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September 30, 2024

VIA ELECTRONIC MAIL AND HAND DELIVERY

Stephanie De La Rosa, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket No. 24-20-EL - The Narragansett Electric Company d/b/a
Rhode Island Energy's 2025 Last Resort Service Procurement Plan
Reply Testimony**

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (the "Company"), enclosed is the pre-filed reply direct testimony of Jonathan Bausch in the above-referenced docket.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-784-4263.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew S. Marcaccio".

Andrew S. Marcaccio

Enclosures

cc: Docket No. 24-20-EL Service List

PRE-FILED REPLY DIRECT TESTIMONY

OF

JONATHAN BAUSCH

September 30, 2024

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1 **I. Introduction**

2 **Q. Please state your name, place of employment, and business address.**

3 A. My name is Jonathan Bausch. I am employed by PPL Services Corporation (“PPL
4 Services”) which is a subsidiary of PPL Corporation (“PPL”). My business address is
5 827 Hausman Rd Allentown, PA 18102.
6

7 **Q. On whose behalf are you testifying?**

8 A. I am testifying on behalf of The Narragansett Electric Company d/b/a Rhode Island
9 Energy (the “Company”).
10

11 **Q. Are you same the Jonathan Bausch who submitted pre-filed direct testimony in this**
12 **docket?**

13 A. Yes. On June 4, 2024, I submitted joint pre-filed direct testimony in this docket with
14 Andrew Castanaro and Jeffrey Oliveira. Please note the Company’s joint testimony was
15 filed prior to the July 3rd memorandum issued by counsel for the Public Utilities
16 Commission (“PUC”) indicating that joint testimony would no longer be accepted
17 without obtaining leave from the PUC.
18

1 **II. Purpose**

2 **Q. What is the purpose of this reply testimony?**

3 A. The purpose of this testimony is to reply to the testimony of Aliea A. Munger, submitted
4 on behalf of the Division of Public Utilities and Carriers (“Division”), and Elizabeth A.
5 Stanton, PhD, submitted on behalf of the Conservation Lw Foundation (“CLF”).
6

7 **III. Reply to the Division**

8 **Q. Could you summarize your understanding of the Division’s position?**

9 A. Yes. The Division is recommending approval of the Company’s 2025 Last Resort
10 Service Procurement Plan (“2025 LRS Plan”) subject to several clarifications and action
11 items. I will respond to each requested clarification and action item below.
12

13 **Q. The Division recommends that the Company should complete an analysis on the**
14 **potential impact on the LRS rate reconciliation due to spot procurement increases.**

15 **Do you have a response?**

16 A. Yes. The Company agrees that an analysis of the potential impacts of reconciliations is
17 prudent.
18

19 **Q. The Division recommends that the Company should complete additional analysis**
20 **analyzing various energy product offerings and contract term lengths to inform the**
21 **next LRS Plan filing. Do you have a response?**

1 A. Yes. The Company agrees that such analysis would be helpful in exploring the best
2 procurement practices for LRS. The Company is currently developing modeling to add
3 these factors into future procurement considerations. Once these results are available the
4 Company will be able to share the findings.

5
6 **Q. The Division recommends that the Company should fully define the components of**
7 **the threshold for bid acceptance for consideration in the 2025 LRS Plan. Do you**
8 **have a response?**

9 A. Yes. This is something that the Company could develop. The Company could develop a
10 quantitative threshold which would trigger the option to examine other alternatives. The
11 Company maintains that it is reasonable to allow for the consideration of alternative
12 procurement methods if it deems LRS bids are unreasonably high and could negatively
13 affect customers.

14
15 **Q. The Division desires to make clear that, while the Company may consult with the**
16 **Division regarding bid results and bid price estimates, the decision-making**
17 **regarding whether to accept one or more of the bids exclusively belongs to the**
18 **Company. Do you have a response?**

19 A. Yes. Please see Attachment JB-1 which is a summary of an agreement between the
20 Company, while under ownership of National Grid, and the Division related to the
21 Company's contingency plan if the Company does not receive a sufficient amount of

1 bids. The Company's contingency plan is based on Attachment JB-1. In this letter, the
2 Division was included as decision maker in the contingency plan. The Company
3 continued the contingency plan that honors the prior agreement; however, the Company
4 could amend this agreement and remove the Division as decision maker if this is
5 requested by the Division.
6

