STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS PUBLIC UTILITIES COMMISSION

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

DOCKET NO. 23-05-EL

MASSAMERICAN ENERGY LLC dba GRIDWEALTH DEVELOPMENT'S POST HEARING REPLY MEMORANDUM OF LAW

In reply to the legal arguments presented by Rhode Island Energy and the Rhode Island Division of Public Utilities and Carriers, Gridwealth additionally submits that its amendments to the tariff advice filing are directed by Article I, section 17 of the Rhode Island Constitution. That article states that Rhode Island citizens:

shall be secure in their rights to the use and enjoyment of the natural resources of the state with due regard for the preservation of their values; and it shall be the duty of the general assembly to provide for the conservation of the air, land, water, plant, animal, mineral and other natural resources of the state, and to adopt all means necessary and proper by law to protect the natural environment of the people of the state by providing adequate resource planning for the control and regulation of the use of the natural resources of the state and for the preservation, regeneration and restoration of the natural environment of the state.

R.I. Const., Art. 1, § 17. The courts have held that Article 1, section 17 is to be "carried into effect by legislative regulation, such regulation having for its object to secure to the whole people the benefit of the constitutional declaration, and being necessary for that purpose." <u>Windsor et al. v.</u> <u>Coggeshall</u>, 169 A. 326, 327 (R.I. 1933) citing <u>State v. Cozzens</u>, 2 R. I. 561 (R.I. 1850). Our general assembly has effectuated these constitutional rights through much legislation pertinent to the law and policy addressed in this docket.¹ It recently and boldly did so through its Act on Climate, R.I. Gen. Laws § 42-6.2-1 et seq.

¹ Most pertinent to this case, RI. Gen. Laws § 39-26.4-1 (purpose of net metering to "to reduce environmental impacts; to reduce carbon emissions that contribute to climate change by encouraging the local siting of renewable energy projects"); but see also R.I. Gen. Laws § 42-140-3(1) (Office of Energy Resources to provide energy resources that enhance

The Act on Climate not only commits our state to reduce its emissions to forty five percent below 1990 levels by 2030, eighty percent below 1990 levels by 2040, and to net-zero emissions by 2050; it also requires all state agencies to act as necessary to achieve those mandates. R.I. Gen. Laws §§ 42-6.2-9; 42-6.2-8.

Addressing the impacts on climate change shall be deemed to be within the powers, duties, and obligations of all state departments, agencies, commissions, councils, and instrumentalities, including quasi-public agencies, and each shall exercise among its purposes in the exercise of its existing authority, the purposes set forth in this chapter pertaining to climate change mitigation, adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities, projects, or programs. Each agency shall have the authority to promulgate rules and regulations necessary to meet the greenhouse gas emission reduction mandate established by § 42-6.2-9.

There is no longer any debate over the science of climate change or what must be done to act on it; state agencies must now act as necessary to reduce and eliminate our greenhouse gas emissions.

Gridwealth has already made the specific legal arguments needed to support its proposed revisions to RIE's proposal (Gridwealth Post Hearing Memorandum at pp. 3-9). It has answered why the Commission has both the authority and the statutory charge to order those modifications (Id. at pp. 4-6; 9-10). Gridwealth has also illustrated how its positions accord with state policy on fundamental ratepayer equities as addressed in the purposes of the Net Metering Act, Energy 2035, Transforming the Power Sector, and PUC docket 4600 (Id. at pp. 10-20). Now, in response to the inquiries and counter arguments about the Commission's authority and basis to use an average annual last resort service rate to value the Primary Credit before penalizing these producers of clean, local energy for excess production, Gridwealth counters that the Rhode Island Constitution and the Act on Climate directs such change to RIE's proposed Tariff. It also supports the grant of all other relief Gridwealth seeks in this docket.

Any Commission order that would have the effect of undervaluing net metering of locally produced renewable energy patently discourages its development. To discourage development of net metering of clean, local electricity inherently perpetuates its alternative, continued overreliance on natural gas, our current, dominant supply of electricity. RIE's undervalues net metered electricity on an annual basis by allowing the seasonal rate penalty on the Primary Credit to persist when assessing the proposed billing charge for Excess Credits. RIE's proposal and its testimony refuses to acknowledge the system benefit net metering customers provide by generating relatively high

economic well-being, social equity, and environmental quality); R.I. Gen. Laws § 39-26-3 (renewable energy standard passed in part to create jobs in the renewable energy sector.

volumes of electricity during the warm seasons of peak electric demand. Instead, RIE would perpetuate and accentuate the penalty net metering customers inequitably pay for generating less electricity in cold seasons when natural gas is most expensive, solely because of added demand for natural gas to produce heat. Gridwealth's proposal to use an average last resort service rate to mitigate that seasonal penalty properly accounts for the value provided by net metering customers in reducing demand for natural gas. Allowing net metering customers to be penalized by seasonal rates driven by demand for natural gas, all while assessing them a penalty for overproducing local, clean electricity, cannot possibly be construed as consistent with the Act on Climate or the Rhode Island Constitution.

The other relief Gridwealth seeks is also aligned with the Act on Climate and the Constitution. The requests for transparency of accounts and ease of credit transfer between accounts would help to resolve current, administrative obstruction of access to information that would enable net metering customers to better manage and credit their production of local clean electricity. Gridwealth's request to only allow the assessment of billing charges on a going forward basis will ensure that net metering customers are not wrongly penalized for RIE's history of administering net metering credits (over which net metering customers exercised no control) and would allow net metering customers enough notice and time to adapt to RIE's newly proposed procedures and penalties. The allowance of unrestricted one-time transfers of net metering credits between accounts before implementation of the proposed reconciliation and billing charge will also better enable local producers of clean energy to adapt to new procedure before incurring the proposed billing charge. The request that charges be assessed to the offtake accounts rather than the developer accounts better aligns the penalty of overproduction with the actual accounts that were overallocated net metering credits rather than penalizing local producers of clean energy for over-crediting that they could not control, that they cannot reclaim, and that did not benefit them. Disallowing RIE's proposal to require nearly one hundred percent allocation of net metering credits to offtake accounts at the time of interconnection, long before any generation of electricity, is needed to ensure that the development of local, clean electricity is not handcuffed by mandated development sequencing that is neither feasible nor necessary for any sound public policy purpose. Lastly, the request to appoint an independent, neutral and well experienced and informed administrator to oversee and ensure proper implementation of all of Rhode Island's renewable energy programs and tariffs will ensure that conflicting economic incentives do not disable the administration of programs designed to enhance the security of our

3

energy system while producing many other ratepayer benefits and reducing greenhouse gas emissions.

Gridwealth's position in this docket is consistent with the law and with sound public policy. The reforms it proposes are also directed by the Act on Climate and by Article I section 17 of the Rhode Island Constitution.

Respectfully submitted,

MASSAMERICAN ENERGY LLC dba GRIDWEALTH DEVELOPMENT,

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CERTIFICATE OF SERVICE

I hereby certify that on December 8, 2023, I sent a true copy of the document by electronic mail to the PUC and the service list.

Seth H. Handy