

Jennifer Brooks Hutchinson
Senior Counsel
PPL Service Corporation
JHutchinson@pplweb.com

280 Melrose Street
Providence, RI 02907
Phone 401-316-7429



December 3, 2024

VIA HAND DELIVERY AND ELECTRONIC MAIL

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

RE: Docket No. 24-47-EL – 2025 Renewable Energy Standard Procurement Plan Responses to Division Data Requests – Set 1

Dear Ms. De La Rosa:

On behalf of The Narragansett Electric Company d/b/a Rhode Island Energy (“Rhode Island Energy” or the “Company”), enclosed are the Company’s responses to the Division of Public Utilities and Carriers’ First Set of Data Requests issued in the above-referenced matter.

Thank you for your attention to this matter. If you have any questions, please contact me at 401-316-7429.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

Jennifer Brooks Hutchinson

Enclosures

cc: Docket No. 24-47-EL Service List

The Narragansett Electric Company
d/b/a Rhode Island Energy
RIPUC Docket No. 24-47-EL
In Re: 2025 Renewable Energy Standard Procurement Plan
Responses to the Division's First Set of Data Requests
Issued on November 19, 2024

Division 1-1

Request:

The table at the bottom of page 1 of the 2025 RES Plan filing shows a Total RES Target Percentage of 344.0.

- a. Please confirm if this number should be 34.0.
- b. Please confirm if all other data in this table is accurate and does not require update.

Response:

- a. The Company confirms that the number should be 34.0.
- b. The Company confirms that the remaining data in this table is accurate and does not require any additional updates.

Division 1-2

Request:

Pages 2 and 3 of the 2025 RES Plan filing state:

“C. The Company will issue standalone REC Requests for Proposals (“RFPs”) to procure the remaining REC amounts for each REC class necessary to satisfy the RES Regulations...

D. The Company may also evaluate offers or make bids to purchase RECs through environmental brokers, online broker platforms, or from other market participants.

E. If the Company still has an obligation shortfall in a calendar year, the Company will make an Alternative Compliance Payment to the Rhode Island Commerce Corporation for the unmet obligation.”

- a. How likely is it that the Company will pay the Alternative Compliance Payment (ACP) to cover its obligation shortfall in 2025?
- b. What factors make this outcome likely?

Response:

- a. It is very unlikely for the Company to pay the Alternative Compliance Payment (“ACP”) for a REC obligation shortfall in 2025.
- b. Given the availability of Rhode Island RECs in the voluntary REC market, there aren't any factors that make this outcome likely. It still is possible that the Company would pay the ACP; however, the following conditions would need to be met:
 - The Company does not have enough RECs to reach compliance primarily through its Renewable Energy Growth (“REGrowth”) and Long-Term Contracting Standard (“LTCS”) Programs, and Offshore Wind projects.
 - The cost of each Rhode Island REC in the voluntary market is higher than the cost of the ACP per REC.
 - The ISO-NE region has a shortage of voluntary Rhode Island RECs available for purchase.

Division 1-3

Request:

The graph on page 5 shows a projected obligation shortfall only for 2025 and the Company's Forecast of New RECs Supplied by Long-Term Renewable Contracts and the RE Growth Program far exceeding the LRS RES New REC Requirements from 2026 to 2037.

- a. Is there any advantage to paying the ACP instead of procuring new RECs when the projected obligation shortfall is expected to be limited to a single year?

Response:

- a. There is no advantage to paying the ACP versus procuring new Rhode Island RECs, unless the cost of RECs surpasses the cost of the ACP. See also the Company's response to Division 1-2 for additional detail on the conditions that would need to be met for the Company to consider paying the ACP.

Division 1-4

Request:

The Alternative Compliance Payment (ACP) Rate for 2024 was \$83.37 according to the Rhode Island RES Annual Compliance Filing Rates webpage at <https://rhodeislandres.com/wp-content/uploads/2024/01/ACP-Rate-2024.pdf>.

Page 2 of the PUC's April 1, 2024 Order on the 2024 RES Procurement Plan in Docket No. 24-08-EL states, "The Company estimated the 2024 incremental RES cost to be \$10.27/MWh using a market-based, estimated New REC cost of \$39.15 and estimated Existing REC cost of \$0.09."

