

July 26, 2024

Luly Massaro
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Docket No. 24-26-EL, Investigation Into the Current State of Voluntary and Mandated Renewable Energy Markets in Rhode Island

Dear Public Utilities Commission:

On June 25, 2024, the Rhode Island Public Utilities Commission (RIPUC) released a Notice of Commencement of Docket and Opportunity to Comment (Notice) for Docket 24-26-EL, Investigation Into the Current State of Voluntary and Mandated Renewable Energy Markets in Rhode Island. The docket examines the impact of allowing voluntary renewable energy purchases to be counted toward meeting the Renewable Energy Standard (RES) annual percentages. The Notice asks for stakeholder feedback on the scope of the investigation and provides additional questions for consideration. Constellation NewEnergy, Inc. (CNE) appreciates the opportunity to provide feedback and hereby respectfully submits these comments in response to the RIPUC's additional questions in the Notice.

Customers each have their own sustainability goals and requirements for energy procurement. Companies that wish to utilize 100% renewable energy may achieve that goal by purchasing voluntary Renewable Energy Certificates (RECs) in addition to the RES requirements. However, a company may want to purchase additional voluntary RECs above 100% renewable energy to offset the potential that the RES was achieved with alternative compliance payments (ACPs).

For example, a company that wants to utilize 100% renewable energy could procure energy from a supplier that meets a state's required 30% RES and then purchase enough RECs for the remaining 70%. But if there were not enough RECs on the market, compliance with the state's RES would have been met with ACPs, meaning the company only directly sourced renewable energy for 70% of its total energy goal. In this instance, a company may wish to purchase 100% of its energy needs through voluntary RECs to utilize 100% renewable energy sources, meaning its REC purchases and compliance with the state RES program would amount to 130% renewable energy.

Customers procuring these voluntary RECs have several options, including purchasing National RECs or Rhode Island specific RECs. National RECs would likely not apply to the Rhode Island RES. As an example, a Texas REC would not qualify for the Rhode Island RES. Therefore, it's important to clearly define what would be included as a voluntary REC that can be counted towards the Rhode Island mandatory requirements.

Additionally, to ensure accurate reporting towards Rhode Island's RES, creating a clearly defined method to account for voluntary and mandatory REC procurement will be essential, especially if tracking systems other than NEPOOL GIS will be allowed to be used for REC retirement. Counting voluntary RECs without an effective tracking mechanism could mean RECs, especially those retired in other tracking systems, are attributed incorrectly towards Rhode Island's RES goals.

Including voluntary RECs towards the RES program could increase prices in the REC market for new resources. The market is already at a shortage for RECs from New Renewable Energy Resources. Utilizing voluntary RECs from new resources towards the RES will create even more demand for them in the market, thereby increasing prices for these RECs.

Thank you for the opportunity to submit comments and please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'David J. Creer', with a stylized flourish extending to the right.

David J. Creer
Manager, State Government Affairs