs describe each change in more detail. The 2024 RES Plan does not include any changes to the procurement activities, sales activities, and banking strategy approved in the 2023 RES Plan, therefore I do not discuss these aspects of the 2024 RES Plan.

The Renewable Energy Standard (“RES”) Regulations identify the specified percentage of the Company’s energy supply that it is required to obtain from a mix of new and existing renewable energy resources. The 2024 RES Plan is the second RES Plan subject to higher RE requirements under R.I. Gen Law § 39-26-4, as revised in 2022. This legislative change accelerated annual increases in renewable energy source procurements until 2033 when 100% procurement from renewable energy sources is achieved. In 2024, the Company is required to procure RECs for sales equivalent to 28% of its load or 912,637 RECs. Of this procurement, 26% (847,448 RECs) will come from new renewable energy resources and the additional 2% (65,189 RECs) will come from new or existing renewable energy resources. In 2023, the Company was required to procure RECs for 23% of its load, with 21% from new renewable energy resources and the additional 2% from new or existing renewable energy resources.

The Company projects a decline in the estimated LRS load in 2024 as compared to 2023. The updated LRS load forecast and the updated Renewable Energy Standard percentage requirements changed the estimated quantity of RECs that the Company is required to procure. The estimated LRS load in the 2023 RES Plan was 3,630,004 MWhs. In its 2024 RES Plan the Company projects an LRS load of 3,259,413 MWhs. The Company’s response to Division 1-1(b) states that the decline in LRS load in the 2024 RES Plan relative to 2023 is due to municipal aggregation.

The 2023 RES Plan projected that new REC supply from Long-Term Renewable Contracts and the RE Growth Program would not be able to meet new REC requirements beginning in 2030. The 2024 RES Plan shows RECs exceeding the REC obligation plus allowable banking from 2025 through 2036. In 2024, the Company anticipates that new REC supply will exceed the RES obligation, but not the RES obligation plus

the allowable banking. The Company's response to Division 2-1(b) states that the difference between the new REC supply projections in the 2023 RES Plan and 2024 RES Plan is due to a later commercial operation date for the Revolution Wind facility and an expansion of the RE Growth Program as described in R.I. Gen Laws §39-26.4-1.

In summary, I reviewed the 2024 RES Plan, including the changes discussed above and the Company's responses to discovery questions regarding those changes. I find that the Company's updates in the 2024 RES Plan are reasonable and the 2024 RES Plan is statutorily compliant, and in ratepayers' best interest. I recommend approval of the 2024 RES Plan as filed.

