



STATE OF RHODE ISLAND  
OFFICE OF THE ATTORNEY GENERAL

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Public Utilities Commission  
c/o Stephanie De La Rosa, Commission Clerk  
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Warwick, RI 02888  
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**Re: Attorney General’s Initial Comments on Prompts Concerning Energy Storage Tariffs**

Dear Public Utilities Commission:

The following comments are provided by the Attorney General of the State of Rhode Island (“Attorney General”) in response to the Public Utilities Commission’s (“Commission”) initial prompts for comments with respect to an interconnection tariff framework and a terms and conditions framework.

**I. Introduction**

In response to the legislature’s passage of R.I. Gen. Laws § 39-33-1 et. seq., the Commission will be engaging in a stakeholder process to “adopt a framework for an energy storage system tariff for energy storage systems connected to the electric distribution system.” *Id.* at § 39-33-2. By statute, such framework should further be developed into a model tariff no later than May 1, 2025. *See id.* The goal of this process is development of a tariff that could be implemented “without inequitable cross subsidization between customers.” *See id.* at § 39-33-2(3) (requiring electric distribution companies with greater than 100,000 customers to file model tariffs for review and approval by the Commission upon development of such a framework). Similarly, stakeholders must work with the Commission towards adoption of a framework for an “interconnection tariff for energy storage systems connected to the electric distribution system that recognizes the flexible operating characteristics of energy storage systems.” *Id.* § 39-33-3. Again, any electric distribution company that has greater than 100,000 customers will be required to file a proposed energy storage system interconnection tariff. *Id.*

As set forth herein, the Attorney General believes that the development of carefully considered tariff frameworks for storage on the electric distribution system will play an essential role in

reducing Rhode Island’s greenhouse gas emissions while simultaneously ensuring a more efficient and reliable system. It will be important to carefully analyze the financial realities of the energy storage sector in an attempt to best utilize this constantly improving technology to create a more stable and cleaner grid, while also ensuring that customers receive value and that any tariffs do not unnecessarily incent development of storage in lieu of other opportunities. Given the limited time before the legislature’s May 1, 2025 deadline, we must work quickly and with a dedicated focus. Although there will undoubtedly be benefit to further work on related questions (such as those surrounding development of microgrids), it is likely that the best path forward in this docket is to consider only tariff frameworks for storage projects at this time.

## **II. Act on Climate Must be Considered in Developing Frameworks**

Rhode Island is becoming increasingly aware of the devastating impacts of climate change that threaten our homes, economy, and health. We are constantly confronted with the reality of rising average temperatures and sea levels, rising precipitation rates, and rising coastal flooding events. In the past century, Rhode Island temperatures have risen by 4 degrees, with the state experiencing both the highest numbers of above-average days and above-average nights between 2015 and 2020. Jennifer Runkle & Kenneth E. Kunkel, *National Centers for Environmental Information State Climate Summaries 2022: Rhode Island*, (available at: <https://statesummaries.ncics.org/downloads/RhodeIsland-StateClimateSummary2022.pdf>).

“Since 1980, there has been an average of 10 days above 90 degrees in the Providence area each summer, but already in the last several years, we have seen closer to 20 days.” EC4, Rhode Island 2022 Climate Update, 41 (available at: <https://climatechange.ri.gov/ri-executive-climate-change-coordinating-council-ec4/publications-reports>).

In light of this dire reality, Rhode Island has amended its Renewable Energy Standard (“RES”) and passed the 2021 Act on Climate to incentivize and effectuate practical change, and to avoid the disastrous impacts on Rhode Islanders’ health and safety should we fail to address climate change. *See*, R.I. Gen Laws § 39-26-4, *see also* R.I. Gen. Laws § 42-6.2-2(a)(3) (highlighting the need to address sea level rise, coastal and shoreline changes, increasingly frequent severe weather events, critical infrastructure vulnerability, etc.). As a state, we have committed to ultimately reach net zero by 2050, and to make significant interim reductions by 2030 and 2040. *See* R.I. Gen Laws § 42-6.2-9. Failure to do so will result in enforcement against the state and/or its agencies. *See e.g.* R.I. Gen Laws § 42-6.2-10. Although progress has been made, significant reductions are still required to comply with the Act on Climate and stave off the worst of climate change. According to the recently published 2022 Rhode Island Greenhouse Gas Inventory, Rhode Island still needs to reduce emissions by more than thirty-two percent (32%) before 2030. *See* RIDEM, 2022 Rhode Island Greenhouse Gas Inventory, 2 (available at: <https://dem.ri.gov/sites/g/files/xkgbur861/files/2024-12/ghg-inventory-2022-f.pdf>).