7 **Q. The Division recommends that the Company should take a series of steps to improve**
8 **supplier engagement and participation in LRS solicitations. Do you have a**
9 **response?**

10 A. Yes. The Company agrees that this is a prudent course of action. The Company plans a
11 campaign in 2026 to gain additional feedback from wholesale electric suppliers in what
12 could encourage greater participation. Also, the Company is planning a 2026 initiative to
13 reach out to new potential market participants that are not currently active.
14

15 **Q. The Division desires to make clear that the PUC has the right (or the Division has**
16 **the right to request the PUC) to modify the LRS Plan at any time for any reason**
17 **and that determination of whether proposed changes to the 2025 LRS Plan are**
18 **warranted belong to the PUC and not the Company? Do you have a response?**

19 A. Yes. The Company agrees the PUC has this authority (and the Division has the right to
20 request to the PUC to do so).
21

1 **IV. Reply to CLF**

2 **Q. Could you summarize your understanding of CLF's position?**

3 A. Yes. CLF is recommending that the PUC initiate a process or docket to evaluate LRS
4 procurement and rate design that take into consideration the Rhode Island Act on
5 Climate, R.I. Gen. Laws § 42-6.2-1 et seq.¹
6

7 **Q. Is the Company open to participating and engaging in the process or docket?**

8 A. Yes. The Company would appreciate the opportunity to help establish the framework of
9 future LRS procurements and rate design that would address the 2021 Act on Climate.
10 The Company can provide data and analysis such as the degree to which customer
11 consumption changes with changes in electricity price, emissions from LRS suppliers
12 based on their awarded tranche percentage, and whatever other data or analysis would aid
13 the Commission's consideration.
14

15 **Q. Can the State achieve its Act on Climate mandates if the PUC approves the**
16 **Company's 2025 LRS Plan?**

17 A. Yes. The 2021 Act on Climate sets mandatory, enforceable, state-wide, economy-wide
18 greenhouse gas emissions targets of 45 percent below 1990 levels by 2030, 80 percent by
19 2040, and net zero by 2050. Within the electric sector, the 2022 amendment to the
20 Renewable Energy Standard requires obligated entities to meet 100% of their deliveries

¹ The Act on Climate may be accessed at: <https://webserver.rilegislature.gov/Statutes/TITLE42/42-6.2/INDEX.htm>

1 with electricity generated by renewable energy resources. Rhode Island Energy's 2025
2 LRS Procurement Plan does not prohibit the State of Rhode Island from meeting its
3 decadal mandates, nor does it set Rhode Island Energy off track from its obligation under
4 the Renewable Energy Standard.

5
6 **Q. Is the Company open to exploring different LRS rate designs that may help advance**
7 **the Act on Climate?**

8 A. Yes. The Company is open to exploring alternative LRS rate designs that are developed
9 to reduce greenhouse gas emissions without sacrificing affordability or reliability. Please
10 note that some rate designs may be practical now with existing software and systems,
11 while other rate designs may not be achievable at this time. Once the Advanced Metering
12 Functionality ("AMF") is in place, more rate design options will be available than are at
13 present.

14
15 **V. Conclusion**

16 **Q. Does this conclude your testimony?**

17 A. Yes.

June 25, 2014

BY HAND DELIVERY & ELECTRONIC MAIL

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

**RE: Docket 4490 - 2015 Standard Offer Service Procurement Plan
2015 Renewable Energy Standard Procurement Plan
Agreement**

Dear Ms. Massaro:

I have enclosed for filing a summary of the agreement between National Grid¹ and the Rhode Island Division of Public Utilities and Carriers (the "Division") (collectively, the "Parties") concerning the only outstanding issue between the Parties in this docket.

National Grid and the Division have agreed that the Company will modify its proposed contingency plan for inadequate bidder participation in a Standard Offer Service ("SOS") Procurement Plan (filed on March 3, 2014) Request for Proposals ("RFP") as follows:

If a bid block receives zero bids, the Company will undertake the following steps:

1. Inform the Division that the Company received zero bids for a bid block and employ alternative measures;
2. Issue a new RFP for the bid block with final bids due the following week;
3. If the next RFP continues to have zero bids, the Company will load bid requirements into the ISO-NE spot market if the bid block is for the immediate rate period (starting within six weeks);
 - a. If the bid block is three months in duration, the Company will procure the requirements for the entire period through the ISO-NE spot market; and