- a. Is it correct to say that the ACP Rate in 2024 is \$44.22/MWh higher than the new REC cost (\$83.37/MWh versus \$39.15/MWh)?
- b. Why is the ACP so much higher than the estimated cost of new RECs?

Response:

- a. That is correct, and the breakdown below is provided for convenience:

$$\begin{aligned}\text{Cost of ACP for 1 MWh} &= \underline{\$83.37} \\ \text{Cost of 1 RI New REC} &= 1 \text{ MWh} = \underline{\$39.15} \\ \$83.37 - \$39.15 &= \underline{\$44.22}\end{aligned}$$

- b. The ACP is calculated using public data from the U.S Bureau of Labor Statistics. The standard practice has been to apply a year-over-year percentage increase from the Consumer Price Index for all Urban Consumers and apply that percentage increase to the previous year's ACP amount. This has been the standard practice since 2007, in which the ACP has increased from \$57.12 in 2007 to its current price of \$83.37 in 2024 (increasing by an average of 2.34% per year).

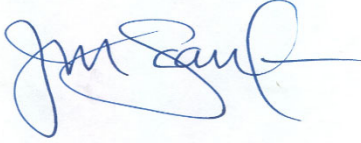
Below is a link to the U.S Bureau of Labor Statistics website, in which the Consumer Price Index for all Urban Consumers can be found.

https://www.bls.gov/regions/northeast/data/consumerpriceindex_northeast_table.htm

Certificate of Service

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

December 3, 2024

Date

**Docket No. 24-47-EL – Narragansett Electric Co. d/b/a Rhode Island Energy
– 2025 Renewable Energy Standard Procurement Plan
Service List updated 12/3/2024**

Name/Address	E-mail Distribution	Phone
The Narragansett Electric Company d/b/a Rhode Island Energy Jennifer Hutchinson, Esq. Celia B. O’Brien, Esq. 280 Melrose Street Providence, RI 02907	JHutchinson@pplweb.com ;	401-316-7429
	COBrien@pplweb.com ;	
	JScanlon@pplweb.com ;	
	SBriggs@pplweb.com ;	
	JOliveira@pplweb.com ;	
	EArmstrong@pplweb.com ;	
	ACastanaro@pplweb.com ;	
	XEColeman@pplweb.com ;	
	EMcCord@RIEnergy.com ;	
Division of Public Utilities Mark Simpkins, Esq. Division of Public Utilities & Carriers 89 Jefferson Blvd. Warwick, RI 02888	mark.a.simpkins@dpuc.ri.gov ;	401-274-4400
	Margaret.L.Hogan@dpuc.ri.gov ;	
	John.Bell@dpuc.ri.gov ;	
	Al.Mancini@dpuc.ri.gov ;	
	Al.Contente@dpuc.ri.gov ;	
	Joseph.Shilling@dpuc.ri.gov ;	
	Christy.Hetherington@dpuc.ri.gov ;	
	leo.wold@dpuc.ri.gov ;	
	kyle.j.lynch@dpuc.ri.gov ;	
	Machaela.Seaton@dpuc.ri.gov ;	
Ellen.golde@dpuc.ri.gov ;		
Office of Energy Resources	Christopher.Kearns@energy.ri.gov ;	

Division of Legal Services One Capitol Hill, Fourth Floor Providence, RI 02908	steven.chybowski@energy.ri.gov ;	
	William.owen@energy.ri.gov ;	
	Shauna.Beland@energy.ri.gov ;	
	Nancy.Russolino@doa.ri.gov ;	
File an original & 9 copies w/: Stephanie De La Rosa, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Stephanie.DeLaRosa@puc.ri.gov ;	401-780-2017
	John.Harrington@puc.ri.gov ;	
	Alan.Nault@puc.ri.gov ;	
	Todd.Bianco@puc.ri.gov ;	
	Christopher.Caramello@puc.ri.gov ;	
Jamie Rhode, Conservation Law Foundation (CLF)	jrhodes@clf.org ;	