The Act on Climate provides that it is within the “*powers, duties, and obligations of all* state departments, agencies, commissions, councils, and instrumentalities” to address “climate change mitigation, adaptation, and resilience in so far as climate change affects its mission, duties, responsibilities, projects, or programs.” R.I. Gen. Laws § 42-6.2-8 (emphasis added). The immediate need to address climate change and begin making decisions to ensure compliance cannot be overstated, and the mandate to have reduced emissions to forty-five percent (45%) below

1990 levels by 2030 is fast approaching. *Id.* Accordingly, any tariff frameworks ultimately resulting from this docket must adequately address the Act on Climate and should aim to aid the State in attainment of compliance with its mandates. Additionally, to the extent battery storage can be used in conjunction with clean energy projects within the State, the Commission should consider ways to incentivize those projects over projects simply shifting load by storing energy from the grid for later use. Similarly, any terms and conditions around interconnection of such systems should take into account the potential impact on Rhode Island’s ability to comply with the Act on Climate while avoiding unnecessary economic burden on ratepayers. The most economical, reliable, and environmentally beneficial systems should be encouraged through any tariff framework, signaling Rhode Island’s dedication to developing the grid of the future in the cleanest way possible.

### **III. The Unique Potential of Storage is Known to Rhode Island and Should be Harnessed through Careful Tariff Framework Encouraging Growth**

As outlined in the Commission’s Report to the Rhode Island Senate in response to Resolution 416, “Energy storage resources are inherently flexible and can perform a wide variety of functions to meet system needs.” *See* Commission, Examination of the Value of and Need for Energy Storage Resources in Rhode Island, October 18, 2023, at 2 (Available at: <https://ripuc.ri.gov/eventsactions/docket/5000page.html>). Benefits can flow from storage’s numerous abilities to, among other things, displace or avoid generation, relieve system constraints, improve safety and reliability, and lower overall energy costs. *See generally, id.* Additionally, “by enabling the delivery of clean energy that would otherwise be curtailed, storage will enable incremental supply of Renewable Energy Certificates (RECs).” *See id.* at 11. “This can reduce REC prices, which would lower the cost to meet the mandates of the Renewable Energy Standard and the Act on Climate.” *Id.*

Rhode Island has also seen one of its own utilities take advantage of battery storage to drastically improve its distribution system while avoiding significant costs that would otherwise be passed on to customers. The Pascoag Utility District (“PUD”) installed a new 3MW/9MWh battery storage system in August of 2022, which is designed to provide needed grid-reliability and peak load reductions for the utility’s approximately 5,000 customers. *See* Rhode Island 2022 Climate Update at 55. Furthermore, the PUD was able to avoid nearly \$12 million in infrastructure investment as a result of the storage’s potential energy support during peak summer periods. *See id.* As noted by Rhode Island’s EC4, “[T]his stand-alone battery demonstrates the viability of storage technologies in not only delivering value for utility customers but also supporting the State’s Act on Climate mandates to reduce GHG emissions.” *Id.*

The key to this stakeholder process will be carefully analyzing which of these benefits are most needed on the distribution system itself, and what levels of incentivization are appropriate for each type of potential project based on the way it will interact with the grid. Accordingly, we must seek to fully understand the different types of projects that could potentially fall under the proposed tariff frameworks, and carefully align service and interconnection costs with the benefits provided by specific projects over time. This should take into account not only the type of benefit provided by a given project, but also the project’s value in light of time of charge/discharge, reliable availability of electricity for the distribution system, and the needs of the system geographically.

Although there is a need to analyze each project individually, any framework should provide clear signals to potential developers, and should aim to maximize the cost/benefit of any storage added to the system – particularly where energy is meant to benefit Rhode Island’s distribution directly rather than enter the wholesale market.

**IV. In Order to Develop Proper Frameworks the Commission Must Understand the Needs and Capabilities of the Distribution System Both Now and in the Future**

To properly develop long-lasting tariff frameworks, there is also need for a working knowledge of the distribution system’s current and future needs and capabilities. It will be essential to understand the distribution system’s current needs and the levels of storage that would maximize environmental and economic benefits for Rhode Island and its electric customers. Rhode Island Energy (the “Company”), the State’s largest electric distribution company has recently committed to implement an advanced metering system that promise to drastically improve system visibility and the ability to tie in batteries and renewable projects to the grid. *See generally*, Commission Docket 22-49-EL. How this new technology might improve and enable storage projects, as well as what level of visibility might exist to provide metrics that might aid in understanding the usefulness of individual projects, could be extremely helpful in the development of tariff frameworks. Similarly, the Company’s plans for grid modernization should be considered by stakeholders as we move through this process. This analysis must also incorporate Company forecasts for load requirements as the State increasingly electrifies the heating and transportation sectors, accounting for potentially shifting load and peak requirements to the extent possible.

**V. Conclusion**

Effective and scalable energy storage is a relatively new opportunity for the State as it continues as a leader in the fight against climate change. It is essential that we use this stakeholder process to consider the best path forward to encourage growth of energy storage that aligns with the State (and regional) needs for safe, reliable, and affordable electricity while, at the same time, achieving the greenhouse gas emission reduction mandates of the 2021 Act on Climate. To that end, the Attorney General looks forward to participating in this stakeholder process.

Sincerely,

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