

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION**

IN RE: THE NARRAGANSETT ELECTRIC :
COMPANY D/B/A RHODE ISLAND ENERGY :
LONG-TERM CONTRACTING FOR :
RENEWABLE ENERGY RECOVERY FACTOR : **DOCKET NO. 23-45-EL**

ORDER

On November 17, 2023, The Narragansett Electric Company d/b/a Rhode Island Energy (RI Energy or Company) filed with the Public Utilities Commission (Commission) its Long-Term Contracting for Renewable Energy Recovery (LTCRER) Factor for the period January 2024 through June 2024.¹ Subsequently, on November 30, 2023, to comply with the Commission’s direction in Order No. 24700 (Docket No. 22-45-EL), RI Energy filed a twelve-month rate for the period January 1, 2024 through December 31, 2024 together with a revised tariff to reflect the change from semi-annual to annual.² After a review of both filings and the Division of Public Utilities and Carriers’ position statements, the Commission approved the twelve-month tariff and associated rate for effect January 1, 2024.

Pursuant to the provisions of Chapters 39-26.1 and 39-26.2, RI Energy is permitted to recover the above-market costs and required to credit the below-market costs of certain long-term renewable energy contracts and distributed generation contracts, net of, or including proceeds from the ratepayers’ share of revenue from the sale of forward capacity revenue from the applicable distributed generation contracts, plus related administrative costs. In its filing, RI Energy estimated that the six-month contract cost for thirty-eight renewable energy contracts, which included distributed generation contracts and non-distributed generation contracts, would be \$98,568,059.³

¹ National Grid’s Long-Term Contracting for Renewable Energy Recovery Six-Month Factor Filing (Six-Month Factor) (Nov. 17, 2023).

² National Grid’s Long-Term Contracting for Renewable Energy Recovery Twelve-Month Factor Filing (Twelve-Month Factor) (Nov. 30, 2023).

³ Twelve-Month Factor Filing at Attach. 1, at 2.

The market value for the energy, Renewable Energy Certificates (RECs), and capacity procured under the contracts is projected to be \$67,753,313 for the same period.⁴ The difference between the estimated contract costs minus the market value of the energy, RECs, and capacity is expected to be of \$30,814,747.⁵ The estimated customer share of the forward capacity market revenue is expected to be \$28,516 and the estimated related administrative costs are expected to be \$36,739. Netting the revenue and related administrative cost against the total above-market cost leaves a total of \$30,822,970 for recovery from ratepayers. The rate billed to customers is calculated by dividing this net value by RI Energy's forecasted kilowatt hour (kWh) deliveries for the upcoming six-month period and adjusting for uncollectibles and the current reconciliation factor. RI Energy proposed factor of \$0.00655 per kWh.⁶ When compared to the current factor in effect of \$0.00660, this results in a net rate decrease of \$0.00005 per kWh.

On December 6, 2023, the Division of Public Utilities and Carriers (Division) filed with the PUC a supplemental memorandum⁷ reviewing the twelve-month calculations and recommending approval of the proposed factor for effect on January 1, 2024.⁸

At an Open Meeting on December 19, 2023, the Commission reviewed the filings and first, approved Tariff RIPUC 2272 which changes the LTCRER from a semi-annual factor to an annual factor. Currently, although the six-month factor does provide some relief in the winter when the projects perform better against higher winter market rates, the LTCRER does not fluctuate significantly, primarily because of the stability of the projects' output. However, if there is a significant increase in the output from new projects included in this recovery factor are added, the

⁴ Twelve of the projects under contract through the Long-Term Contracting Standard are expected to cost less than the projected market value of the energy for the period. Filing at Attach. 1, at 4.

⁵ *Id.* at Attach. 1, at 5.

⁶ Filing at Attach. 1.

⁷ The Division had previously filed a Memorandum with respect to the Six-Month Filing.

⁸ Supp. Mem. of Joel Munoz (Dec. 6, 2023).

Commission may revisit this decision. Next, the Commission reviewed and approved the annual rate as proposed, finding them to be calculated consistent with Tariff RIPUC 2272.

Accordingly, it is hereby

(24891) ORDERED:

1. The Narragansett Electric Company d/b/a Rhode Island Energy's RIPUC No. 2272 is hereby approved.
2. The Narragansett Electric Company d/b/a Rhode Island Energy's Long-Term Contracting for Renewable Energy Recovery Factor of \$0.00655 per kWh for electricity consumed on and after January 1, 2024, is hereby approved.

EFFECTIVE AT WARWICK, RHODE ISLAND ON JANUARY 1, 2024 PURSUANT TO AN OPEN MEETING DECISION ON DECEMBER 19, 2023. WRITTEN ORDER ISSUED DECEMBER 21, 2023.

PUBLIC UTILITIES COMMISSION



Ronald T. Gerwatowski, Chairman



Abigail Anthony, Commissioner



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 seven days from the date of the order, petition the Rhode Island Supreme Court for a Writ of Certiorari to review the legality and reasonableness of the decision or order.