



For a thriving New England

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ATTN: DOCKET 23-34-EL STORAGE

December 23, 2024

Ms. Stephanie DeLaRosa, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd.
Warwick, RI 02899

Dear Ms. DeLaRosa,

On behalf of Conservation Law Foundation, enclosed are our comments for filing in the above-referenced docket. The comments are in response to the notice issued by the Public Utilities Commission on November 22, 2024, and the staff-led workshop held on December 4, 2024.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Rhodes", is written in a cursive style.

Jamie Rhodes
Senior Attorney
Conservation Law Foundation

cc: Darrèll Brown, CLF, Vice President, Rhode Island
Docket No. 24-34-EL Service List

Conservation Law Foundation (“CLF”) has a limited set of comments to the specific questions raised in this round of comments in the above-referenced dockets at the Rhode Island Public Utilities Commission (“PUC”). It is our opinion that many of the details being addressed at this stage in the docket are technical in nature, and CLF defers to the technical experts who are able to provide accurate and detailed information to better inform the discussion. CLF reserves its comments to those questions where it believes there to be a core nexus with other related programs that were designed with the intention of meeting our climate related goals, e.g. reaching 100% renewable energy by 2033, achieving the carbon emissions reduction mandates in Act on Climate, and the broader suite of work focused on animating and growing the renewable energy industry in Rhode Island, New England, and the United States.

Element 1 – Tariff Applicability.

It is CLF’s belief that energy storage system (“ESS”) assets have the potential to either be distribution system assets, or to be owned and operated separately from the distribution system. For example, if the electric distribution company (“EDC”) chooses to install an ESS to serve a need on the distribution system, than it would clearly be a distribution system asset. However, if a customer installs an ESS for their own purposes without service to other distribution system customers, it would not make sense for this to be considered a distribution system asset, thus keeping it outside of the definition of the distribution system.

In the prompt provided by the PUC, a generation facility (which could include an ESS) that is purpose-built to serve the needs of a single customer and is not available to meet other needs of the distribution system should not be considered part of the distribution system. If an ESS is connected directly to the transmission system, it is expected to operate in a manner consistent with the appropriate ISO tariff.

With respect to co-location of an ESS with facilities that are subject to an existing interconnection tariff, it seems that it depends on the tariff structure in place at the time the ESS goes into operation. If an ESS has a separate applicable tariff at that time, it should be governed by that tariff while the existing facilities continue to operate subject to their interconnection tariff. In the event of a conflict due to the nature of the co-location, it would be logical for the more recently enacted tariff to control, as its creation and implementation would have included an understanding of the previously existing tariff.

Within the process and timeline of this stakeholder group, the focus needs to be on implementing an ESS tariff in order to better deliver the benefits of those systems as soon as possible. However, it must be developed with an eye towards further expansion to include additional facilities, as the time horizon for integrating new and emerging technologies and systems is short as we are operating in a rapidly evolving market.

Element 2 – Study Process.

CLF has no specific comment on the interconnection study process needed to bring ESS assets online and connected to the distribution system. Our general perspective is that the process needs to be more transparent and predictable. It is our belief that there is a significant public interest in facilitating a transparent and competitive market for distributed energy resources, and the current interconnection process undermines the public trust. There needs to be a rebalancing of the competing needs that the process seeks to meet. However, not being an investor in or a developer of distributed energy resources, we are not able to provide comments based on direct experience.

Element 4 – Costs.

CLF has no specific comment on cost structure for interconnection fees, again given our lack of direct experience bringing projects online. If it is possible for fees to be set out in advance through a schedule, it is logical to believe that this would create a more efficient method for project development and budgeting. However, CLF recognizes that there are additional variables that must be considered beyond the benefit of a transparent fee schedule.

The concept of a reduction/credit for interconnection costs seems to have the potential to achieve multiple policy goals if enacted. ESSs have been promoted as potentially providing a benefit for both the end-user who installs a system, as well as for a distribution system that can either rely on a privately-owned ESS or EDC ownership of an ESS in order to meet grid operational needs. In the event that an end-user is able to commit an ESS to serving distribution system needs, there appears to be a logical connection to having the benefit accrue to an end-user in the form of reduced interconnection costs, instead of or in addition to tariff payments for services rendered. If this process identifies interconnection costs as a primary hurdle to deploying ESSs, it would make sense to lower this initial hurdle so that systems can be deployed.

Element 8 – Other

The PUC’s “Final Report to the Rhode Island Senate,”¹ the work product from Docket 5000’s examination of the value and need for energy storage resources, discusses the need for ongoing market assessments. This has not been addressed. CLF recognizes that this may fall outside of the scope of the tariff development, and if so, gladly defers consideration of it until the appropriate time. At the moment, recognizing the rapidly changing landscape for the management of distributed energy resources and market for energy storage devices, the tariff being developed could quickly fall out of alignment with best practices and emerging

¹ Examination of the Value of and Need for Energy Storage Resources in Rhode Island: Report to the Rhode Island Senate in Response to Resolution 416, prepared by Emma M. Rodvien & Todd A. Bianco (October 18, 2023), available at: https://ripuc.ri.gov/sites/g/files/xkgbur841/files/2023-10/RIPUC%20Final%20Storage%20Report_Docket%205000.pdf.

distribution and transmission system needs. It would be short-sighted not to plan for regular review and updates to the tariff lest we find that vested interests and policy inertia prevent us from evolving as the market evolves. CLF envisions that this could be accomplished by including algorithmic updating mechanisms that take into account updated time or locational constraints, new needs assessments, or increased efficiency of deployable technologies. It is also possible that a more qualitative process be built into the structure so that, while more time and resource intensive, it can better tailor and integrate new knowledge to the needs in Rhode Island.