¹ The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

Luly E. Massaro, Commission Clerk
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June 24, 2014
Page 2 of 3

- b. If the bid block is six months in duration, the Company will procure the requirements for the first three-month period through the ISO-NE spot market. The Company will include the remaining three months as a bid block in the next quarterly RFP. If that RFP is not successful, the Company will continue to procure the requirements through the ISO-NE spot market for the balance of the period;
4. The Company will set retail rates for the immediate rate period using estimated market prices as a proxy for spot market purchases. This is the same process as the 10% requirements purchased for the Residential and Commercial Groups; and
5. If the bid block does not start in the immediate rate period, the Company will solicit the bid block in the next quarterly competitive procurement. If the bid block is not yet awarded and it is needed for the immediate rate period, the Company will then purchase the requirements through the ISO-NE spot market.

If a bid block receives one bid, the Company will undertake the following steps:

1. Between 10:00 a.m. – 12:00 p.m. Eastern Prevailing Time (EPT) on the final bid date (“two-hour window”), the Company will share the bid results and the bid price estimates with the Division²;
 - a. If the Company and the Division agree that the bid is reasonably priced, then the Company will accept the bid.
 - b. If the Division is unavailable during the two-hour window, then the Company will use a threshold (previously agreed upon with the Division) to determine whether it should accept the bid.³
 - c. If the Company and the Division agree that the bid is not reasonably priced, or if the Division is unavailable during the two-hour window and the bid price exceeds the established threshold, then the Company will reject the bid.
2. If the single bid is rejected, the Company will issue a new RFP for the bid block with final bids due the following week;

² The Company will provide the Division with ample advance notice of its final bid dates to allow the Division to plan accordingly. During its consultation with the Division or its representative, the Company will share the bid results and the Company’s bid price estimates. The Company’s bid price estimates will provide a reference point for the Parties to use when evaluating the single bid, and the Parties will decide whether the difference between the bid results and the Company’s bid price estimates is reasonable when deciding whether the Company should accept the single bid.

³ Prior to the final bid date for each RFP, the Company will consult with the Division to establish an acceptable threshold of the difference between a single bid and the Company’s bid price estimate. The threshold will be a percentage amount greater than the Company’s bid price estimate and will be set at a level that the Division and the Company agree is reasonable.

3. On the final bid date of the second RFP during the two-hour window, the Company will share the bid results and the bid price estimates with Division;
 - a. If the Company and Division agree that the bid is reasonably priced, then the Company will accept the bid.
 - b. If the Division is unavailable during the two-hour window, the Company will use the previously established threshold to determine whether it should accept the bid.
 - c. If the Company and Division agree the bid is not reasonably priced, or if the Division is unavailable during the two-hour window and the bid price exceeds the established threshold, then the Company will reject the bid.
4. If the single bid is rejected, the Company will load bid requirements into the ISO-NE spot market if the bid block is for the immediate rate period (starting within six weeks);
 - a. If the bid block is three months in duration, the Company will procure the requirements for the entire period through the ISO-NE spot market; and
 - b. If the bid block is six months in duration, the Company will procure the requirements for the first three-month period through the ISO-NE spot market. The Company will include the remaining three months as a bid block in the next quarterly RFP. If that RFP is not successful, the Company will continue to procure the requirements through the ISO-NE spot market for the balance of the period;
5. The Company will set retail rates for the immediate rate period using estimated market prices as a proxy for spot market purchases. This is the same process as the 10% requirements purchased for the Residential and Commercial Groups; and
6. If the bid block does not start in the immediate rate period, the Company will solicit the bid block in the next quarterly competitive procurement. If the bid block is not yet awarded and it is needed for the immediate rate period, the Company will then purchase the requirements through the ISO-NE spot market.

Thank you for your attention to this transmittal. If you have any questions, please contact me at (781) 907-2121.

Very truly yours,

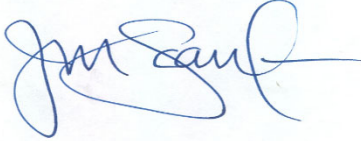


Raquel J. Webster

cc: Leo Wold, Esq.
Steve Scialabba, Division

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

September 30, 2024

Date

**Docket No. 24-20-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy – 2025 Last Resort Service Procurement Plan
Service List updated 8/12/2024**

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