

MAYOR BRETT P. SMILEY
CITY OF PROVIDENCE

Ms. Luly Massaro
Clerk Rhode Island Division of Public Utilities and Carriers
89 Jefferson Boulevard
Warwick, RI 02888

RE: 24-26-EL Investigation Into the Current State of Voluntary and Mandated Renewable Energy Markets in Rhode Island

Ms. Massaro,

The City of Providence operates Providence Community Electricity, the largest municipal aggregation program in the State of Rhode Island. A core goal of our program has been to provide competitively priced power, while also expanding access to clean energy for the entire community. The City designed our program, active since May 2023, to include 5% voluntary renewable energy in our default supply offering,¹ in which the vast majority of residential and commercial accounts participate, and to include a 100% renewable energy option.

The City is concerned about the potential for purchases of voluntary renewable energy to be counted toward the State's Renewable Energy Standard (RES). Our comments below detail this concern and address other questions raised by the Commission. The City recognizes that the State may want to include voluntary renewable energy purchases when reporting the overall percentage of its load that is renewable. We would applaud the State for highlighting how municipal aggregation programs like Providence's are increasing the renewable energy content above the RES; however, we see this as distinct from allowing voluntary renewable energy to be counted toward the RES.

¹ In 2024, Providence's default supply contains a total of 33% renewable energy: 28% required by the RES and 5% renewable energy added voluntarily by the program.

For background, Providence’s default supply offering for residential and commercial customers has delivered lower costs and higher renewable energy content than the utility’s Last Resort Service since program inception. Through the end of the current pricing period, Providence’s default supply will have saved these customers roughly \$1.38 million, and across all customer classes the program is purchasing over 20,000 MWh of voluntary renewable energy each year, which avoids over 15 million pounds of carbon dioxide emissions. While the City recognizes it cannot guarantee savings for our customers, we hope to continue our track record of environmental and economic success.

The City chose to source all voluntary renewable energy from RI New sources,² which is the same classification used to comply with the State’s RES. The City chose RI New for its voluntary renewable energy with the intent that doing so would accelerate the growth of renewable energy in our region, above and beyond the growth required to meet the State’s RES. This concept is referred to as “additionality” - that the actions of the City will cause more change than would have occurred otherwise. Simply put, if the State allowed voluntary renewable energy from our program to be counted towards the RES, it would undermine the additionality of the program.

The Commission asks if counting voluntary renewable energy toward mandatory requirements would impact customer choice and transparency, and we feel strongly that it would have a detrimental impact.

The supply price paid by Providence customers in our default and 100% offering includes the cost of the voluntary RI New renewable energy. The City is able to represent to the customer that, in exchange for that cost, they are using more renewable energy and causing a beneficial climate impact above and beyond what would have otherwise occurred. If those purchases of voluntary RECs could be counted toward the RES, then the City cannot make such a representation. In fact, the City likely would have no way of proactively communicating to a customer whether all, some or none of their voluntary purchases would be additional. Not only does this reduce transparency about the true impact of one’s purchase, but it dramatically increases the complexity of communicating about the program.

As the Commission may be aware, communicating to the public about the benefits of voluntary renewable energy is already complex. The unit of measure, a Renewable Energy Credit or “REC”, is not widely known, and where there is awareness of RECs, it is often associated with claims of greenwashing. Greenwashing occurs when energy suppliers include cheap, out-of-region RECs, as a way to make a power supply more renewable; however they have no impact on our electricity grid and have little to no evidence of additionality. The City’s program has carefully crafted its messaging and public education to stress how RI New RECs are, in fact,

² To qualify as RI New, the generation must be built after 1997 and be located within or delivered to New England.

impactful in accelerating emissions reductions. It would not be helpful for regulatory policy to complicate that message further.

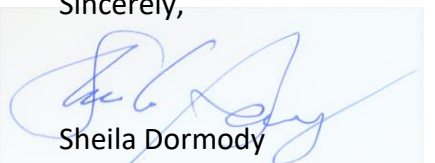
For both of these reasons described above, allowing voluntary RECs to qualify towards the RES could significantly reduce the incentive for an individual customer - and even for the City's program - to purchase voluntary RECs at all.

The City of Providence is proud to be one of the first municipalities in Rhode Island to take advantage of the municipal aggregation program and show important leadership in the energy space. In partnership with the other six municipal aggregation communities and our consultants at Good Energy, we have taken a strategic approach to meet our communities' energy goals and needs - to get more renewable energy on the grid in a cost-conscious way.

We are committed to maintaining the integrity of our program and ensuring that voluntary renewable energy purchases truly contribute to additional clean energy growth in our community. Counting these voluntary efforts towards mandatory requirements would undermine this crucial principle of additionality, diminish transparency, and complicate communication about our program considerably.

We appreciate the complicated work of the Commission to balance numerous interests and are available to provide follow up information and comments.

Sincerely,



Sheila Dormody
Chief of Policy and Resiliency